

**BYLAWS**  
**OF**  
**SKYE HILLS COMMUNITY ASSOCIATION**

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**BYLAWS  
OF  
SKYE HILLS COMMUNITY ASSOCIATION**

**ARTICLE I  
GENERAL**

**1.1 Name.** The name of the corporation is Skye Hills Community Association (the "Association").

**1.2 Registered Agent.** The initial registered agent of the Association shall be Olympia Management Services. The registered agent may be changed from time to time by the Board of Directors.

**1.3 Principal Office.** The principal office of the Association shall be located in Clark County, Nevada.

**1.4 Other Offices.** The Association may also have offices at such other places both within and without the State of Nevada as the Board may from time to time determine or the business of the Association may require.

**1.5 Defined Terms.** Capitalized terms used herein, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Skye Hills, as amended, supplemented or restated from time to time, and Recorded or to be Recorded in the Office of the Clark County Recorder, Clark County, Nevada (the "Declaration").

**1.6 Powers.** The Association shall have all of the powers of a nonstock, nonprofit corporation organized under the laws of the State of Nevada in operating for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and the Declaration (the "Governing Documents"). The Association shall have the power to do any and all lawful things that may be authorized, required, or permitted to be done under and by virtue of the Declaration and to do and perform any and all acts that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association for the peace, health, comfort, safety, or general welfare of the Owners.

**ARTICLE II  
MEMBERS**

**2.1 Membership Rights.** The Association shall have two (2) classes of membership as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

**2.2 Voting.** Members' voting rights shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by this reference. Members may vote at a meeting by voice vote or ballot or may vote by mail or other means of modern communication not prohibited by Nevada law, and as the Board determines. Unless otherwise provided, all voting shall be subject to the quorum requirements of Section 2.4. If only one of several Owners of a Lot is present at a meeting of the Association, that Owner is entitled to cast all the votes allocated to that Lot. If more than one of the Owners is present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners, unless the Declaration expressly provides otherwise. There is a majority agreement if any one of the Owners casts the votes allocated to that Lot without protest

made promptly to the person presiding over the meeting by any of the other Owners of the Lot. Voting shall not be cumulative. Only a vote cast in person, by secret ballot or by proxy, may be counted. No votes allocated to a Lot which is owned by the Association may be cast.

**2.3 Proxies.** Except as otherwise provided in this Section or NRS Chapter 116, votes allocated to a Lot may be cast pursuant to a proxy executed by an Owner. An Owner may give a proxy only to a member of his or her immediate family, his or her tenant who resides on within the Property, another Owner who resides within the Property, or any other Person permitted by NRS Chapter 116. If a Lot is owned by more than one person, either Owner of the Lot may vote or either Owner of the Lot may register protest to the casting of votes by the other Owner of the Lot through an executed proxy. An Owner may revoke a proxy given pursuant to this Section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if: (a) it is not dated or purports to be revocable without notice; (b) it does not designate the meeting for which it is executed; (c) it does not designate the votes that must be cast on behalf of the Owner who executed the proxy; or (d) the holder of the proxy does not disclose at the beginning of the meeting for which the proxy is executed the number of proxies pursuant to which he will be casting votes and the voting instructions received for each proxy.

A proxy terminates immediately after the conclusion of the meeting for which it was executed. A vote may not be cast pursuant to a proxy for the election of a member of the Board of the Association. A Member's proxy with respect to a particular Lot shall additionally automatically terminate upon conveyance by that Member of his or her fee title interest in the Lot for which it was given, or upon receipt of notice by the Secretary of the death or judicially declared incompetence if that Member is a natural person, or of written revocation.

All proxies shall be in writing specifying the Lot for which it is given, signed by the Member or his or her duly authorized attorney-in-fact, dated, and filed with the Association's Secretary prior to the meeting for which it is to be effective. In the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

**2.4 Meetings of Members.** A meeting of the Members of the Association must be held at least once each year. The first annual meeting of Members shall be held within one year from the Association's incorporation and subsequent annual meetings shall be held annually thereafter. The annual meeting of the Members shall be held on or about one (1) year after the date of the last annual meeting. If the Members have not held a meeting for one (1) year, a meeting of the Members must be held in accordance with NRS Chapter 116. Special meetings of the Members may be called at any reasonable time and place by any of the following: (i) the President of the Association; (ii) a majority of the Board; (iii) or Members having ten percent (10%) or more of the total votes.

(a) **Notice.** Not less than fifteen (15) days (twenty-one (21) days in the event of a meeting at which an Assessment for a capital improvement or commencement of a civil action is to be considered or action is to be taken on such an Assessment) nor more than sixty (60) days in advance of each meeting of the Members, the Secretary shall cause notice of the meeting to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Owner or, if the Association offers to send notice by electronic mail, sent by electronic mail at the request of a Lot owner to an electronic mail address designated in writing by such Lot owner. The notice of the meeting must state the time and place of the meeting and include a copy of the agenda for the meeting. The notice must also include notification of the right of an Owner (i) to have a copy of the minutes or a summary of the minutes of the meeting distributed to the Owner upon request and, if required by the Board, upon payment to the Association of the cost of making the distribution, and (ii) to speak at the meeting.

(b) Agenda. The agenda for each meeting of the Members must comply with the applicable requirements of NRS Chapter 116. In an Emergency (as hereinafter defined), the Members may take action on an item that is not listed on the agenda. The notice, agenda, and Member comment requirements of subsection 2.4(a) and this subsection 2.4(b) apply to both regular and special meetings of the Members.

(c) Emergency. As used in this Section 2.3, "Emergency" means any occurrence or combination of occurrences that: (i) could not have been reasonably foreseen; (ii) affects the health, welfare, and safety of the Owners or residents of the Community; (iii) requires the immediate attention of, and possible action by, the Board; and (iv) makes it impracticable to comply with the notice provisions of this Section 2.4.

(d) Quorum. Subject to the Declaration, the presence at any meeting, in person or by proxy, of at least twenty percent (20%) of all Members entitled to vote shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall decrease by ten percent (10%). If the first adjourned meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the first adjourned meeting was called, at which meeting the quorum requirement shall decrease by an additional five percent (5%).

If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for annual or special meetings, as applicable. The Members who are present in person or by proxy at an adjourned meeting may take action only on those matters that were included as items on the agenda of the original meeting. The provisions of this subsection do not change the actual number of votes that are required under the Governing Documents for taking action on a particular matter.

(e) Organization. The President of the Board, or in his or her absence the Officer designated by the President, shall call meetings of Members to order and shall act as chairman of such meetings. In the absence of both of said Officers, any Member entitled to vote and present at a meeting or any proxy of any such Member may call the meeting to order, and a chairman of the meeting shall be elected. The Secretary of the Association, or in his or her absence the Assistant Secretary, shall act as secretary of the meeting. In the absence of both the Secretary and the Assistant Secretary, a secretary shall be selected in the same manner as that provided above for selecting a chairman of the meeting.

(f) Action by Members. Except as provided otherwise in the Declaration or these Bylaws, any action (including any approvals required under the Declaration or these Bylaws) may be taken at any legally convened meeting of the Members at which a quorum is present upon the affirmative vote of the Members having a majority (or such greater percentage as may be required elsewhere in the Declaration or these Bylaws for approval of the Members of any matter) of the total votes present at such meeting in person or by proxy. Only votes cast in person, by secret ballot, or by proxy may be counted.

(g) Minutes. After each meeting of the Members, the Secretary shall cause the minutes or a summary of the minutes of the meeting to be distributed or made available to the Members, in accordance with the requirements of NRS Chapter 116. The minutes of each meeting of the Members must include: (a) the date, time and place of the meeting; (b) the substance of all matters proposed, discussed or decided at the meeting; and (c) the substance of remarks made by any Member at the meeting if the Member

requests that the minutes reflect his or her remarks. However, the Board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of a meeting of the Members. The Association must maintain the minutes of each meeting of the Members, in regular or electronic format, until the Community is terminated.

**2.5 Place of Meetings.** Meetings of the Members shall be held at the Association's principal office, unless otherwise specified in the notice calling any such meeting, or in the event of a waiver of notice of such meeting, as specified in such waiver of notice.

**2.6 Fixing Date for Determination of Members.** In order that the Association may determine the Members entitled to notice of and to vote at any meeting of Members or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or for the purpose of any other lawful action, the Board may fix in advance a record date, which shall not be more than sixty (60) nor less than fifteen (15) days (twenty-one (21) days in the event of a meeting at which an Assessment for a capital improvement or commencement of a civil action is to be considered or action is to be taken on such an Assessment) prior to the date of such meeting or such action, as the case may be. If the Board has not fixed a record date for determining the Members entitled to notice of and to vote at a meeting of Members, the record date shall be at close of business on the day next preceding the day on which notice is given, or if notice is waived, on the close of business on the day next preceding the day on which the meeting is held. If the Board has not fixed a record date for determining the Members entitled to express consent to action in writing without a meeting, when no prior action by the Board is necessary the record date shall be the day on which the first written consent is expressed by any Member. If the Board has not fixed a record date for determining Members for any other purpose, the record date shall be at the close of business on the day on which the Board adopts the resolution relating thereto. A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

**2.7 Action by Members Without a Meeting.** Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting, without notice, and without a vote if a consent in writing, setting forth the action so taken, is signed by the Members with the percentage of the voting power required to take such action. Prompt notice of the taking of any such action shall be given to any such Members entitled to vote who have not so consented in writing.

## **ARTICLE III** **BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE**

**3.1 Declarant Control of Association.** Notwithstanding any other provision of the Declaration or of these Bylaws and subject to Section 3.2 and NRS Chapter 116 (providing for gradual transition of control of the Board as Lots are sold), there shall be a period during which the Declarant shall control the Association ("Declarant Control Period") and the Declarant or a Person designated by the Declarant may, in the Declarant's sole discretion, appoint and remove all or some of the Officers and Directors of the Association during the Declarant Control Period. The Directors selected by Declarant need not be Members of the Association. The Declarant Control Period of the Association terminates sixty (60) days after the expiration of the Declarant Rights Period, or such earlier date as may be required by operation of NRS Chapter 116. Notwithstanding the foregoing, the Declarant may, but is not obligated to, voluntarily surrender the right to appoint and remove Officers and Directors as provided herein before the termination period set forth above, provided that the Declarant may require that specified actions of the Association or the Board may require Declarant approval prior to becoming effective. Such surrender of rights shall only be by a Recorded instrument.

### **3.2 Number and Election of Directors; Qualification.**

(a) Number. The Board shall consist of three (3) to five (5) Directors as provided below in this Section. The initial Board shall consist of three (3) Directors appointed by Declarant. From time to time as sales of Lots in the Community proceed, the number of Directors shall increase and Declarant will yield control of one or more seats on the Board of Directors as necessary to comply with NRS Chapter 116.

(b) Qualification. Except with respect to Directors appointed by Declarant during the Declarant Control Period, each Director must be a Member. To allow and promote representation on the Board by groups with dissimilar interests and to avoid particular groups dominating the Board due to the number of votes held by such groups, after the expiration of the Declarant Control Period, the following restrictions shall apply to the election of Directors: (i) in the case of a Member that is not a natural person, any individual authorized by such Member by written notice to the Association shall be eligible to serve as a director, (ii) Members representing the same Lot may not serve as Directors at the same time unless such Members own more than one Lot; (iii) any Member or group of Members having a direct or indirect ownership interest in two (2) or more Lots shall not be eligible to serve on the Board in more than two Director positions at the same time; and (iv) no more than two (2) Directors may be elected to serve on the Board from among the Owners of the non-residential Lots (specifically, all Multi-Family Lots, Commercial Lots, and Mixed-Use Lots). The Board shall adopt reasonable procedures from time to time as may be necessary to enforce the foregoing restrictions.

**3.3 Notice of Election.** Not less than thirty (30) days before the preparation of any ballot for the election of any member of the Board, the Secretary of the Association shall cause notice to be given to each Owner of his or her eligibility to serve as a member of the Board. Each Owner who is qualified to serve as a member of the Board may have his or her name placed on the ballot along with the names of the nominees selected by the members of the Board or by the nominating committee established by the Association, if any.

**3.4 Election of Directors Generally.** Every election of Directors must be conducted by secret written ballot. A vote may not be cast pursuant to a proxy for the election of any Director. The Secretary of the Association shall cause a secret ballot and a return envelope to be sent: (a) by prepaid United States mail to the mailing address of each Member within the Community or (b) via e-mail if the Association offers such service and a Member has indicated, in writing a desire to receive communications via e-mail. The date by which the ballot must be returned shall be no less than fifteen (15) days after the date the ballot is mailed or otherwise transmitted to the Member. Only the secret written ballots that are returned directly to the Association may be counted. Votes cast for the election of a Director must be counted in public during a meeting of the Association. No quorum is required either with respect to the secret ballots returned or with respect to the meeting at which the ballots are counted. No incumbent Directors or other candidates shall have access to or possess any ballots, or participate in the counting thereof, before such time that the ballots have been counted in public at the meeting of the Association. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected. The Directors shall take office upon election.

**3.5 Candidate Disclosures.** Each person whose name is placed on the ballot as a candidate for a Director must: (a) make a good faith effort to disclose any financial, professional, or personal relationship or interest that would result in or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a Director; and (b) disclose whether the candidate is a Member in good standing. For the purposes of this Section 3.5, a candidate shall not be deemed to be in "good standing" if the candidate has any unpaid and past due Assessments or construction penalties that are required to be paid to the Association. The candidate must

make all disclosures required pursuant to this Section 3.5 and NRS Chapter 116 in writing to the Association with his/her candidacy information or thereafter as soon as practicable after a candidate becomes aware of new information which may result in a potential conflict of interest. The Association must make the disclosure, in writing, to each Member of the Association by distributing the disclosure with the secret ballot to be used for the election of Directors.

Except for any member of the Board appointed by the Declarant, a person may not be a Director or an Officer of the Association if that person, his or her spouse, parent, or child, by blood, marriage, or adoption, performs the duties of a Community Manager for the Association or any association that is subject to the Governing Documents.

**3.6 Director Certification.** Each Director shall, within ninety (90) days after his or her appointment or election, certify in writing that he or she has read and understands the Governing Documents and the provisions of NRS Chapter 116 to the best of his or her ability.

**3.7 Removal of Directors.** Any member of the Board of Directors, other than a Director appointed by the Declarant, may be removed, with or without cause, if the Director is the subject of a removal election in accordance with NRS Chapter 116. If a removal election is held, the Association must cause secret written ballots to be delivered to the Members in accordance with the requirements of NRS Chapter 116, and the Board shall set the date for the meeting to open and count the secret written ballots within the timeframes required by NRS Chapter 116. The Secretary shall cause notice of such meeting to be sent in accordance with the notice procedures for special meetings of the Members. A quorum is not required to be present when the secret written ballots are opened and counted at such meeting. Only the secret written ballots that are returned to the Association may be counted to determine the outcome. The incumbent members of the Board, including, without limitation, the member who is subject to the removal, may not possess, be given access to, or participate in the opening or counting of the secret written ballots that are returned to the Association before those secret written ballots have been opened and counted at a meeting of the Members.

## **ARTICLE IV** **BOARD OF DIRECTORS: POWERS AND CONDUCT OF BUSINESS**

**4.1 General Powers.** The business and affairs of the Association shall be managed by the Board. The Board shall have all of the powers and duties necessary to administer the Association's affairs and to perform all responsibilities and exercise all the Association's rights as set forth in the Governing Documents, NRS Chapter 116, and as otherwise provided by law. Except for those acts or other powers which are to be done and exercised by the Membership, or otherwise limited or prohibited under Nevada law or the Governing Documents, the Board may do or shall cause to be done all acts and things that in the Board's business judgment benefit the Association.

**4.2 Qualifications.** Each Director must either be a Member or an employee, partner, manager, member, director, trustee, beneficiary, fiduciary, officer, or agent of a Member that is not a natural person. In all events where the Person serving or offering to serve as a member of the Board is not the record Owner, he or she shall file proof in the records of the Association that: (a) states that he or she is associated with the Owner and (b) identifies the Lot(s) owned by the Owner.

**4.3 Place of Meeting.** The Board may hold its meetings at such place or places as it may from time to time by resolution determine or as shall be designated in any notices or waivers of notice thereof. Any such meeting, whether regular or special, may be held by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such manner shall constitute presence in person at such meeting.

**4.4 Regular Meetings.** Regular meetings of the Board shall be held at such regular times, at least once every quarter and not less than once every one hundred (100) days, as may be fixed from time to time by resolution of the Board; provided, however, that all meetings must be held in accordance with NRS Chapter 116.

**4.5 Special Meetings.** Special meetings of the Board shall be held whenever called by the President or a majority of the Directors at the time in office.

**4.6 Notice to Directors.** Except as otherwise provided in Section 4.7 hereof, notice of each meeting of the Board shall be mailed to each Director, addressed to him or her at his or her residence or usual place of business at least two (2) days before the day on which such meeting is to be held or shall be sent addressed to him or her at such place by facsimile, electronic mail, or other form of recorded communication or delivered personally or by telephone not later than the day before the day on which such meeting is to be held. The notice shall state the time and place of such meeting, but need not state the purposes thereof. A written waiver of notice, whether given before or after the meeting to which it relates, shall be equivalent to the giving of notice of such meeting to the Director or Directors signing such waiver. Attendance of a Director at a Board meeting shall constitute a waiver of notice of such meeting, except when he or she attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**4.7 Notice to Members.** Except in an Emergency (as hereinafter defined), the Secretary of the Association shall, not less than ten (10) days before the date of each meeting of the Board, cause notice of the meeting to be given to the Owners. Such notice must be either sent prepaid by United States mail to the mailing address of each Lot within the Community or to any other mailing address or electronic mail address (if offered by the Association) designated in writing by the Owner or published in a newsletter or other similar publication that is circulated to each Owner.

In an Emergency, the Secretary shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each Lot within the Community. If delivery of the notice in this manner is impracticable, then notice must be hand-delivered to each Lot within the Community or posted in a prominent place or places within the Common Elements.

The notice of a meeting of the Board must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the Owners. The notice must include notification of the right of an Owner: (i) to request a copy of the audio recording of the meeting, a copy of a summary of the minutes of the meeting, or a copy of the minutes of the meeting in electronic format at no charge, or if the Association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed the maximum cost under NRS Chapter 116 and (ii) to speak at the meeting, unless the Board is meeting in executive session.

The notice requirements of this Section apply to both regular and special meetings of the Board. As used in this Section, "Emergency" means any occurrence or combination of occurrences that: (i) could not have been reasonably foreseen; (ii) affect the health, welfare, and safety of the Owners or residents of the Community; (iii) require the immediate attention of, and possible action by, the Board; and (iv) make it impracticable to comply with the notice provisions of this Section 4.7.

**4.8 Quorum.** A majority of the whole Board shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting, and except as otherwise specified in these Bylaws and except also as otherwise expressly provided by Nevada law, the vote of a majority of the Directors present at any such meeting at which a quorum is present shall be the act

of the Board. In the absence of a quorum from any such meeting, a majority of the Directors present thereat may adjourn such meeting from time to time to another time or place without additional notice to the Directors other than announcement at the meeting until a quorum shall be present thereat. The Directors shall act only as a Board, and the individual Directors shall have no power as such.

**4.9 Organization; Conduct of Business.** At each meeting of the Board, the President, or if he or she is absent therefrom, a Director chosen by a majority of the Directors present thereat, shall act as chairman of such meeting and preside thereat. The Secretary shall cause each meeting of the Board to be audio recorded and the minutes to be recorded or otherwise taken at each meeting of the Board.

The agenda for every meeting of the Board must consist of: (i) a clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Declaration or these Bylaws, any fees or Assessments to be imposed or increased by the Association, any budgetary changes, and any proposal to remove an Officer or Director; (ii) a list describing the items on which action may be taken and clearly denoting that action may be taken on those items; and (iii) periods devoted to comments by Owners and discussion of those comments. The periods required to be devoted to comments by Owners and discussion of those comments must be scheduled for both the beginning and the end of each meeting. In an Emergency (as hereinafter defined), the Board may take action on an item which is not listed on the agenda.

The agenda and Owner comments requirements of this Section apply to both regular and special meetings of the Board. As used in this Section, "Emergency" shall be defined in accordance with Section 4.7.

At least once every quarter, and not less than once every 100 days, the Board shall review at one of its meetings: (i) a current year-to-date financial statement of the Association; (ii) a current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts; (iii) a current reconciliation of the operating funds of the Association; (iv) a current reconciliation of the Reserve Funds of the Association; (v) the latest account statements prepared by the financial institutions in which the accounts of the Association are maintained; and (vi) the current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

Except as otherwise specifically provided in the Declaration or these Bylaws, an Owner may attend any meeting of the Board and speak at any such meeting. The Board may establish reasonable limitations on the time an Owner may speak at such a meeting.

Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and, subject to Section 7, may exclude Persons other than Directors, to: (a) consult with the attorney for the Association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privilege set forth in NRS 49.035 to 49.115, inclusive; (b) discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the association; (c) except as otherwise provided in subsection 4 of NRS 116.31085, discuss a violation of the Governing Documents, including, without limitation, the failure to pay an assessment; (d) discuss the alleged failure of a Member to adhere to a schedule required pursuant to NRS Chapter 116 if the alleged failure may subject the Member to a construction penalty. Any matters discussed in executive session shall be confidential and must be generally noted in the minutes of the meeting of the Board of Directors. Furthermore, meetings of the Board of Directors in executive session must not be audio recorded. Except as otherwise provided in Section 7, an Owner shall not be entitled to attend or speak at a meeting of the Board held in executive session.

After each meeting of the Board, the Secretary shall cause the audio recording of the minutes, the minutes, and a summary of the minutes of the meeting to be made available to the Owners in accordance with the requirements of NRS Chapter 116.

**4.10 Action by Directors Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by a majority of the Directors then in office and such consent is filed with the minutes of the proceedings of the Board.

**4.11 Resignations.** Any Director may resign at any time by giving written notice of his or her resignation to the Association. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective is not specified therein, it shall take effect immediately upon its receipt by the President or the Secretary, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**4.12 Vacancies.**

(a) During Declarant Control Period. During the Declarant Control Period, if a Director appointed by Declarant dies, becomes disabled or resigns, Declarant will appoint a new Director to serve the balance of the term of the resigning, disabled or deceased Director; and if a Director elected by the Members dies, becomes disabled or resigns, the President or Secretary shall call for a special meeting of the Members for the purpose of electing a new Director to fill the vacancy to be held within sixty (60) days of the date the Board receives notice of such vacancy.

(b) Following Period of Declarant's Control. After the expiration or termination of the Declarant Control Period, any vacancy occurring on the Board may be filled, subject to the qualification restrictions set forth in Section 3.2(b) above, within sixty (60) days of the date the Board receives notice of such vacancy by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. The term of the Director so elected will be coincident with the term of the replaced Director. If the Board fails to appoint a new Director within such sixty (60) day period or earlier determines to call a special meeting for the purpose of electing a Director to fill the vacancy, the President or Secretary shall call for a special meeting of the Members for the purpose of electing a new Director to fill the vacancy in accordance with the provisions hereof.

**4.13 Compensation.** No Director shall receive any compensation for his or her services as a Director, except to the extent permitted by NRS Chapter 116 and expressly approved by the consent of a majority of the Members entitled to vote.

**4.14 Voting by Directors; Disclosures; Abstention.** A Director who stands to gain any personal profit or compensation of any kind from a matter before the Board shall (a) disclose the matter to the Board and (b) abstain from voting on such matter. In the event that Director has a member of his or her household or any person related to such Director by blood, adoption or marriage within the third degree of consanguinity or affinity who stands to gain any personal profit or compensation of any kind from a matter before the Board, such Director shall disclose the matter to the Board before voting on such matter. For purposes of this Section, an employee of Declarant or an affiliate of Declarant who is Director shall not, solely by reason of such employment or affiliation, be deemed to gain any personal profit or compensation, and a Director shall not be deemed to gain any personal profit or compensation solely because the Director is a Member or Owner.

**4.15 Agenda; Complaints.** In the event that the Board receives a written complaint from a Member alleging that the Board has violated any provision of the Governing Documents or NRS Chapter

116, the Board shall (a) cause an acknowledgement of the receipt of such complaint to be mailed to such Member within ten (10) business days of the receipt thereof, including a statement that the complaint will be placed on the agenda of the next regularly scheduled meeting of the Board if so requested by the Member; and (b) upon the written request of the Member, place the subject of the complaint on the agenda for the next regularly scheduled meeting of the Board.

**4.16 Board Standards.** In the performance of their duties, Association directors and officers shall act as fiduciaries and are subject to insulation from liability provided for directors and officers of corporations by Nevada law (including, without limitation, NRS Chapter 116), and as otherwise provided in the Governing Documents. Directors are required to exercise the ordinary and reasonable care of directors of a corporation, subject to the business judgment rule, to the fullest extent required by NRS Chapter 116.

As defined herein, a director shall be acting in accordance with the business judgment rule so long as the director: (a) acts within the express or implied terms of the Governing Documents and his or her actions are not ultra vires (i.e., an unauthorized and unlawful act, beyond the scope of authority of the Association or of the person(s) undertaking such act); (b) affirmatively undertakes to make decisions which are necessary for the continued and successful operation of the Association 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 affairs of the Association. 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 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 V OFFICERS

**5.1 Officers.** The Association shall have the following Officers: a President, a Secretary, and a Treasurer. At the discretion of the Board, the Association may also have one (1) or more Vice Presidents, one (1) or more Assistant Vice Presidents, one (1) or more Assistant Secretaries, and one (1) or more Assistant Treasurers. Any two (2) or more offices may be held by the same person. An Owner or an employee, partner, manager, member, director, trustee, beneficiary, fiduciary, officer, or agent of an Owner may be an Officer. In all events where the Person serving as an Officer is not the record Owner, he or she shall file proof in the records of the Association that: (a) states that he or she is associated with the Owner; and (b) identifies the Lot(s) owned by the Owner.

**5.2 Election and Term of Office.** The Officers of the Association shall be elected annually by the Board. Each such Officer shall hold office until his or her successor is duly elected or until his or her earlier death or resignation or removal in the manner hereinafter provided.

**5.3 Agents; Manager.** In addition to the Officers mentioned in Section 5.1 hereof, the Board may, subject to the provisions of the Declaration and NRS Chapter 116, appoint such agents or Manager as the Board may deem necessary or advisable, each of which agents or Manager shall have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine, including the delegation to such agents or Manager of any of the powers of the Board or the Officers of the Association. The Board may delegate to any Officer or to any committee the power to appoint or remove

any such agents or Manager. Except as otherwise provided in NRS Chapter 116, any Manager so appointed must hold all permits required by applicable law.

**5.4 Removal.** Any Officer may be removed, with or without cause, at any time by resolution adopted by a majority of the Board.

**5.5 Resignations.** Any Officer may resign at any time by giving written notice of his or her resignation to the Board, the President, or the Secretary. Any such resignation shall take effect at the times specified therein, or if the time when it shall become effective is not specified therein, it shall take effect immediately upon its receipt by the Board, the President, or the Secretary, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**5.6 Vacancies.** A vacancy in any office due to death, resignation, removal, disqualification, or any other cause may be filled for the unexpired portion of the term thereof by the Board.

**5.7 President.** The President shall be the chief executive officer of the Association and shall have, subject to the control of the Board, general and active supervision and direction over the business and affairs of the Association and over its several Officers. The President shall: (a) preside at all meetings of the Members and at all meetings of the Board; (b) make a report of the state of the business of the Association at each annual meeting of the Members; (c) see that all orders and resolutions of the Board are carried into effect; (d) sign, with the Secretary or an Assistant Secretary, any certificates for the Association; (e) have the right to sign, execute, and deliver in the name of the Association all deeds, mortgages, bonds, contracts, or other instruments authorized by the Board, except in cases where the signing, execution, or delivery thereof is expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Association or where any of them are required by law otherwise to be signed, executed, or delivered; and (f) have the right to cause the corporate seal, if any, to be affixed to any instrument that requires it. In general, the President shall perform all duties incident to the office of the President and such other duties as from time to time may be assigned to him or her by the Board.

**5.8 Vice President.** A Vice President and any additional Vice Presidents shall have such powers and perform such duties as the President or the Board may from time to time prescribe and shall perform such other duties as may be prescribed by these Bylaws. At the request of the President, or in case of his or her absence or inability to act the Vice President shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President.

**5.9 Secretary.** The Secretary shall: (a) cause all meetings of the board to be audio recorded to the extent required by NRS Chapter 116; (b) cause the minutes of all meetings of the Members, the Board, and the Executive Committee (as hereinafter defined), if any, in one or more books kept for that purpose; (c) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (d) be the custodian of all contracts, deeds, documents, all other indicia of title to properties owned by the Association, and of its other corporate records (except accounting records) and of the corporate seal, if any, and affix such seal to all documents the execution of which on behalf of the Association under its seal is duly authorized; (e) sign, with the President or a Vice President, certificates for the Association; (f) have charge of the membership records; and (g) see that the books, reports, statements, certificates, and all other documents and records required by law are properly kept and filed. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or the Board.

**5.10 Treasurer.** If required by the Board, the Treasurer shall give a bond (the cost of which shall be a Common Expenses of the Association) for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. The Treasurer shall: (a) have charge and

custody of and be responsible for all funds, securities, notes, and valuable effects of the Association; (b) receive and give receipt for moneys due and payable to the Association from any sources whatsoever; (c) deposit all such moneys to the credit of the Association or otherwise as the Board or the President shall direct in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Section 10.3 of these Bylaws; (d) cause such funds to be disbursed by checks or drafts on the authorized depositories of the Association signed as provided in Section 10.3 of these Bylaws; (e) be responsible for the accuracy of the amounts of and cause to be preserved proper vouchers for all moneys so disbursed; (f) have the right to require from time to time reports or statements giving such information as he or she may desire with respect to any and all financial transactions of the Association from the Officers or agents transacting the same; (g) render to the President or the Board whenever they, respectively, shall request him or her so to do an account of the financial condition of the Association and of all his or her transactions as Treasurer; and (h) upon request, exhibit or cause to be exhibited at all reasonable times the cash books and other records to the President or any of the Directors of the Association. In general, the Treasurer shall perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board.

**5.11 Assistant Officers.** Any persons elected as assistant Officers shall assist in the performance of the duties of the designated office and such other duties as shall be assigned to them by any Vice President, the Secretary, or the Treasurer, as the case may be, or by the Board or the President.

**5.12 Compensation.** No Officer shall receive any compensation for his or her services as an Officer, except to the extent permitted by NRS Chapter 116 and expressly approved by the consent of a majority of the Members entitled to vote.

## ARTICLE VI COMMITTEES

**6.1 Committees.** The Board, by resolution adopted by a majority of the Board, may establish standing or special committees. Each such standing or special committee must include at least one (1) Director and may include, at the discretion of the Board, non-Director members. The Board may designate one or more Directors or Officers as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. Each such committee shall have and may exercise such powers as the Board may determine and specify in the respective resolutions appointing them; provided, however, that unless all of the members of any committee shall be Directors, such committee shall not have authority to exercise any of the powers of the Board in the management of the business and affairs of the Association. A majority of all the members of any such committee may fix its rules of procedure, determine its action, fix the time and place of its meetings, and specify what notice thereof, if any, shall be given, unless the Board shall otherwise by resolution provide.

**6.2 Resignations.** Any member of any committee may resign therefrom at any time by giving written notice of his or her resignation to the President or the Secretary. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective is not specified therein, it shall take effect immediately upon its receipt by the President or the Secretary, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**6.3 Vacancies.** Any vacancy in any committee shall be filled by the vote of a majority of the whole Board.

**6.4 Compensation.** No member of any committee shall receive any compensation for his or her services as a committee member, except to the extent permitted by NRS Chapter 116 and expressly approved by the consent of a majority of the Members entitled to vote.

**6.5 Dissolution of Committees; Removal of Committee Members.** The Board, by resolution adopted by a majority of the Board, may, with or without cause, dissolve any committee and, with or without cause, remove any member thereof.

## **ARTICLE VII** **ENFORCEMENT PROCEDURE**

The Board shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other occupant for violations of the Governing Documents unless and until the following procedure is followed:

**7.1 Rules.** In the case of an alleged violation of the Rules, the Person alleged to have violated the Rules must have been given written notice of the applicable Rule at least thirty (30) days prior to the date of the alleged violation. Notice will be deemed to have been given three (3) days after deposit of the Rules in the mail, postage prepaid, addressed to the Lot. The Owner of a Lot is responsible for providing notice of the Rules to that Owner's tenants, guests and contractors, and to the fullest extent not prohibited by NRS Chapter 116, for purposes of this Section, notice to an Owner shall be deemed to be notice to that Owner's tenants, guests or contractors if such notice is mailed to the address of the Lot and, if different, to a mailing address specified by the Owner.

**7.2 Demand.** Written demand to cease and desist from an alleged violation must be served upon the alleged violator specifying: (i) in detail the alleged violation and, if the alleged violation relates to the physical coordination of the Lot or otherwise is a violation that may be photographed then a clear and detailed photograph of the alleged violation must be included; (ii) the action required to cure the violation; (iii) the time period, not less than fourteen (14) days, during which the violation may be cured without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing; and (iv) the proposed sanction to be imposed, including the amount.

**7.3 Notice.** At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for cure without penalty or if the same rule is subsequently violated, the Board or its authorized representative shall serve the violator with written notice of a hearing to be held by the Board or an authorized committee thereof in executive session. The notice shall contain: (i) in detail the nature of the alleged violation and, if the alleged violation relates to the physical coordination of the Lot or otherwise is a violation that may be photographed then a clear and detailed photograph of the alleged violation must be included; (ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence, and witness on behalf of the Member or other Person alleged to have violated the Governing Documents; and (iv) the proposed sanction to be imposed, including the amount.

**7.4 Hearing.** The hearing shall be held in executive session pursuant to this notice affording the Member or other alleged violator a reasonable opportunity to be heard; provided, however, that such Member or other alleged violator shall have the right to demand that the hearing be conducted at an open meeting of the Board of Directors by written notice given prior to the date of the hearing. The person who may be sanctioned for the alleged violation is entitled to attend the hearing and testify concerning the alleged violation and such other due process rights as may be required pursuant to the regulations adopted by the Commission for Common-Interest Communities, but the person may be excluded by the Board from any other portion of the hearing, including, without limitation, the deliberations of the Board of Directors. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard has been complied with shall be placed in the minutes of the meeting. Proof of notice shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer,

Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. No Director may verbally disclose any of the actions taken against any Member in executive session; provided, however, that each Member against whom action is taken by the Board of Directors in executive session must be given written notice of such action. In addition, the Board of Directors shall maintain minutes of any decision made in executive session of violations of the Governing Documents alleged to have been committed and, upon the request of the Member who was the subject of the discussion, provide a copy of those minutes to such Member or to such Member's designated representative.

**7.5      Appeal.** If the hearing is before a committee of the Board, 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 President or Secretary of the Association or the Manager thereof within ten (10) days after receipt of notification of the decision.

**7.6      Director Eligibility.** Except as may be prohibited by NRS Chapter 116, a Director shall not participate in any hearing or cast any vote relating to a fine to be imposed upon any Member or other occupant for violations of the Governing Documents if such Director has not paid all assessments that are due to the Association by the Director.

Notwithstanding anything to the contrary in this Section, the Board may elect to enforce the Governing Documents by certain sanctions set forth in Section 7.4 of the Declaration including 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 above, but subject to the applicable procedures set forth in NRS Chapter 116. In any such action, to the maximum extent permissible, the Owner or other Person responsible for the violation shall pay all costs, including reasonable attorneys' fees actually incurred.

## **ARTICLE VIII SEAL**

A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the Association. Nevertheless, if in any instance a corporate seal is used, the same shall be in the form of a circle and shall bear the full name of the Association and the year and state of incorporation or words and figures of similar import.

## **ARTICLE IX INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**9.1      Indemnification.** The Association shall indemnify, defend, and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a Director, Officer, employee, servant, committee member, or agent of the Association (an "Indemnitee") against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by he or she in connection with such action, suit, or proceeding. Provided that an Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, then such indemnification, defense and hold harmless shall continue until and unless he or she is proved to have acted with willful or wanton misfeasance or with gross negligence. With respect to any criminal action or proceeding, the Association shall indemnify, defend and hold harmless any Indemnitee who had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or the equivalent thereof shall not of itself create a presumption that: (a) with respect to a civil action or proceeding, the Indemnitee did not act in good faith or in a manner he or she reasonably

believed to be in or not opposed to the best interests of the Association; or (b) with respect to any criminal action or proceeding, the Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

Indemnitees are not liable to the victims of crimes that may occur in the Community. By the acceptance and recording of a deed to a Lot, each Member agrees that punitive damages may not be recovered against the Association.

**9.2 Determination.** Any indemnification that the Association has elected to provide under this Article IX (unless ordered by a court) shall be made by the Association only as authorized in the specific case based upon a determination by the Board in accordance with the terms of this section 9.2 that indemnification of an Indemnitee is proper under all of the circumstances because the person has met the applicable standard of conduct set forth in Section 9.1. Such determination shall be made: (a) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding; or (b) if such a quorum is not obtainable, or even if obtainable and a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; provided, however, that if an Indemnitee has been successful on the merits or otherwise in the defense of any action, suit, or proceeding referred to in Section 9.1, or in defense of any claim, issue, or matter therein, then to the extent that the Association has elected to provide indemnification, the Indemnitee shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith without the necessity of any such determination that he or she has met the applicable standard of conduct set forth in Section 9.1.

**9.3 Payment in Advance.** Expenses incurred in defending a civil or criminal action, suit, or proceeding may, upon action by the Board in accordance with Section 9.2, be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article IX.

**9.4 Insurance.** The Board shall purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, committee member, servant, or agent of the Association against any liability asserted against or incurred by the person in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify the person against such liability hereunder or otherwise.

**9.5 Other Coverage.** The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to which anyone seeking indemnification may be entitled under the Declaration, any agreement, vote of the Members, vote of disinterested Directors, Applicable Law, or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, and may continue as to a person who has ceased to be a Director, Officer, employee, servant, or agent and may inure to the benefit of the heirs and personal representatives of such a person.

## ARTICLE X MISCELLANEOUS

**10.1 Execution of Contracts.** Except as otherwise required by Applicable Law or by these Bylaws, any contract or other instrument may be executed and delivered in the name of the Association and on its behalf by the President or any Vice President. In addition, the Board may authorize any other Officer or Officers or agent or agents to execute and deliver any contract or other instrument in the name of the Association and on its behalf, and such authority may be general or confined to specific instances as the Board may by resolution determine.

**10.2 Attestation.** Any Vice President, the Secretary, or any Assistant Secretary may attest the execution of any instrument or document by the President or any other duly authorized Officer or agent of the Association and may affix the corporate seal, if any, in witness thereof, but neither such attestation nor the affixing of a corporate seal shall be requisite to the validity of any such document or instrument.

**10.3 Required Signatures.**

(a) Operating Accounts and Other Indebtedness. Except as otherwise authorized by resolution of the Board of Directors and permitted under NRS Chapter 116, all withdrawals of funds from the operating accounts of the Association and any notes or other evidence of indebtedness issued in the name of or payable by the Association, shall require the signatures of at least two persons, consisting of (i) at least one Director and (ii) another Director, an officer of the Association or the Manager, provided, however, that funds may be withdrawn from the operating accounts of the Association without signature of the persons required in this Subsection for the following transactions if such withdrawal is authorized by resolution of the Board of Directors in order to (1) transfer of funds to the reserve accounts of the Association at regular intervals; or (2) make automated transfers of funds for the payment of utilities; or (3) effectuate such other transfers as may be expressly permitted by NRS Chapter 116.

(b) Reserve Accounts. Except as otherwise authorized by resolution of the Board of Directors and permitted under NRS Chapter 116, any and all withdrawals of funds from the Association's reserve funds shall require the signatures of at least two persons, consisting of (i) at least two Directors or (ii) at least one Director and one officer of the Association, who need not be a Director.

(c) Other Documents and Instruments. Amendments to the Declaration must be prepared, executed, certified and recorded on behalf of the Association by the President of the Association or any other officer of the Association designated for such purpose by the Board. Furthermore, the Board of Directors by majority vote, may, except as otherwise provided in these Bylaws, authorize any officer or officers or agent or agents to enter into any contract or execute any other instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; provided, however, that unless so authorized by the Board of Directors, no officer, agent or employee shall have the authority to pledge the Association's credit or to render the Association liable for any purpose or to any amount.

**10.4 Books and Records.**

(a) Inspection by Members and Mortgagees. Upon reasonable advance written notice, 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 appointed representative of any of the foregoing, during the regular working hours of the Association and for a purpose reasonably related to his or her interest in a Lot, the books, records, and other papers of the Association, including, without limitation: (a) Declaration, Bylaws, and Articles of Incorporation, including any amendments; (b) the Association's rules; (c) the financial statement of the Association; (d) the budgets of the Association; (e) the reserve studies of the Association; (f) contracts to which the Association is a party and all records relating to all civil or criminal actions to which the Association is a party; (g) the minutes of meetings of the Members, the Board, and committees; and (h) audio recordings of the meetings of the Board to the extent required by NRS Chapter 116. The foregoing right to inspect or copy records does not include (i) the personnel records of the employees of the Association, except for those records relating to the number of hours worked and the salaries and benefits of those employees; (ii) the records relating to another Member; (iii) the minutes from any executive sessions of the Board of Directors to the extent provided under NRS Chapter 116; and (iv) such other documents as may be excluded from the inspection records that Owner's may review under NRS Chapter 116. The Board shall provide for such inspection to take place at the office of the Association or at

such other place within the Property as the Board shall designate. The Board shall provide a copy of any of the records described above in this paragraph in (c), (d) and (e), to an Owner within twenty-one (21) days after receiving a written request therefor.

(b) Rules for Inspection. Subject to any limitations imposed under NRS Chapter 116, the Board shall establish 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, which shall be in an amount that complies with NRS Chapter 116.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association 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.

**10.5 Fiscal Year.** The fiscal year of the Association shall correspond with the calendar year.

**10.6 Conflicts.** If there are conflicts between the provisions of Nevada law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Nevada law, the Declaration, the Articles of Incorporation, and these Bylaws (in that order) shall prevail.

**10.7 Liberal Construction to Comply with NRS Chapter 116.** It is the intention of Declarant that these Bylaws be liberally construed to conform to the provisions of NRS Chapter 116 as may be amended from time to time, including specifically any future amendments. To the extent that they do not expressly conform to NRS Chapter 116, as amended, these Bylaws shall be deemed to conform with NRS Chapter 116 by operation of law.

**10.8 Notices.** Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws 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 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, or the Manager, at the principal office of the Association or the Manager or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

## ARTICLE XI AMENDMENTS

**11.1 Amendments by Declarant.** Prior to the conveyance of the first Lot by Declarant to an Owner other than Declarant and/or Builder, the Declarant may unilaterally amend these Bylaws. After such conveyance, Declarant may unilaterally amend these Bylaws 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 on the Lots; or (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 Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; provided, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing.

**11.2 Amendments by Members Generally.** Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of a majority of the total votes in the Association, and the Declarant's consent during the Declarant Control Period. 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.

**11.3 Validity and Effective Date of Amendments.** Amendments to these Bylaws shall become effective upon the requisite vote or written consent of the Members unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its Recordation 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 Bylaws.

**11.4 Notification of Changes to Governing Documents.** If any change is made to these Bylaws or any other Governing Document of the Association, the Association shall, within thirty (30) days after the change is made, prepare and cause to be given a copy of the change that was made to the Members in any manner permitted under Section 10.9 hereof.

**11.5 Amendments With Respect to Declarant Rights.** No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege for so long as Declarant (or any affiliate of Declaration) owns or has rights to acquire any property described on Exhibits "A" or "C" to the Declaration.

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## CERTIFICATE OF SECRETARY

I, the undersigned, do certify that:

1. I am the duly elected and incumbent Secretary of Skye Hills Community Association, a Nevada nonprofit corporation; and
2. The foregoing Bylaws constitute the Bylaws of the Association as duly adopted by the Board of Directors of the Association by consent dated November 2, 2020.

DATED this 2nd day of November, 2020.



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Bobby Williamson, its Secretary