

SECOND AMENDMENT

AND RESTATED

**BY-LAWS OF**

**ANTHEM COMMUNITY COUNCIL, INC.**

**EFFECTIVE NOVEMBER 11, 2010**

**BY-LAWS OF**  
**ANTHEM COMMUNITY COUNCIL, INC.**

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**BY-LAWS OF**  
**ANTHEM COMMUNITY COUNCIL, INC.**

**Article I**  
**Name, Principal Office, and Definitions**

1.1. Name. The name of the corporation shall be Anthem Community Council, Inc. ("Council").

1.2. Principal Office. The Council's principal office shall be located in Clark County, Nevada. It may have such other offices, either within or outside Clark County, as the Board Of Directors may determine or as the Council's affairs may require.

1.3. Definitions. The words used in these By-Laws shall have their normal, commonly understood definitions unless otherwise specified. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants and Easements for the Anthem Community, as Recorded, unless the context indicates otherwise.

**Article II**  
**Purpose and Function of the Council**

The Council's purpose and function shall be to carry out the goals set forth in the Background Statement of the Community Covenant. The Council serves as a unifying entity for the Anthem community and is charged with organizing, funding, and administering such activities, services, and programs designed to build and enhance the sense of community within Anthem, as the Board deems necessary, desirable, or appropriate. In addition, the Council shall own and maintain such real property and facilities as conveyed or transferred to it by Declarant or its affiliates. The Anthem community includes the Sun City Anthem Community Association, Inc., Anthem Country Club Community Association Inc., the Coventry Homes at Anthem Community Association, Inc., the Anthem Highlands Community Association, the Solera at Anthem Community Association, Inc. and the Terra Bella at Anthem Homeowners Association.

**Article III**  
**Administration of the Council**

3.1. Management. The Council shall have no members. The Council's affairs shall be managed by its Board of Directors, in accordance with these By-Laws and the Community Covenant.

3.2. Community-Wide Meetings. The Board, as it deems necessary or appropriate, may hold Council meetings for all Anthem Owners, residents, and tenants, or for specified representatives of the Associations. The Board shall set the time, place, and agenda for such meetings and shall post notice of the meetings in prominent places throughout Anthem not less than 10 nor more than 50 days prior to the meeting date. Participation in discussions during community-wide meetings shall be subject to reasonable Board regulation.

3.3. Special Meetings. The Board shall call a special meeting of the Council as directed by resolution of a majority of a quorum of the Board, or upon a petition signed by authorized representatives of the boards of directors of at least four of the Associations. The notice of any special meeting shall be given as provided in Section 3.2. No business shall be transacted at a special meeting except as stated in the notice.

**Article IV**  
**Board of Directors: Numbers, Powers, Meetings**

**A. Composition and Selection.**

4.1. Governing Body. The Council's affairs shall be governed by a Board of Directors. Each director shall have one equal vote.

4.2. Number of Directors. The initial Board shall consist of the three individuals identified in the Articles of Incorporation. During the time that Declarant is authorized to appoint directors as provided in Section 4.4., the number of directors may be increased in Declarant's discretion. After termination of Declarant's right to appoint directors, the Board shall be increased to seven directors, selected as described in Section 4.4. below.

4.3. Qualifications of Directors. Each director shall be a natural person of at least 18 years of age. Those directors required to be selected from a particular Association, as provided below, must be an Owner of property subject to the jurisdiction of such Association and a Director of their respective Association at the time of their appointment.

All directors shall complete, prior to commencing service on the Board, such training requirements as the Board may establish.

4.4. Selection of Directors: Term of Office For so long as Declarant owns property shown on the Master Plan, or at such earlier time as Declarant may determine and declare in a Recorded instrument, Declarant shall have the sole authority to appoint, remove, and replace the directors on the Board.

"Upon termination of Declarant's right to appoint the directors, the Board shall be increased to seven directors. The board of directors of each Association named Article II of these By-Laws shall appoint one director. One additional director (the "At Large Director") shall be appointed by a vote of the new directors. In the event of a tie in such voting, Declarant shall appoint the remaining director from among those being considered. The At-Large Director shall be an Owner, resident or tenant of property subject to the jurisdiction of an Association.

"Each director shall serve a two-year term. At any election of directors following the initial election upon termination of Declarant's rights to appoint the directors, any tie in the vote for the At-Large Director shall be decided by the President of the Council.

At the Third regularly scheduled board Meeting of the Council in calendar year 2011, the Board shall by action extend the term of four members, excluding the At-Large Director, of the current Board of Directors to expire at the 2012 Annual Meeting of the Council, thereafter their successors shall serve a two year term.

Those Associations, by Board action at a regular scheduled meeting of their Association, that do not have a board member who was extended, shall appoint a qualified candidate for appointment to the Board at the 2011 Annual Meeting for a term of two years; thereafter their successors shall serve a two year term.

The At-Large Director shall be a qualified person subject to the jurisdiction of an Association within the Anthem Communities. Candidates may submit their names for consideration to the Council Board or Associations within the Anthem Communities may submit qualified candidates for appointment by the Council Board. The At-Large Director shall be appointed at the 2011 Annual Meeting for a term of two years; thereafter their successors shall serve a two year term. Any tie in the vote for the At-Large Director shall be decided by the President of the Council.

Directors appointed, by action of their respective Boards, may serve any number of consecutive terms as long as they meet the qualifications of a Director when appointed.

#### 4.5. Resignation and Removal of Directors: Vacancies

Any director may resign at any time by giving written notice to the Board, the President, or the secretary. Such resignation shall take effect on the date such notice is received or at a later time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Until termination of the Declarant's right to appoint directors pursuant to Section 4.4., Declarant shall have the sole authority to remove directors and fill vacancies on the Board. Thereafter, any director may be removed, with cause upon the vote of a majority

of the other directors and any vacancy on the Board caused by death, resignation, or removal of a director may be filled by majority vote of the remaining directors for the unexpired portion of the term of the director who vacated the position. The successor to any director elected to represent the owners, residents or tenants of a particular Association shall be elected from the same Association. If the vacancy is that of the At-Large Director, then a call for candidates shall be solicited from the Anthem Communities to fill the vacancy. The Board at its next regular scheduled meeting shall appoint the successor from amongst the qualified candidates to complete the unexpired term of the At-Large Director.

**B. Meetings.**

4.6. Organizational Meeting. The incorporator shall call the first Board meeting. Thereafter, each Board shall hold an organizational meeting within 30 days after newly-appointed directors take office.

4.7. Regular Meetings. Regular Board meetings may be held at such time and place as a majority of the directors determine from time to time, provided, at least four meetings shall be held during each fiscal year with at least one meeting each fiscal quarter. The meeting which occurs during the last fiscal quarter of the year shall be the annual Council meeting.

4.8. Special Meetings. Special Board meetings shall be called by the President or when four or more directors request. The Secretary shall prepare and distribute written notice of any special meetings specifying the time and place of the meeting and the nature of any special business to be considered.

4.9. Notice of Board Meetings. The Board, Board Secretary or the Council Manager shall notify each director of any Board meeting by: (a) personal delivery, (b), first class mail, postage prepaid, (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director, or (d) facsimile, computer, fiber optics, or such other communication device with confirmation of receipt.

All notices shall be given at the director's telephone number, fax number, electronic mail number, or sent to the director's address as shown on the Council's records. Notices sent by first class mail shall be deposited in a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

4.10. Waiver of Notice. Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) quorum is present, and (b) either before or after the meeting each absent director signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the meeting's purpose. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about lack of adequate notice.

4.11. Quorum of Board of Directors. At all Board meetings, a majority of the directors shall constitute a quorum for transacting business, and votes of a majority of the directors present shall constitute the Board's decision. If a quorum is present, the directors may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least majority of the required quorum for that meeting.

If any Board meeting cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the scheduled date of the original meeting. At the reconvened meeting, if a quorum be present, any business which might have been transacted at the originally called meeting may be transacted without further notice.

4.12. Compensation. If approved by Board resolution, any director may receive reasonable compensation from the Council for serving as a director, provided, no director shall be entitled to compensation for so long as the majority of the directors are appointed by Declarant. Any director may be reimbursed for expenses incurred on behalf of the Council upon approval of a majority of the directors.

Nothing herein shall prohibit the Council from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Council in a capacity other than as a director pursuant to a contract or agreement with the Council; provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of directors other than the interested director.

4.13. Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.



4.14. Open Meetings. Subject to Sections 4.15 and 4.16, all Board meetings shall be open to all officers, directors, and authorized representatives of an Association, Owners, or any other Person subject to the Community Covenant. Attendees other than directors may address the Council at the appointed time in the agenda and comments or topics presented must be related to Council business on the agenda. Discussion of items that are of a nature which warrant action by an Anthem Community Homeowner Association will not be entertained by Council, as Council has no authority to act on behalf of any organization other than itself. In such case, the President may limit the time any individual may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, legal advice from an attorney retained for the Council, etc.

4.15. Action Without a Formal Meeting. Any action taken or that may be taken at a Board meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all directors. Such consent shall have the same force and effect as a unanimous vote.

4.16. Electronic Participation. One or more directors may participate in and vote during any regular or special Board meeting by telephone conference call, fiber optics, or similar audio or video communication equipment by means of which all persons participating in the meeting can hear each other at the same time. Those directors so participating shall be deemed present at such meeting for all purpose including determining a quorum.

**C. Powers and Duties.**

4.17. Powers. The Board shall have all the powers necessary to administer the Council's affairs and to perform the Council's responsibilities and exercise its rights as set forth in the Council Documents and as Nevada law provides for nonprofit corporations.

In explanation but not limitation, the board shall have the power to:

- (a) provide for activities, services, and programs which are designed to promote a sense of community within Anthem and take such action as deemed necessary or appropriate to further the goals of the community and the mission of the Board as set out in the community Covenant;
- (b) adopt rules, regulations, or policies regulating the participation in activities, services, and programs, and the access to and use of the Areas of Council Responsibility;

- (c) charge reasonable admission, use of consumption fees for the use and enjoyment by Owners or non-Owners of the various services and programs provided by or through the Council and for the use and enjoyment of any of the Areas of Council Responsibility;
- (d) enforce, pursuant to Sections 4.25 and 4.26, the provisions of the Council Documents and such reasonable rules and regulations as it may enact;
- (e) dedicate or transfer all or part of the Council Property, or mortgage, pledge, or hypothecate any or all of its real or personal property as security for obligations;
- (f) Enter into use, maintenance, or cost sharing agreements with Persons or entities not subject to the Community Covenant, including, without limitation, owners of non-residential properties within the Anthem Community;
- (g) Operate, maintain, manage, or contribute to the costs of property, facilities, and programs owned or controlled by third party entities, including, without limitation, non-profit tax exempt organizations; and
- (h) Facilitate the resolution of disputes among and between Associations and among and between any Association or Owner and the Council as provided in the Community Covenant.

4.18. Duties. The Board's duties shall include those imposed by law, and, without limitation:

- (a) preparing and adopting annual budgets for Council Expenses;
- (b) levying assessments, fees, and other charges to pay for Council Expenses, and establishing the means and method of collecting such payments as set forth in the council Documents;
- (c) paying the cost of all Board-authorized services rendered to or on the Council's behalf;

- (d) opening bank accounts on the Council's behalf and designating the authorized signatories;
- (e) depositing all funds received on behalf of the Council in depositories which it shall approve, and using such funds to operate the Council; provided, any reserve fund may be deposited, in the Board's business judgment, in depositories other than banks;
- (f) keeping detailed books of account and operating records;
- (g) providing for the operation, care, upkeep, and maintenance of any real property which Declarant may convey to the Council or for which Declarant may convey to the Council or for which Declarant assigns the Council maintenance responsibility;
- (h) obtaining and maintaining property and liability insurance as provided herein, obtaining fidelity bonds on all Persons responsible for handling funds on the Council's behalf, paying the cost of such insurance and bonds, and filing and adjusting claims, as appropriate, and
- (i) making available to any prospective purchaser, Owner, or mortgagee, the Council Documents and rules promulgated by the Board. The Board may establish and charge fees to cover its printing and mailing costs.

**D. Administration.**

4.19. Liability and Indemnification. To the fullest extent permitted by Nevada law, as amended from time to time, the Council shall indemnify every officer and director (in their capacity as such), and committee members, against all damages and expenses, including attorney fees, reasonably incurred in connection with any action, suit, or other proceeding brought against them (including any settlement thereof, if approved by the Board). This right to indemnification shall not be exclusive of any other rights to which any present or former officer or director may be entitled. The Council shall, as a Council Expense, maintain adequate general liability and directors and officers liability insurance to fund this obligation, as provided in Section 4.22

4.20. Management. The Council may employ a professional management agent or agents, at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, such powers as are necessary to perform its assigned duties but shall not delegate policy-making authority. Declarant or Declarant's affiliate may be the managing agent or manager.

The Board may delegate to any director the authority to act on its behalf on all matters relating to any managing agent's duties which arise between Board meetings.

4.21. Accounts and Reports. The following management standards of performance shall be followed unless the Board, by resolution, specifically determines otherwise.

- (a) accrual accounting, as defined by generally accepted accounting principles;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) Council's cash accounts shall not be commingled with any other accounts;
- (d) the managing agent shall accept no remuneration from vendors, independent contractors, or others providing goods or services to the Council, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise, anything of value received shall benefit the Council;
- (e) the managing agent shall disclose promptly to the Board any financial or other interest which he or she or it may have in any firm providing goods or services to the Council;
- (f) an annual report consisting of at least the following shall be made available for inspection within 120 days after the close of the fiscal year. (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant; provided, upon written request, the Council shall provide an audited financial statement.

4.22. Council Insurance. The Council, acting through its Board or its duly authorized agent, shall obtain and maintain in effect the following types of insurance, if reasonably available and affordable and to the extent the Board deems reasonably necessary.

(a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the property owned by the Council. If such coverage is not generally available at reasonable cost, then "broad form" coverage may substituted. All property insurance policies obtained by the Council shall have policy limits sufficient to cover the full replacement cost of the insured improvements.

(b) Commercial general liability insurance on the property owned or maintained by the Council, insuring the Council for damage or injury caused by the negligence of the Council or any of its employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, however, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Council shall obtain such additional coverage or limits;

(c) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(d) Directors and officers liability coverage;

(e) Fidelity insurance covering all persons responsible for handling Council funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter of the Annual Assessments on all individually owned property plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(f) Such additional insurance as the Board, in the exercise of its business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance and building ordinance coverage.

4.23. Borrowing: The Council shall have the power to borrow money for any purpose.

4.24. Right to Contract: The Council shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements, or covenants to share costs with non-residential owners, an Association, or other similar entity within or outside Anthem.

4.25. Enforcement Rights: On its own initiative or upon filing of a written complaint by any Owner with the Board concerning the interpretation, violation, or enforcement of or conflicts in the standards established under the Council Documents, or other matters which the Board determines to be in the general interest of the Anthem community, the Board may investigate the facts and circumstances surrounding such matter or complaint. If the Board determines a violation of the Council Documents or Council rules, then the board may, but shall not be obligated to, take action to enforce the provision of the Council Documents or rules being violated.

Subject to compliance with Section 4.26, the Board shall have the power to impose sanctions, including, but not limited to the following:

- (a) reasonable monetary fines which shall constitute a lien upon the violator's property;
- (b) suspension of any services the Council provides to a violator; and
- (c) suspension of any Person's right to use any recreational facilities within the Areas of Council Responsibility; provided, nothing herein shall authorize the Board to limit an Owner's ingress or egress to or from his or her property.

In addition, the Board may elect to enforce by exercising self-help and abatement (specifically including, but not limited to, towing vehicles) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedures set forth in Section 4.26. All remedies are cumulative of any remedies available at law or in equity. If the Council prevails in any legal action, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs reasonably incurred in such action.

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the board may determine that, under the circumstances of a particular case:

- (a) The Council's position is not strong enough to justify taking any or further action;
- (b) The covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

- (c) Although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Council's resources; or
- (d) That it is not in the Council's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the Council's right to enforce such provision at a later time under other circumstances or preclude the Council from enforcing any other covenant, restriction or rule.

Decisions whether to institute litigation are no different from other decisions directors make. There is no independent legal obligation to bring a civil action against another party, and no provision of the Council Documents shall be construed to impose a duty upon the Board to sue under any circumstances. In deciding whether to bring a civil action against another party, a director is protected by the business judgment rule as explained in Section 4.27 below.

The Council, by contract or other agreement, may enforce applicable city and county ordinances, if applicable, and permit the City of Henderson to enforce ordinances within Anthem for the benefit of the Council and the community.

#### 4.26. Enforcement Procedures.

(a) Notice. Prior to imposition of the sanctions specified in Section 4.25 (except as otherwise provided), the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing, and (iv) a statement that the proposed sanction shall be imposed unless a challenge is begun within 10 days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. An alleged violator may request a hearing within the allotted 10-day period and shall have the opportunity to speak on the matter during an executive session of the Board or its delegate. Prior to the effectiveness of any sanction, proof of proper notice shall be placed in the minutes of the meeting. A copy of the notice with an attached statement of the date and manner of delivery written by the officer, director, or agent who delivered such notice, or attendance of the alleged violator at such meeting is sufficient proof of proper notice.

The minutes of the meeting shall contain a written statement of the hearing results and the sanction if any, imposed. The Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

4.27. Board Standards In performing their duties, directors and officers shall act as fiduciaries and are subject to insulation from liability as provided for directors of corporations by Nevada law and as otherwise provided by the Council Documents. Directors shall exercise the ordinary and reasonable care of directors of a corporation, subject to the business judgment rule.

As defined herein, a director shall act in accordance with the business judgment rule so long as the director:

- (a) acts within the expressed or implied scope of the Council Documents and his or her actions are not *ultra vires*;
- (b) affirmatively undertakes to make decisions which are necessary for the continued and successful operation of the Council and, when decisions are made, they are made on an informed basis;
- (c) acts on a disinterested basis, promptly discloses any real or potential conflict of interests (pecuniary or other), and avoids participation in such decisions and actions; and,
- (d) acts in a non-fraudulent manner and without reckless indifference to the Council's affairs.

A director acting in accordance with the business judgment rule shall be protected from personal liability.

Board determinations of the meaning, scope, and application of Council Document provisions shall be upheld and enforced so long as such determinations are reasonable. The Board shall exercise its power in a fair, nondiscriminatory manner and shall adhere to the procedures established in the Council Documents.



## **Article V**

### **Officers**

5.1. Officers. The Council officers shall be a President, Secretary, and Treasurer. The President and Secretary shall be elected from among the directors. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2. Election and Term of Office. The Board shall elect the Council officers at such times as it deems appropriate or when a position becomes vacant. Officers may serve terms of such length as may be designated by the Board, but not to exceed two years.

5.3. Removal and Vacancies. Whenever in its judgment the Council's best interests will be served, the Board may remove any officer and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

5.4. Powers and Duties. Council officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the Council's chief executive officer. The Treasurer shall be primarily responsible for preparing the budget of Council Expenses.

5.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

5.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Council shall be executed by the President, Secretary, or Treasurer, or by such other person or persons as may be designated by Board resolution.

5.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section

## **Article VI** **Committees**

6.1. General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

6.2. Council Liaison Committee. The Board may appoint a Council Liaison Committee (the "CLC"), which shall act as a liaison for the exchange of ideas between the Community Council and owners of property subject to the Community Covenant. If appointed, the CLC shall consist of one or more Owners, residents, or tenants from each Association. If appointed, the Board shall meet with the CLC at least once annually.

The CLC shall exercise such powers and authority as the Board may grant it from time to time but shall have no authority to bind the Board. Members of the CLC shall be appointed and may be removed and replaced by the directors in their sole and absolute discretion. The number and term of office of members of the CLC shall be determined in the sole and absolute discretion of the Board.

## **Article VII** **Miscellaneous**

7.1. Fiscal Year. The Council's fiscal year shall be set by Board resolution. In the absence of a resolution, the fiscal year shall be the calendar year.

7.2. Parliamentary Rules. Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Council proceedings when not in conflict with Nevada law, the Articles of Incorporation, or these By-Laws.

7.3. Conflicts. If there are conflicts among the provisions of Nevada law, the Community Covenant, the Articles of Incorporation, and these By-Laws, the provisions of Nevada law, the Community Covenant, the Articles of Incorporation, and the By-Laws (in that order) shall prevail. In the event of a conflict between the Declarations and the Council Documents, the Council Documents shall control.

7.4. Books and Records.

(a) Inspection by Owners and Mortgagees. The Board shall make the following available for inspection and copying by any Owner, mortgagee, or the duly authorized representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in his or her property: Articles of Incorporation, Community Covenant, and By-Laws, including any amendments, Council rules, books of account, and the minutes of Board meetings. The Council shall provide for such inspection to take place at the Council's office or at such other place within Anthem as the Board designates.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made, and (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director and Declarant and shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Council and the physical properties the Council owns or controls. The right of inspection by a director or Declarant includes the right to make a copy of relevant documents at the Council's expense.

7.5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under the Community Covenant or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to an Owner, at his or her address as designated, at the address of the Owner's property within Anthem;

(b) if to an Association, to the address designated by such Association in writing to the Council Secretary, or if no such address has been designated, at the principal office of such Association; and,

(c) if to the Council, Declarant, Board, or managing agent, at the Council's Declarant's, Board's, or managing agent's principal office, or at such other address as shall be designated by notice in writing.

All such notices shall be deemed delivered (a) upon personal delivery to the party or address specified above, or (b) on the third day after mailing when mailed by registered or certified mail, postage prepaid, and properly addressed.

Alternately, all such notices may be sent by means of facsimile or other electronic communication with confirmation of receipt. Such notice shall be deemed delivered upon transmission and confirmation of receipt.

Upon request, the secretary of any Association shall provide to the Council's Secretary, or such other designated person, Owner Information as reasonably necessary for the Council to carry out the duties and responsibilities described in the Community Covenant and these By-Laws

7.6. Amendment. Declarant may unilaterally amend these By-Laws at any time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination, (ii) to enable any reputable title insurance company to issue title insurance coverage; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Council, to make, purchase, insure or guarantee mortgage loans; (iv) to enable any governmental agency or reputable private insurance company to insure mortgage loans or (v) to satisfy the requirements of any governmental agency.

Except as otherwise specifically provided herein, these By-Laws may also be amended upon Board resolution approved by a majority of the directors; provided, any such amendment shall required Declarant's written consent for so long as Declarant owns any property shown on the Master Plan.

No amendment may remove, revoke, or modify any right or privilege of Declarant without Declarant's written consent or the assignee of such right or privilege.

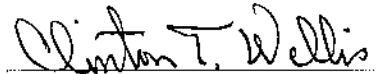
**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Anthem Community Council, Inc., a Nevada nonprofit corporation;

That the foregoing by-Laws constitute the Restated By-Laws of said Council, as duly adopted at a meeting of the Board of Directors thereof held on the 11th day of November, 2010.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11th day of November, 2010.

  
Secretary

**FIRST AMENDMENT TO THE  
SECOND AMEND[ED] AND RESTATED BY-LAWS  
OF  
ANTHEM COMMUNITY COUNCIL, INC.**

**FIRST AMENDMENT TO THE  
SECOND AMEND[ED] AND RESTATED BY-LAWS  
OF  
ANTHEM COMMUNITY COUNCIL, INC.**

This First Amendment to the Second Amend[ed] and Restated By-Laws of Anthem Community Council, Inc. (the "First Amendment") is made by the Anthem Community Council, Inc., a Nevada non-profit corporation (the "Council"), pursuant to Article VII of the Second Amend[ed] and Restated By-Laws of Anthem Community Council, Inc. as follows:

**W I T N E S S E T H**

WHEREAS, the Council was formed on June 19, 1998, with the filing of the Articles of Incorporation of Anthem Community Council, Inc., with the Secretary of State for the State of Nevada;

WHEREAS, the Declarant, Del Webb Communities, Inc., an Arizona corporation (the "Declarant"), caused the Declaration of Covenants and Easements for the Anthem Community, to be recorded with the Clark County Recorder's Office on June 26, 1998, in Book No. 19980626, as Instrument No. 03097;

WHEREAS, the Declarant caused the original By-Laws of the Anthem Community Council to be issued on June 25, 1998;

WHEREAS, the Council caused the Second Amend[ed] and Restated By-Laws of Anthem Community Council, Inc. to be issued on November 11, 2010 ("By-Laws");

WHEREAS, Article VII of the By-Laws provides that the By-Laws may be amended upon Board Resolution approved by a majority of the directors;

WHEREAS, the Council desires to amend the By-Laws to: (1) expand the eligibility for service on the Council and to allow authorized representatives of commercial owners to serve on the Council, (2) clarify the scope of the director's duties and establish training requirements, (3) clarify the directors' term of office, including the commencement and termination dates, (4), establish the criteria for removal of a director, and (5) clarify the appointment process for filling vacancies between elections;

NOW, THEREFORE, the Council hereby declares that the By-Laws are amended as follows:

1. Article IV, Section 4.3 of the By-Laws is amended to read as follows:

4.3 Qualifications of Directors. Each director shall be a natural person of at least 18 years of age. Those directors required to be selected from a particular Association, as provided in section 4.4, must be an owner, resident or tenant of property subject to the jurisdiction of such Association at the time of their appointment and for the duration of their term on the Board. The At-Large Director must be: (1) an owner, resident or tenant of property subject to the jurisdiction of an Association at the time of their appointment and for the duration of their term on the Board,



or (2) an owner of a commercial unit, subject to the jurisdiction of the Council, for the duration of his or her term on the Board. An officer, director, employee or agent of a corporate owner of a commercial unit, a trustee or designated beneficiary of a trust that owns a commercial unit, a partner of a partnership that owns a unit, a member or manager of a limited-liability company that owns a unit, or a fiduciary of an estate that owns a commercial unit may be an officer or director of the Council.

Each director nominee shall certify, in writing, that he or she meets the qualifications of this section 4.3 to be nominated and appointed as a director of the Council. Such written certification shall be provided to the President, Secretary or manager of the Council prior to the Board's consideration of the nominee.

Each director nominee shall acknowledge in writing that upon appointment, and for the duration of his or her term on the Board, he or she has a fiduciary duty to the Council independent of any other fiduciary duty that he or she may have relative to other Associations. Each director shall also acknowledge in writing that he or she has read and understands, to the best of his or her ability, the Articles, Community Covenant and By-Laws. Such written acknowledgements shall be provided to the President, Secretary or manager of the Council within sixty (60) days following appointment to the Board.

All appointed directors shall complete, within sixty (60) days following appointment to the Board, any additional training requirements as the Council's Board deems reasonable and necessary,

Failure to provide such written acknowledgements and/or to complete such required training within the time period specified shall constitute cause for removal from the Board as described in section 4.5.

2. Article IV, Section 4.4 of the By-Laws is amended to read as follows:

4.4. Selection of Directors, Term of Office. The Board shall consist of seven directors. One director is selected from each of the six (6) Associations with one additional director selected by the Board (the "At-Large Director").

Each director shall serve a term of two (2) years. The term of each director shall start at the organizational meeting of the Board following appointment of the Director to the Council, and end one day prior to the organizational meeting of the Board occurring at the expiration of the term.

The terms of directors are staggered such that three (3) directors are appointed to start their term in odd-numbered years, and four (4) directors are appointed to start their term in even-numbered years.



When a vacancy exists, each Association, by board action at a regularly scheduled meeting of their Association, shall nominate a qualified candidate from their Association, pursuant to section 4.3, for appointment to the Board. This nomination must be received, in writing, by the President, Secretary or manager of the Council at least one (1) week prior to the last regularly scheduled meeting of each calendar year.

The At-Large Director shall be nominated, and appointed, by a vote of the Board when a vacancy exists. Any tie in the vote for the At-Large Director shall be decided by a second vote of the directors with the President of the Council abstaining.

At the last regularly scheduled meeting of the Board each calendar year, the Board shall accept the written nominations provided by each Association necessary to fill the vacancy for that Association, and document the term of each appointed director in the minutes of the Council.

3. Article IV, Section 4.5 of the By-Laws is amended to read as follows:

4.5. Resignation and Removal of Directors: Vacancies. Any director may resign at any time by giving written notice to the Board, the President, Secretary or manager. Such resignation shall take effect on the date such notice is received or at a later time specified therein. Acceptance of such resignation by the Board shall not be necessary to make it effective.

A director serving on the Council may be removed by the Association that nominated the director to serve on the Council and shall take effect upon receipt of written notice from the Board of the Association that appointed the director, or at a later time specified therein, which notice shall include a copy of the Minutes of the Association's meeting at which the director was removed from the Council. If an Association removes its appointed director to the Council the Association's newly appointed director shall serve the unexpired portion of the term of the director who has been removed. Notwithstanding the foregoing, in order to promote efficiency and productivity on the Council, which requires continuity and experience obtained through service on the Council, each Association may unilaterally replace the director appointed to the Council by said Association no more than once during any 2 year period. This does not include filling vacancies caused by the death or resignation of the Council member or the removal of the director by the Council.

In addition, any director may be removed from the Board for cause upon the vote of a majority of the other directors of the Council, and said removal will have immediate effect. For the purpose of this provision, cause for removal shall include, but is not limited to: (1) failure to complete the training and certification process in the timeframe specified, pursuant to Section 4.3, (2) failure to attend two consecutive meetings of



the Board, (3) acting or failing to act in such a manner as to create a breach of fiduciary duty (acting on an informed basis, in good faith and in the honest belief that the action is in the best interest of the Council), (4) being charged with a crime that involves fraud or misappropriation of finances, (5) acting outside the scope of the Council's governing documents, or (6) committing an act, that is determined in good faith by the Board, to be intentional misconduct or gross negligence.

The successor to any director appointed to represent the owners, residents or tenants of a particular Association shall be selected from the same Association following a call for candidates solicited from that Association. If the vacancy is that of the At-Large Director, then a call for candidates shall be solicited by the Council. Candidates who are not qualified pursuant to section 4.3 will not be considered for appointment.

Any vacancy on the Board caused by death, resignation, or removal of a director may be filled by the Association that originally appointed the director to the Council, and shall serve the unexpired portion of the term of the director whose position has been vacated.

#### **CERTIFICATE OF OFFICERS**

1. We are the duly elected President and Secretary of Anthem Community Council, Inc.
2. The foregoing FIRST AMENDMENT TO AMEND[ED] AND RESTATED BY-LAWS OF ANTHEM COMMUNITY COUNCIL, INC. comprising five (5) pages, including this page, is an amendment to the By-Laws of the Association, duly adopted by the Council.
3. Directors representing more than a Majority of the Council voted in favor of this First Amendment

DATED this 1 day of October, 2020.

ANTHEM COMMUNITY COUNCIL, INC.

*Mark West*

By: \_\_\_\_\_

Mark West

Its: President

By: *Shirley A. Iodice*

Shirley Iodice

Its: Secretary