BY-LAWS

OF

ANTHEM PARKSIDE

COMMUNITY ASSOCIATION, INC.

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OF
ANTHEM PARKSIDE COMMUNITY ASSOCIATION, INC.

Article I  Name, Principal Office, and Definitions

1.1. Name. The Association's name shall be Anthem Parkside Community Association, Inc. ("Association").

1.2. Principal Office. The Association's principal office shall be located in Maricopa County, Arizona. The Association may have such other offices as the Board may determine or as the Association's affairs may require.

1.3. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Recorded Declaration of Covenants, Conditions, and Restrictions for Anthem Parkside ("Declaration") unless the context indicates otherwise.

Article II  Association: Membership, Meetings, Quorum, Voting, Proxies

2.1. Membership. The Association shall have two classes of membership, Class "A" and Class "B," as set forth in the Declaration. The provisions pertaining to membership in the Declaration are incorporated herein by this reference.

2.2. Place of Meetings. Association meetings shall be held within Anthem or at such other suitable place within Maricopa County, Arizona as the Board may designate.

2.3. Annual Meetings. The Association's first meeting, whether a regular or special meeting, shall be held within one year after the Association's incorporation. Subsequent regular annual meetings shall be held each year on a date and at a time set by the Board. In the event that a quorum, as defined in Section 2.11, is not present at an annual meeting, the Association may hold the meeting for informational purposes; provided, the Association may not take any action at such meeting unless a quorum is present.

2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by Board resolution or upon a petition signed by Class "A" Members holding at least 25% of the Association's voting power.

2.5. Notice of Meetings. The Association's Secretary shall cause written notice stating the place, day, and hour of any Association meeting to be given in any manner permitted by Arizona law. If so permitted, notice may be posted in a conspicuous, prominent place within Anthem, delivered by hand delivery, or sent to each member by United States mail (postage prepaid) facsimile, computer, fiber optics, cable, other similar communication devices, or such
other manner which is reasonably calculated, as determined in the discretion of the Board, to provide personal notice to the Members entitled to notice. Any notice shall be delivered not less than 10 nor more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or other officers or Persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No other business shall be transacted at a special meeting except as stated in the notice.

If posted, notice of a meeting shall be deemed delivered upon its posting. If mailed, notice shall be deemed delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the Association's records, with postage prepaid. If sent by facsimile, computer, fiber optics, cable, or such other similar communication device, notice shall be deemed delivered when transmitted to the Member at his or her address or number as it appears on the Association's records. The failure of any Member to receive actual notice of a meeting of the Members shall not affect the validity of any action taken at such meeting.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any Association meeting, either before or after such meeting. Attendance at a meeting by a Member shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any Association meeting cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may, without further notice, adjourn the meeting to a date not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

2.8. Voting. Members shall have such voting rights as set forth in the Declaration. Such voting rights provisions are incorporated herein by this reference. Members may vote at a meeting by voice vote or ballot or may vote by mail without the necessity of a meeting, as determined by the Board; provided, meetings shall be held when required by the Declaration, these By-Laws, or Arizona law. Votes for the election of directors shall be cast by secret written ballot. All votes of the Members at meetings shall be subject to the quorum requirements of Section 2.11.
2.9. **Proxies.** Members may vote in person or by proxy. Only a Member or director or officer of the Association may serve as proxy holder. A proxy which designates a Person other than a Member, a director, or an officer of the Association as proxy holder shall be invalid.

Each proxy shall be in writing, dated, signed, and filed with the Secretary prior to the meeting for which it is to be effective. Proxies shall be deemed delivered to the Secretary, if delivered by personal delivery, U.S. mail, or facsimile to the Secretary, any Board member, or the professional management agent, if any. Unless otherwise provided in the proxy, a proxy shall cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail. If dated as of the same date, both proxies shall be deemed invalid. A proxy shall be valid only for the meeting designated in the proxy and any adjournments thereof. The proxy of any Member shall be revocable and shall automatically cease upon conveyance of such Member's Lot.

2.10. **Majority.** As used in these By-Laws, the term "majority" shall mean those votes, Members, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

2.11. **Quorum.** Except as otherwise provided in these By-Laws or in the Declaration, the presence, in person or by proxy, of 10% of the Class-"A" Members of the Association and, for so long as the Class "B" membership exists, the presence of a duly appointed representative of the Class "B" Member, shall constitute a quorum at all Association meetings. Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum; provided, unless otherwise specifically set forth in the Governing Documents, any action for which a vote of the Members at a meeting is required must be approved by at least a majority of the votes required to constitute a quorum.

2.12. **Conduct of Meetings.** The President shall preside over all Association meetings, and the Secretary shall ensure that minutes of the meeting are kept and that all resolutions adopted at the meeting, as well as all transactions occurring at the meeting, are recorded in a minute book.

2.13. **Action Without a Meeting.** Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if written consent specifically authorizing the proposed action is signed by all Members entitled to vote thereon at such meeting. All such consents shall be signed and dated within 60 days after receipt of the earliest dated consent, and delivered to the Association at its principal place of business in Arizona. Such consents shall be filed with the minutes of the Association.
Article III  Board of Directors

A. Composition and Selection.

3.1. Governing Body; Composition. The Association's affairs shall be managed by a Board of Directors which shall serve as the Association's corporate policy-making body. Each director shall have one equal vote. Except with respect to directors appointed by the Class "B" Member or the Council, directors shall be Members; provided, no more than one representative from a particular Lot may serve on the Board at the same time. Any Member who is delinquent in the payment of any assessment or other charge due the Association or the Council, or who is otherwise deemed by the Board to be in violation of the Governing Documents, shall not be eligible to serve on the Board. All directors shall complete, prior to commencing service on the Board, such training requirements as the Board establishes.

Directors shall be at least 18 years of age. In the case of a Member which is not a natural person, any officer, director, partner, or trustee of such Member shall be presumed to be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member. No Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Class "B" Member.

3.2. Number of Directors. The number of directors in the Association shall be three or five. The initial Board shall consist of three directors as identified in the Articles.

3.3. Directors Appointed by the Class "B" Member. The directors which the Class "B" Member is entitled to appoint pursuant to Section 3.5 shall be appointed by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member.

3.4. Nominations and Declarations of Candidacy. Prior to each election of directors, the Board shall prescribe the opening and closing dates of a reasonable filing period in which all eligible persons who have an interest in serving as a director may file as a candidate for such positions. The Board shall establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient, and cost-effective manner.

Nominations for election to the Board also may be made by a nominating committee. The nominating committee shall consist of three or more Persons and a chairperson, who shall be a Board member. The remaining members of the nominating committee shall be Members.

The nominating committee may make as many nominations for election to the Board as it shall in its discretion determine. In making its nominations, the nominating committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates.

Each candidate shall be given a reasonable, equal opportunity to communicate his or her qualifications to the Members and to solicit votes.
The above nomination procedures shall not apply to directors appointed by the Class "B" Member or the Council, respectively.

3.5. **Election and Term of Office.** Annual elections for directors may be conducted by mail or, if permitted by Arizona law, electronically, or held at the Association's annual meeting. Each Class "A" Member shall be entitled to cast one vote with respect to each position to be filled. There shall be no cumulative voting. The candidate(s) receiving the most votes for each position to be filled shall be elected.

Subject to completion of the training requirements established by the Board pursuant to Section 3.1, directors elected at such annual elections shall take office on April 1 of the following year. Except as otherwise specifically provided in these By-Laws, each director shall serve a two-year term; provided, directors shall hold office until their respective successors are elected (or appointed as the case may be) and take office. Directors may serve up to three consecutive terms.

Until termination of the Class "B" Control Period, the Class "B" Member may appoint all directors. In its discretion, the Class "B" Member may appoint one or more Class "A" Members to serve on the Board during the Class "B" Control Period. The appointment of Class "A" Members to the Board during the Class "B" Control Period shall not be deemed a termination of the Class "B" Control Period nor shall it create an obligation on the part of the Class "B" Member to continue to appoint Class "A" Members to the Board.

Notwithstanding the above or any other provision of these By-Laws, within 120 days after the termination of the Class "B" Control Period, the Board shall be increased to five directors. At such time, the Association shall hold an election at which the Class "A" Members shall be entitled to elect four of the five directors. (Those directors elected by the Class "A" Members are referred to as "Class "A" Directors.)

The two Class "A" Directors receiving the most votes in such election shall serve a term which expires when the directors elected at the second succeeding annual election take office. The remaining Class "A" Directors shall serve a term which expires when the directors elected at the next succeeding annual election (calculated as if elections were held annually) take office. After expiration of each such term, all Class "A" Directors shall serve two-year terms.

In order to facilitate communications between the Association and the Council, and to permit the Council to exercise its authority contemplated by the Community Covenant, the Council shall be entitled to appoint one director after termination of the Class "B" Control Period. The director appointed by the Council shall serve a two-year term.

As provided for in the Community Covenant, the Association shall elect one or more members of the Council Board. Nominations and elections for Council Board members shall be governed by the procedures set forth in Sections 3.4 and 3.5, as applicable, for nomination and election to the Association's Board.

3.6. **Removal of Directors and Vacancies.** Any Class "A" Director may be removed, with or without cause, by the vote of Class "A" Members holding a majority of the votes entitled to be cast for the election of such director at any Association meeting at which a quorum is
present. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any Class "A" Director who has three consecutive unexcused absences from Board meetings, who is more than 30 days delinquent (or is the representative of a Member who is so delinquent) in the payment of any assessment or other charge due the Association, or who is otherwise deemed by the Board to be in violation of the Governing Documents, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.

Any director appointed by the Class "B" Member may be removed only by the Class "B" Member, acting in its discretion. Likewise, any director appointed by the Council may be removed only by the Council, acting in its discretion.

In the event of the death, disability, or resignation of a director elected by the Class "A" Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members entitled to fill such directorship may elect a successor for the remainder of the term. In the event of the death, disability, or resignation of a director appointed by the Class "B" Member or the Council, the Class "B" Member or the Council, as appropriate, may appoint a successor director to fill the vacancy.

B. Meetings.

3.7. Organizational Meetings. Each Board shall hold an organizational meeting within 30 days after newly-elected or newly-appointed directors take office.

3.8. Regular Meetings. Regular meetings of the Board may be held at such time and place as the Board shall determine, but at least one such meeting shall be held each year. Notice of the time and place of the meeting shall be posted in a prominent place within Anthem Parkside or within Anthem and communicated to directors not less than four days prior to the meeting; provided, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

3.9. Special Meetings. Special Board meetings shall be held when called by written notice signed by the President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director 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 any such other communication device. All such notices shall be given at the director's telephone, facsimile, or e-mail number or sent to the director's address as shown on the Association's records. Notices of special meetings of the Board also shall be posted in a prominent place within Anthem Parkside or within Anthem at least three days prior to such meeting. Notices sent by first class mail shall be deposited into a
United States mailbox at least seven business days before the time set for the meeting. Notices
given by personal delivery, telephone, facsimile, or other device shall be delivered, telephoned,
or transmitted at least 72 hours before the time set for the meeting.

3.10. **Waiver of Notice.** The transaction of any Board meeting, however called and
noticed or wherever held, shall be as valid as though taken at a meeting duly held and noticed if
(a) a quorum is present, and (b) either before or after the meeting each of the directors not present
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 purpose of the meeting. Notice of a meeting
also shall be deemed given to any director who attends the meeting without protesting before or
at its commencement about the lack of adequate notice.

3.11. **Quorum of Board of Directors.** At all Board meetings, a majority of the directors
shall constitute a quorum for the transaction of business, and the votes of a majority of the
directors present at a meeting at which a quorum is present shall constitute the Board's decision,
unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which
a quorum is initially present may continue to transact business, notwithstanding the withdrawal
of directors, if any action taken is approved by at least a 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 present at such meeting may adjourn the meeting to a time not less than five nor more
than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is
present, any business which might have been transacted at the meeting originally called may be
transacted without further notice.

3.12. **Compensation.** No director shall receive any compensation from the Association
for acting as such; provided however, any director may be reimbursed for expenses incurred on
the Association's behalf upon approval of a majority of the other directors. Nothing herein shall
prohibit the Association from compensating a director, or any entity with which a director is
affiliated, for services or supplies furnished to the Association in a capacity other than as a
director pursuant to a contract or agreement with the Association, 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 the Board, excluding the interested director.

3.13. **Conduct of Meetings.** The President shall preside over all Board meetings, and
the Secretary shall ensure that a minute book is kept of all meetings of the Board, recording all
resolutions adopted by the Board and all transactions and proceedings occurring at such
meetings.

3.14. **Open Meetings.** Subject to the provisions of Sections 3.15 and 3.16, all Board
meetings shall be open to all Members, but a Member other than a director may not participate in
any discussion or deliberation unless permission to speak is authorized by a vote of the majority
of a quorum of the Board. In such case, the President may limit the time any Member may
speak. Notwithstanding the above, the President may adjourn any meeting of the Board and
reconvene in executive session, excluding Members, to discuss any or all of the following:

(a) employment or personnel matters for Association employees;
(b) legal advice from an attorney retained for the Board or the Association;
(c) pending or contemplated litigation; or
(d) pending or contemplated matters relating to enforcement of the Governing Documents.

3.15. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote. Written consent or consents shall be filed with the minutes of the Board's proceedings. Within three days after all written consents to an action have been obtained, the Board shall post in a prominent place within Anthem Parkside or within Anthem a notice of the action to be taken or actually taken by the Board; provided, the obligation to post notice shall not apply to any action pertaining to any subject matter which could be discussed in an executive session of the Board as set forth in Section 3.14. Failure to give notice shall not render the action to be taken or actually taken invalid.

3.16. Video and Telephonic Participation. One or more directors may participate in and vote during any regular or special Board meeting by telephone conference call, video conference, fiber optics, or similar communication equipment by means of which all Persons participating in the meeting can hear each other at the same time, and those directors so participating shall be deemed present at such meeting. Any such meeting at which a quorum participates shall constitute a Board meeting.

C. Powers and Duties.

3.17. Statement of Operational Policy. It shall be the Association's policy, in the interest of the efficient operation of the Association, that the Board refrain from unreasonably interfering with the performance of delegated functions by the management agent or other entities to whom authority and responsibility have been delegated. In the performance of its duties and responsibilities, the Board shall act as a unified body and no individual Board member shall be authorized to speak or act on behalf of the Board unless specifically authorized to do so in writing by the Board.

3.18. Powers. The Board shall have such powers as are necessary and appropriate for the management of the Association's affairs and for ensuring that the Association's duties and responsibilities as set forth in the Governing Documents, and as provided by law, are fulfilled. The Board may do or cause to be done all acts and things as are not required by the Declaration, Articles, these By-Laws, or Arizona law to be done and exercised exclusively by Declarant or the membership generally. The Board may delegate powers to committees, officers, a management agent or agents, or Association employees and, if so delegated, such powers may be exercised without unreasonable interference by the Board.
3.19. **Duties.** Duties of the Board shall include, without limitation:

(a) adopting annual budgets which establish each Owner's share of the Common Expenses and Neighborhood Expenses, if any;

(b) levying assessments against the Members to fund the Common Expenses and Neighborhood Expenses, if any, and establishing policies governing collection of assessments, provided, to the extent required under the Community Covenant or the Declaration, the Association's right to invoice and collect assessments from the Members shall be assigned to the Council;

(c) establishing policies for the operation, care, upkeep, and maintenance of the Area of Common Responsibility and, ultimately, ensuring that such policies are carried forth;

(d) approving a bank depository to receive funds on behalf of the Association and directing that all such funds be so deposited and applied toward the Association's operation; provided, any reserve fund may be deposited, in the directors' business judgment, in depositories other than banks;

(e) adopting rules and regulations, including the Use Restrictions, and amendments thereto and approving sanctions for infractions thereof;

(f) opening bank accounts on the Association's behalf and designating the signatories required;

(g) establishing policies and guidelines by which the Association shall make or contract for the making of repairs, additions, and improvements to or alterations of the Area of Common Responsibility in accordance with the Declaration and these By-Laws;

(h) enforcing the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association; provided, the Association's obligations in this regard shall be conditioned as provided in Section 7.4 of the Declaration;

(i) ensuring that the Association carry property, liability, and commercial crime insurance, as required in the Declaration, that the cost thereof is paid, and that claims are filed and adjusted, as appropriate;

(j) providing for the payment of all taxes and/or assessments which are or could become a lien on the Common Area or a portion thereof;

(k) providing for the payment of the cost of all services rendered to the Association or its Members and not chargeable directly to specific Members;
(l) providing that books with detailed accounts of the receipts and expenditures are kept on the Association’s behalf and are made available to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot;

(m) making available to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the Declaration, the Articles, the By-Laws, rules and all other books, records, and financial statements of the Association are made available to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot;

(n) establishing policies and guidelines under which utility suppliers are permitted to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is permitted or required by Arizona law, the Declaration, the Articles, and these By-Laws; and

(p) cooperating with the Council in the performance of its rights and obligations under the Community Covenant and the Governing Documents and providing for the election of one or more members to serve on the Council’s Board of Directors as provided in the Community Covenant.

3.20. Right of Class "B" Member to Disapprove Actions. So long as the Class "B" membership exists, the Class "B" Member shall have the right to disapprove any action, policy, or program of the Association, the Association’s officers, the Board, any Neighborhood Association, and any committee which, in the judgment of the Class "B" Member, would tend to impair the rights of Declarant or Builders under the Declaration or these By-Laws, interfere with development, construction, or marketing of any portion of the Properties, or diminish the level of services being provided by the Association. This right to disapprove is in addition to, and not in lieu of, any right of Declarant to approve or disapprove specific actions of the Association, the officers of the Association, the Board, any Neighborhood Association or any committee.

(a) The Class "B" Member shall be given prior written notice of all meetings and proposed actions to be approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee thereof. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address the Class "B" Member has registered with the Association’s Secretary. The notice shall specify the time and place of the meeting and shall set forth with reasonable particularity the agenda for such meeting.

(b) The Class "B" Member shall be given the opportunity at any such meeting to, from the floor, join in or have its representatives or agents join in discussion of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Class "B" Member, its representatives or agents may make its concerns, thoughts, and suggestions known to the Members, the Board and/or the members of the subject committee.
(c) No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met and the Class "B" Member has not disapproved the action, policy or program prior to expiration of the time period set forth in subsection (d) below.

(d) The Class "B" Member may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, or action taken by an officer without a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions, but shall not extend to the requiring of any action or counteraction on behalf of any committee, the Board, or the Association unless such action or counteraction countermands an action, policy or program that was not properly noticed and implemented in accordance with these By-Laws. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.21. Management. The Association may employ a professional management agent or agents at a compensation the Board establishes to perform such duties and services as the Board shall authorize. The Board shall delegate to the management agent such powers as are necessary to perform its assigned duties; provided, the Board may not delegate policymaking authority. Subject to the Board's responsibility to ensure compliance with policies established by the Board, upon delegation of powers to a managing agent, the Board shall not interfere with the day-to-day management of Association affairs by the management agent.

During the Class "B" Control Period, any management agreement entered into by the Association shall be terminable for cause or upon reasonable notice, and shall have a one to three year term, renewable upon the consent of the Association and the management agent. During the Class "B" Control Period, at Declarant's request, the management agent shall be terminated by the Association, in accordance with the management agreement. In addition, the management agent may be terminated at any time by the Association, in accordance with the management agreement, if such action is requested by a majority of the Board and a majority of the Class "A" Members present in person or by proxy at a special meeting called for such purpose; provided, any meeting to vote on the termination of the management agent shall be called by a majority vote of the Board in favor of termination.

Declarant, or Declarant's affiliate, may be employed as a management agent. The Board may designate one of its members as responsible for communications with the management agent between Board meetings; provided, such individual shall not have independent authority to supervise, direct, or interfere with the activities of such management agent.

3.22. 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, shall be employed;
(b) accounting and controls over financial reports and safeguarding of assets should be consistent with the criteria for effective internal controls described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the management agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder’s fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the management agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(f) the following financial and related information shall be regularly prepared and made reasonably available for examination by all Members:

(i) a capital expenditures budget and a Common Expense budget for the Association (which includes the budget for each of the Neighborhoods, if any) for each fiscal year of the Association. The Budget shall be made available for examination in the manner provided in the Declaration.

(ii) an annual report ("Financial Statement") in accordance with generally accepted accounting principles. Within 120 days after the close of the Association's fiscal year, a summary of the Financial Statement or a written notice that a copy of the Financial Statement is available at the Association's business office or another suitable location within Anthem Parkside shall be posted in one or more prominent places within Anthem. If requested, one copy of the Financial Statement may be distributed personally, by mail, or such other manner as is reasonably designed to provide delivery to a Member, without charge. The Financial Statement shall consist of:

(A) a balance sheet as of the end of the fiscal year;

(B) an income statement for the fiscal year; and

(C) a statement of cash flows for the fiscal year.

The Financial Statement shall be prepared on an audited, reviewed, or compiled basis, as the Board determines. If the U.S. Department of Housing and Urban Development is insuring or the U.S. Department of Veterans Affairs is guaranteeing the Mortgage on any Lot, the Association shall, upon the demand of a majority of the Mortgagees, provide an audit of the Association's financial records.

(iii) The following shall be done at least quarterly:

(A) a current reconciliation of the Association's operating accounts;
(B) a current reconciliation of the Association's reserve accounts;

(C) a review of the current year's actual reserves, revenues and expenses compared to the current year's Budget;

(D) a review of the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts;

(E) a review of an income and expense statement for the Association's operating and reserve accounts; and

(F) a review of the delinquency report listing all Members who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent.

3.23. Borrowing. The Association shall have the power to borrow money for any legal purpose. The Board shall obtain approval of Members entitled to cast at least a majority of the votes at a duly called and held meeting at which a quorum is present if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the Association's budgeted gross expenses for that fiscal year.

Portions of the Common Area may be subjected to a security interest by the Association provided that Owners entitled to cast at least a majority of the Association's votes agree to such action. Limited Common Area may also be subjected to a security interest provided that all Owners of Lots to which the area is allocated agree to such action. During the Class "B" Control Period, no Mortgage shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Owners representing at least 67% of the total votes in the Association and the approval of the U.S. Department of Housing and Urban Development or the U.S. Department of Veteran Affairs, if either such agency insures or guarantees the Mortgage on any Lot.

3.24. Right to Contract. Subject to applicable law relating to Member, officer, and director conflicts of interest, the Association 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 with trusts, condominiums, cooperatives, Neighborhood Associations, and other owners or residents associations, both within and outside the Properties.

3.25. Enforcement.

(a) Notice. Prior to imposition of any sanction provided in the Declaration, other than self-help or suit to enjoin any violation of the Governing Documents and/or to recover monetary damages, the alleged violator shall be served with written notice setting forth (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator
may present a written request for a hearing to the Association's Secretary within 15 days of delivery of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received by the Association's Secretary within such time period. Proof of proper notice shall be placed in the Association's corporate records. Proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is so entered. The notice requirement shall be deemed satisfied if the alleged violator requests a hearing.

If a timely request for a hearing is not received by the Association's Secretary, the sanction stated in the notice shall be imposed; provided, any proposed sanction may be suspended if the violation is cured or if a cure is diligently commenced within the 15-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.

(b) Hearing. If a hearing is requested within the allotted 15-day period, the hearing shall be held before the Deed Restriction Enforcement Committee, if any, or if none, before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. A written statement of the results of the hearing and the sanction, if any, imposed shall be recorded in the corporate records.

(c) Appeal. If a hearing is held before the Deed Restriction Enforcement Committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the Association's Secretary or designee within 15 days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the dispute resolution procedures set forth in the Declaration, if applicable, 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 procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed as trespass.

3.26. Board Standards. In performing his or her duties, each director and officer shall act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the director or officer reasonably believes to be in the best interests of the Association. A director or officer acting in accordance with such standards acts in accordance with the business judgment rule and shall be insulated from personal liability as provided under Arizona law and as otherwise provided by the Governing Documents.

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

4.1. Officers. The Association's officers shall be a President, Vice President, Secretary, and Treasurer. 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 prescribed by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Office. The Association's officers shall be elected by the Board at an organizational meeting of the Board taking place pursuant to Section 3.5. Each officer shall serve a one year term; provided, each officer's term shall automatically renew unless at least 2/3 of the directors vote not to renew.

4.3. Removal and Vacancies. Any officer may be removed by a vote of at least 2/3 of the directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.4. Powers and Duties. The Association's officers shall each have such powers and duties as may specifically be conferred or imposed by the Board; provided, the Board may not confer or impose powers or duties which may not otherwise be exercised by the Board. In the exercise of delegated responsibilities, officers shall not direct or unreasonably interfere with the day-to-day operations of the Association's management agent, if any, or such Persons designated or employed by the Board to perform management functions. By way of example, and not limitation, the officers shall have the following powers and duties:

(a) President. The President shall be the Association's chief executive officer and shall exercise general supervision and direction of the Association's affairs. The President shall have the authority to directly administer all matters not expressly delegated or assigned to a managing agent or agents or others.

(b) Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

(c) Secretary. The Secretary shall be responsible for ensuring that the minutes of all meetings of the Association, the Board, and the committees of the Board are kept, and shall have charge of such books and papers as the Board may direct. In the Secretary's absence, any officer directed by the Board shall perform all duties incident to the office of secretary.

(d) Treasurer. The Treasurer shall have responsibility for ensuring the preparation of the budget as provided for in the Declaration and these By-Laws by the management agent or agents retained by the Association or, if no managing agent is so retained, such persons retained by the Board to perform management functions.

4.5. Resignation. Any officer 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 of the
receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association (other than for the withdrawal of reserve funds) shall be executed by at least two officers or by such other person or persons as may be designated by resolution of the Board. The Board shall require signatures for the withdrawal of reserve funds of either two members of the Board or a member of the Board and officer of the Association who is not also a member of the Board. For purposes of this Section, "reserve funds" means monies the Board has identified in the capital expenditures budgets for use to defray the future repair or replacement of those replaceable assets which the Association is obligated to maintain and for use in making additional capital improvements and purchasing additional capital assets.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12 hereof.

Article V Committees

5.1. Committees of the Board. Committees comprised solely of Members of the Board may be appointed to exercise the authority of the Board. Such committees shall be appointed upon the approval of at least a majority of the directors. Notwithstanding the above, no such committee may exercise the Board's authority in reference to (a) submission to the Members of any matter requiring an act of the Members; (b) filling vacancies on the Board or on any committee of the Board; (c) adoption, amendment, or repeal of the By-Laws; or (d) fixing compensation of directors. The Board may, with or without cause, dissolve any such committee or remove any director from the committee at any time.

5.2. Other Committees. In addition to committees of the Board as set forth in Section 5.1 and such other committees as are required or authorized under the Governing Documents, the Board, by resolution from time to time, may establish such committees and charter clubs as it deems appropriate. Any such committee may perform such tasks and functions as the Board may designate by resolution; provided, no committee or committee member may exercise any power or authority which could not otherwise be exercised by the Board in accordance with these By-Laws. The role of committees established pursuant to this Section shall be to advise the Board with respect to establishing operational policy or to assist the officers in the performance of their respective functions. No committee or committee member shall be authorized to perform or interfere with the Association's day-to-day operations.

Each committee appointed pursuant to this Section shall consist of at least one director. Other committee members may be Members or residents of Anthem Parkside. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution; provided, any committee member, including the committee chair, may be removed by the vote of a majority of the directors. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. Each committee and charter club shall operate in accordance with the terms of the resolution establishing such committee or charter club.
5.3. **Deed Restriction Enforcement Committee.** In addition to any other committees which the Board may establish pursuant to Sections 5.1 and 5.2, the Board may appoint a Deed Restriction Enforcement Committee consisting of at least three and no more than seven members. Acting in accordance with the Governing Documents, the Deed Restriction Enforcement Committee, if any, shall be the Association's hearing tribunal and shall conduct all hearings held pursuant to Section 3.25.

**Article VI  Miscellaneous**

6.1. **Fiscal Year.** The Association's fiscal year shall begin on July 1 and end on June 30 unless otherwise established by Board resolution.

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

6.3. **Conflicts.** If there are conflicts between the provisions of Arizona law, the Articles, the Declaration, and these By-Laws, the provisions of Arizona law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

6.4. **Books and Records.**

(a) **Inspection by Members and Mortgagees.** Subject to the exceptions set forth below, the Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Lot, any Member, or the duly authorized agent of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Declaration, By-Laws, and Articles, any amendments to the foregoing, the rules of the Association, the membership register, all financial records of the Association, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within Anthem as the Board shall designate.

(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 and delivering copies of documents requested.

(c) **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the Association's expense in furtherance of such director's duties as a director.

(d) **Exceptions to Inspection Requirement.** Notwithstanding any provision to the contrary, the Board shall not be required to make available for inspection any portion of any book or record which relates to any of the following:
(i) personnel matters or a person's medical records;
(ii) communication between an attorney for the Association and the Association;
(iii) pending or contemplated litigation;
(iv) pending or contemplated matters relating to enforcement of the Governing Documents; or
(v) meeting minutes or other records of a session of a Board or Association meeting that is not required by law to be open to all Members.

In addition, the Board shall not be required to disclose or make available for inspection any financial or other records of the Association if disclosure would violate local, state, or federal law.

6.5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications shall be in writing and shall be sent as follows:

(a) if to a Class "A" Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the Association, the Board, any Association officer, or the management agent, at the principal office of the Association or the management agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section; or

(c) if to Declarant or the Class "B" Member, at the principal office of Declarant or Class "B" Member, or at such other address as is designated in writing and filed with the Association's Secretary.

All such notices shall, for all purposes, be deemed delivered and received (a) upon personal delivery to the party or address specified above, or (b) on the third day after being deposited in the United States mail, postage prepaid and properly addressed.

6.6. Indemnification. To the fullest extent permitted by Arizona law, as amended from time to time, the Association shall indemnify every officer and director (in their capacity as such) 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 Association shall, as a Common Expense, maintain adequate general liability and directors and officers liability insurance to fund this obligation.
6.7. Amendment.

(a) **By Class "B" Member.** Prior to conveyance of the first Lot by Declarant to a Person other than a Builder, the Class "B" Member may unilaterally amend these By-Laws for any purpose. Thereafter, the Class "B" Member may unilaterally amend these By-Laws if such amendment is (i) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots; (iv) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure Mortgage loans on the Lots; or (v) otherwise necessary to satisfy the requirements of any governmental agency for approval of these By-Laws. However, any such amendment shall not adversely affect the title to any Lot unless the affected Owner shall consent thereto in writing.

In addition, so long as the Class "B" membership exists, the Class "B" Member may unilaterally amend these By-Laws for any other purpose provided the amendment has no material adverse effect upon the right of any Owner.

(b) **By Members.** Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least 51% of the Association's Class "A" votes, and consent of the Class "B" Member, if any. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) **HUD/VA Veto Right.** For so long as the Class "B" membership exists, the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs shall have the right to veto any amendment of these By-Laws, if either agency is insuring or guaranteeing the Mortgage on any Lot.

(d) **Validity and Effective Date of Amendments.** Amendments to these By-Laws shall become effective upon execution by the Class "B" Member, if applicable, and by the Association, if applicable, in the manner provided in these By-Laws, unless a later date is specified in the amendment. Any procedural challenge to an amendment must be made within three months of the effective date of such amendment or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

If a Member consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Member has the authority to do so, and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.
Notwithstanding any provision herein to the contrary, no amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the assignee of such right or privilege for as long as Declarant owns any property described on Exhibits "A" or "B" to the Declaration.

(e) **Notice.** If the U.S. Department of Housing and Urban Development is insuring or the U.S. Department of Veterans Affairs is guaranteeing the Mortgage on any Lot, notice of any meeting of the Members at which material amendment to the Governing Documents or extraordinary action of the Association, as defined under VA Pamphlet 26-7, is to be voted upon by the Members, shall be delivered not less than 25 days before the date of such meeting.

(f) **Right of Community Council.** No amendment to these By-Laws which materially affects the rights or interests of the Council, including the right to appoint a member of the Board, shall be valid or effective unless and until approved in writing by the Council.

6.8. **Membership Book.** The Board shall keep and maintain at the Association's principal office of business a book containing each Member's name and address. Termination or transfer of membership shall be recorded in the book, together with the date on which such ownership was transferred.
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Association;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board thereof held on the 20th day of January, 1970.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 20th day of January, 1970.

[Signature]

Secretary

[SEAL]
ARTICLES OF INCORPORATION OF ANTHEM PARKSIDE COMMUNITY ASSOCIATION, INC.
(an Arizona Nonprofit Corporation)

STATE OF ARIZONA
ACC/FAX
DATE FILED
JAN 12 1999
DATE APPR
1/9/99
TERM
BY

-0863149-0

Article 1. Name. The name of the corporation is Anthem Parkside Community Association, Inc. ("Association").


Article 3. Duration. The Association shall have perpetual duration, subject to Arizona law and the dissolution rights set forth in Article 12.

Article 4. Principal Office. The mailing address of the initial principal office of the Association is 6001 N. 24th Street, Phoenix, Arizona 85016.

Article 5. Definitions. All capitalized terms used herein which are not defined shall have the same meaning as set forth in the Recorded Declaration of Covenants, Conditions, and Restrictions for Anthem Parkside ("Declaration").

Article 6. Purposes. The purposes for which the Association is organized are:

(a) to be and constitute the Association to which reference is made in the Declaration, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws, and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the Owners of Lots subject to the Declaration.

Article 7. Powers. The Association shall have all of the common law and statutory powers conferred upon nonprofit corporations under Arizona law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, or the Declaration.

The Association shall make no distributions of income to its Members, directors, or officers.

Article 8. Members.

(a) The Owner of each Lot shall be a Member of the Association and shall be entitled to vote in accordance with the terms of the Declaration and the By-Laws.
The Association shall have two classes of membership, the rights of which are specified in the Declaration and By-Laws. The manner of exercising voting rights shall be as set forth in the Declaration and in the By-Laws.

In addition, the Association is authorized to levy assessments against the Members as described in the Declaration. Each Member is obligated to pay such assessments in accordance with the Declaration.

(b) Change of membership in the Association shall be established by Recording a deed or other instrument establishing record title to real property subject to the Declaration. Upon such Recordation, the owner designated by such instrument or by Recorded contract of sale shall become a Member of the Association and the membership of the prior owner shall be terminated.

(c) The share of a Member in the privileges, rights, and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of its Lot.

Article 9. Directors.

(a) A Board of Directors shall conduct, manage, and control the Association. The initial Board shall consist of three directors. The number of directors may be increased in accordance with the By-Laws.

(b) The names and addresses of the members of the initial Board, who shall hold office until their successors are elected and qualified, or until removed, are as follows:

Benjamin S. Redman
14901 North Scottsdale Road
Scottsdale, Arizona 85254

Catherine French
6001 N. 24th Street
Phoenix, Arizona 85016

Jeffrey A. Harris
14901 North Scottsdale Road
Scottsdale, Arizona 85254

Article 10. By-Laws. The Association's By-Laws shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the By-Laws.

Article 11. Liability of Directors, Officers, and Committee Members. To the fullest extent that Arizona law, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, officers, and committee members, no director, officer or committee member of the Association shall be personally liable to the Association or its Members for monetary damages for breach of duty of care or other duty as a director, officer or committee member. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director, officer or committee member of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Article 12. Dissolution. The Association may be dissolved only upon a resolution duly adopted by the Board of Directors and the affirmative vote of Class "A" Members.
representing at least 2/3 of the total votes in the Association and consent of the Class "B" Member, if any. Upon dissolution of the Association, so long as the U.S. Department of Veterans Affairs (VA) is guaranteeing and/or the U.S. Department of Housing and Urban Development (HUD) is insuring any mortgage in the Properties (as defined in the Declaration), and unless otherwise agreed in writing by HUD or VA, as applicable, any remaining assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that acceptance of such dedication is refused, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. No such restriction shall exist if VA is not guaranteeing or HUD is not insuring any mortgage in the Properties; provided, however, HUD and/or VA shall be notified of such dissolution.

Article 13. Amendments. Amendments to these Articles of Incorporation may be adopted only upon a resolution duly adopted by the Board of Directors and by the approval of Class "A" Members representing 2/3 of the total votes in the Association, and the consent of the Class "B" Member, if any; provided, no amendment may be in conflict with the Declaration, and provided, further, no amendment shall be effective to impair or dilute any rights of Members that are governed by such Declaration.

Article 14. VA/HUD Approval. During the Class "B" Control Period, the following actions shall require the prior approval of the VA, so long as the development is approved by the VA for the guaranteeing of mortgages in the development, and HUD, so long as the development is approved by HUD for the insuring of mortgages in the development; annexation of additional property to the development, except for annexation by Declarant in accordance with Section 9.1 of the Declaration pursuant to a plan of annexation previously approved by the VA and/or HUD, as applicable; mergers, consolidations, or dissolution of the Association; mortgaging of Common Area; dedication of Common Area to any public entity; and amendment of these Articles of Incorporation.

Article 15. Incorporator. The name of the incorporator of the Association is Beth Jo Zeitzer, and such incorporator's address is 6001 N. 24th Street, Phoenix, Arizona 85016.

Article 16. Statutory Agent. The Association hereby appoints CSC The United States Corporation Company, whose address is 3636 N. Central Avenue, Suite 970, Phoenix, Arizona 85012-1939 as its lawful statutory agent upon whom all notices and processes, including service of summons, may be served, and which when served, shall be lawful, personal service upon this corporation. The Board may, at any time, appoint another agent for such purpose and the filling of such appointment shall revoke this or any other previous appointment of such agent.

Accepted By:  

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 7th day of January, 1997.

Beth Jo Zeitzer, Incorporator
FIRST AMENDMENT TO THE BYLAWS
OF
ANTHEM COMMUNITY COUNCIL, INC.

The Board of Directors of the Anthem Community Council, acting Pursuant to A.R.S. § 10-3821 and Section 4.15 of the Bylaws of Anthem Community Council, Inc., did unanimously approve the following amendment to the Bylaws of Anthem Community Council as follows:

Section 4.14 of Article 4 shall be deleted in its entirety and replaced with the following Section 4.14:

Open Meetings. At the sole discretion of the Anthem Community Council Board of Directors, meetings of the Board of Directors of the Anthem Community Council will be open to the officers, directors, and authorized representatives of an Association, Owners or any other Person subject to the Community Covenant.

I, Benjamin S. Redman, as Secretary of the Anthem Community Council, hereby certify that the amendment stated above was unanimously approved by the Anthem Community Council Board of Directors on January 18, 2000.

Benjamin S. Redman, Secretary,
Anthem Community Council

Approved and Consented to by
Anthem Arizona, L.L.C. (the "Community Developer"):

By:
Its: Vice President and General Manager
SECOND AMENDMENT TO THE BYLAWS
OF
ANTHEM COMMUNITY COUNCIL, INC.

The Board of Directors of the Anthem Community Council, acting pursuant to A.R.S. 103821 and Section 4.15 of the Bylaws of Anthem Community Council, Inc., unanimously approved the following amendment to the Bylaws of Anthem Community Council, Inc., at a regular meeting of the Board held on April 11, 2000, as follows:

Section 4.25(a), fourth and sixth line, of Article IV shall be amended by deleting "10 days" and replacing it with "15 days."

Section 4.25(b), first and ninth line, of Article IV shall be amended by deleting "10-day" and replacing it with "15-day."

I, Benjamin S. Redman, as Secretary of the Anthem Community Council, Inc., hereby certify that the amendment stated above was unanimously approved by the Anthem Community Council Board of Directors on April 11, 2000.

Benjamin S. Redman, Secretary
Anthem Community Council, Inc.

Approved and Consented to by
Anthem Arizona, L.L.C. (The "Community Developer"):

By: ________________

I: Vice President and General Manager