

Montreux

Articles of Incorporation

&

Bylaws

Montreux Home Owners

Association

AUG 16 1996

No. C17492-960

Dean Heller
DEAN HELLER, SECRETARY OF STATE

ARTICLES OF INCORPORATION FOR
MONTREUX HOMEOWNERS ASSOCIATION

I

The name of the corporation is MONTREUX HOMEOWNERS ASSOCIATION. The corporation is organized under Chapter 82 of the Nevada Revised Statutes.

II

The resident agent of corporation shall be Robert M. Sader. The address of the resident agent is 462 Court Street, Reno, Nevada 89501, or such other address as the Board of Directors shall subsequently designate.

III

This corporation shall be a nonprofit corporation and shall have no capital stock. The corporation is not organized and shall not be conducted for profit, and no part of its revenues or earnings, if any, shall inure to the direct financial benefit of any individual, subscriber, contributor, or member. Upon corporate dissolution or as otherwise provided by the Board of Directors (subject to any restrictions in the Bylaws, Montreux Subdivision Declaration of Covenants, Conditions and Restrictions ("Declaration"), or applicable law) the assets of the corporation shall be dedicated to a public body, or conveyed to a nonprofit organization with similar purposes.

IV

The objects and purposes of this corporation are to:

- a. Own and maintain all easements and deeded real property for Common Area within the Subdivision; including the funding, operation and maintenance of the following common elements: perimeter fencing; recreational and community facilities; lakes; parks; paths; sidewalks; trails; open space; fences; gates; gatehouses; signs; entry ways; drainage ways and drainage facilities; private streets and curbs; private security and surface water retention areas.

- b. Provide after October 1, 1997, for removal of ice and snow from roads and parking areas owned by the Association at any time when such a condition may restrain access within the Subdivision or present a hazard. The Association shall either contract for snow and ice removal or acquire equipment and hire personnel to effect the provisions of this subsection. In the event that snow removal operations require exporting of snow or ice from roads or parking areas, said material may be exported outside the perimeter of the Subdivision to a suitable location. If a suitable location is not available, then material will be deposited within the perimeter of the development on an open green area or common area in such a manner as to not unreasonably restrict access or create an unreasonable hazard to any road, parking area or common walkway.
- c. Maintain after July 1, 1998 twenty-four hour security at the entrance gate unless the Board decides otherwise. Full time security need not be maintained, however, prior to the time thirty-five (35) living units within the Subdivision are occupied, during which time only such security as the Board may deem necessary or desirable shall be maintained.
- d. Enforce and administer any provisions of this Declaration pertaining to Association's rights, obligations, powers and duties or required by Washoe County; including, at a minimum, the funding of the maintenance, replacement and perpetuation of the following Subdivision amenities:
 - (1) Private roads within the Subdivision.
 - (2) Common area landscaping and maintenance.
 - (3) Entrance gates.
 - (4) Snow removal and storage areas.
 - (5) Streetscapes, including lighting and signs
 - (6) Fire fuel breaks on open space.
 - (7) Detention basins and the accumulated sediment.
 - (8) Storm drainage system.
 - (9) Private bicycle and pedestrian paths.

The Association may have other purposes than those specified herein, if allowed by law and not contrary to the provisions of this Declaration, the Association Articles Of Incorporation or the Bylaws.

The members of the governing board shall be styled directors. The Board of Directors shall have such number and such qualifications, powers and duties as shall be provided from time to time in the Bylaws of the corporation, provided that all directors must be at least 18 years of age, and be members of the corporation. The Bylaws may also provide for such assistants to them, and such officers, agents, and employees as may be desired.

The Board of Directors shall consist of three members or such other numbers as the Board of Directors shall designate, and shall hold office until their successors are elected as shall be provided in the Bylaws. The Board of Directors shall be elected in such manner as shall be set forth in the Bylaws. Initially there shall be three directors. The names and addresses of the first board are as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
ROBERT L. NICHOLS	2500 Spinnaker Drive Reno, Nevada 89509
SAM JAKSICK, JR.	2500 Spinnaker Drive Reno, Nevada 89509
STAN JAKSICK	2500 Spinnaker Drive Reno, Nevada 89509

In furtherance and not in limitation of the powers granted by statute, the Board of Directors is expressly authorized by resolution or resolutions, passed by a majority of the Board of Directors, to designate one or more standing or special committees, each committee to consist of such membership and to have such powers and duties and have such name or names as may be provided in the Bylaws or the resolution or resolutions. The Bylaws may provide for a Design Review Committee and for such other committees as may be from time to time deemed advisable, and such committees shall be elected in such manner and shall have such membership, powers and duties as shall be from time to time provided by resolution of the Board of Directors, the Declaration or in the Bylaws of the corporation.

The corporation may, in its Bylaws, confer powers upon its Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon them by statute. During the period of "Declarant Control", as defined in the Declaration, the Declarant may appoint or discharge Directors to the extent authorized.

VI

The name and address of the incorporator is as follows:

ROBERT L. NICHOLS
2500 Spinnaker Drive
Reno, Nevada 89509

VII

The corporation shall have perpetual existence. Members of the corporation shall not be liable for the payment of any corporate debts of any nature whatsoever nor shall any of the property of the members be subject to the payment of corporate debts to any extent whatever, except to the extent valid and proper assessments for the corporate purposes provided herein create such liability or subject members' real property to assessment liens.

VIII

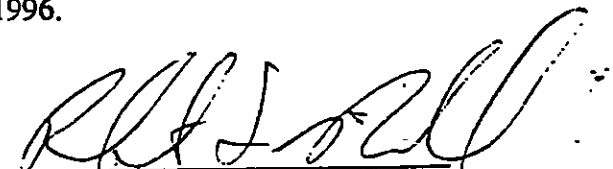
Every record owner of a lot in the Subdivision is entitled to membership and voting rights in the corporation. Membership is appurtenant to, and inseparable from, ownership of the lot. The voting power of each regular member shall be equal, except for the period of Declarant Control, as specified in the Bylaws and the Declaration recorded in the office of the Washoe County Recorder.

The conditions, method of admission, qualifications, and classifications of membership, the limitation, rights, powers and duties of members, the dues, assessments, and contributions of members, the method of expulsion from and termination of membership, and all other matters pertaining to the membership and the conduct, management and control of the business, property and affairs of the corporation shall be as provided from time to time in the Bylaws of the corporation or the Declaration. The Subdivision may be expanded by annexation as provided in the Declaration.

IX

This corporation reserves the right to amend, alter, change or repeal any provisions contained in these Articles of Incorporation in the manner now or hereafter provided by statute, upon the affirmative vote of two thirds of the members of the corporation and all rights conferred upon officers, directors and members herein are granted subject to this reservation, provided that no such amendment shall permit this corporation to engage in business for profit or permit the net earnings of the corporation to inure the direct financial benefit of any officer, director or member of the corporation.

THE UNDERSIGNED, being the incorporator herein before named for the purpose of forming a Nevada corporation in pursuance of the applicable statutes of the State of Nevada do make this certificate hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 15 day of 8, 1996.


ROBERT L. NICHOLS

STATE OF NEVADA
Secretary of State

I hereby certify that this is a
true and complete copy of
the document as filed in this
office.

AUG 16 '96

Dean Heller
DEAN HELLER
Secretary of State

By *Deborah Jennings*

**MINUTES OF THE FIRST ANNUAL MEETING
OF THE MEMBERS AND THE BOARD OF DIRECTORS
FOR MONTREUX HOMEOWNERS ASSOCIATION**

The first annual meeting of the members and Board of Directors was held at 11 o'clock A.m., on the 20 day of Aug, 1996, at 2500 Spinnaker Drive, Reno, Nevada, 89509. The following persons were present individually and as representatives of Montreux Joint Venture, a Nevada general partnership.:

Robert L. Nichols, Sam Jaksick, Jr. and Stan Jaksick.

Robert L. Nichols was appointed Chairman of the meeting.:

The Chairman explained that the only member of the Association in good standing at the time of the meeting is Montreux Joint Venture, a Nevada general partnership, the "Declarant" under the C C & R's and the owner of Montreux Subdivision (Washoe County Case No. TM1-1-96). On or before the filing of a first final map for the beginning phase of the subdivision, an association to administer the common areas of the subdivision is needed. Since Montreux Joint Venture is at this time the owner of almost all subdivision lots, and the provisions of state law on "Declarant Control" (NRS Chapter 116) will apply so that the Declarant controls the activities and obligations of the association, the business of organizing the association needs to be accomplished.

The Chairman announced that the Articles of Incorporation of the Corporation were filed with the Secretary of State. The Secretary was instructed to cause a copy thereof to be inserted in the Minute Book of the Corporation.

The Secretary then presented to the meeting the resignations of Robert L. Nichols, Sam Jaksick, Jr. and Stan Jaksick as initial directors of the Corporation, in order to elect directors for the annual meeting cycle, as specified in the Bylaws.

The Chairman then stated that nominations were in order for election of directors of the corporation to hold office until their next election.

The following persons were nominated:

ROBERT L. NICHOLS, SAM JAKSICK, JR. and STAN JAKSICK.

No further nominations being made, nominations were closed and a vote was taken.

After the vote had been counted, the Chairman declared that the foregoing named nominees were unanimously elected directors of the corporation.

The Chairman then stated that the newly elected directors would assume their responsibilities immediately, and that this meeting would hereafter be considered as a joint meeting of directors and members to organize the Corporation and to transact such business as should properly come before the meeting.

The Chairman of the meeting then called for the election of officers of the Corporation. The following persons were nominated to the offices preceding their respective names:

President:	ROBERT L. NICHOLS
Secretary:	STAN JAKSICK
Treasurer:	SAM JAKSICK, JR.

No further nominations being made, the nominations were closed and the directors proceeded to vote on the nominees. The Chairman announced that the foregoing nominees were elected to the offices set before their respective names.

The Bylaws were submitted for consideration after discussion, it was moved, seconded and unanimously passed:

RESOLVED that the Bylaws be adopted and approved, and that the Bylaws be placed in the corporate records.

The Secretary was authorized and instructed to purchase a new corporate book and supplies.

Upon motion duly made, seconded and carried, it was:

RESOLVED that ROBERT M. SADER, 462 Court Street, Reno Nevada, 89501, be, and he hereby is, designated as the Resident Agent of the corporation in the State of Nevada and of the books required by law to be kept in that office, and as the agent upon whom process against this corporation may be served in accordance with the laws of the State of Nevada, and that said agent shall act under the direction and supervision of counsel of this corporation in all matters arising out of or pertaining to said agency.

Upon motion duly made, seconded and carried, it was:

RESOLVED that the principal office of the corporation in the State of Nevada shall be located and maintained at 462 Court Street, Reno, Nevada, and that the corporation shall establish and maintain other offices as may be designated by the Board of Directors and that the meetings of the Board of Directors may, from time to time, be held at the principal office of the corporation in the State of Nevada, or elsewhere, as the Board may from time to time order.

Upon motion duly made, seconded and carried, it was:

RESOLVED that all actions heretofore taken by the members or directors or the officers of this corporation, and all things done by their authority prior to the organization of this corporation be, and the same hereby are, ratified and approved and adopted by and as the act of this corporation.

The Secretary then submitted to the meeting a seal proposed for use as the corporate seal, the corporate record book and the membership roll. Upon motion duly made, seconded and carried, it was:

RESOLVED that the seal now presented at this meeting, an impression of which is directed to be made in the minutes of this meeting, be, and the same hereby is, adopted as the seal of the corporation, and further.

RESOLVED that the corporate record book, including the membership roll, be, and hereby is, adopted as the record book and membership roll of the corporation.

Upon motion duly made, seconded and carried, it was:

RESOLVED that the treasurer of the corporation be, and hereby is, authorized to pay all charges and expenses incident to or arising out of the organization of the corporation and to reimburse any person who has made any disbursement therefor.

The Chairman then stated that it was desirable to designate a depository for the funds of the Corporation. Thereupon, on motion duly made, seconded and unanimously adopted, it was:

RESOLVED that the treasurer be and hereby is authorized to open a bank account on behalf of the Corporation with Comstock Bank in Reno, Nevada or at the office of any other bank branch.

Upon motion duly made, seconded and unanimously carried by the regular members, it was:

RESOLVED that the corporation proceed to carry on the business for which it is incorporated, and further

RESOLVED that the signing of these minutes shall constitute full ratification thereof and waiver of notice of the meeting by the signatories, as members and as directors.

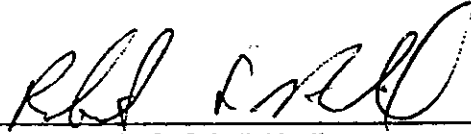
The last order of business was the consideration of a budget and assessments for the Association for 1996. Since subdivision improvements will be constructed prior to sales and occupancy of homes by third-party homeowners, the budget includes only an estimate of lots to be sold in 1996. The annual assessment shall be set at \$150 per final map lot per month. Annual assessments for pro-rata share of the calendar year will be collected at close of escrow for all lots sold.

Upon motion duly made, seconded and unanimously adopted, it was:

RESOLVED that the budget of the Association attached to these minutes is hereby adopted and approved. All expenses of the Association for incorporating and for activities in 1996 shall be paid by Montreux Joint Venture, as Declarant. The annual assessment for calendar year 1996 shall be \$150 per month per lot for all lots subject to a final map, with pro rate share of the annual assessment collected at close of escrow for each such lot.

By executing these minutes below, Montreux Joint Venture, as owner of all lots, agrees to the budget and assessment stated herein and waives the requirement of a membership meeting to approve the same. There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.

DATED this 21 day of Aug., 1996.



ROBERT L. NICHOLS, individually



SAM JAKSICK, JR, individually and
as President of Toiyabe Investment Company, Inc.,
a Nevada corporation, as Managing Partner of
Montreux Joint Venture, a Nevada general partnership

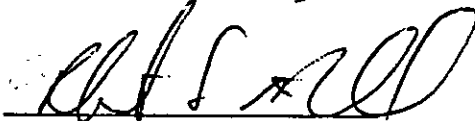


STAN JAKSICK, individually

RESIGNATION

The undersigned hereby resign as directors of Montreux Homeowners Association, in order to facilitate the annual election of directors, as provided in the proposed Bylaws.

DATED this 20 day of Aug., 1996.



ROBERT L. NICHOLS



SAM JAKSICK, JR.

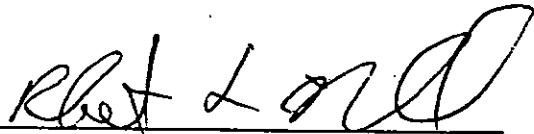


STAN JAKSICK

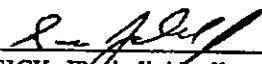
**WAIVER OF NOTICE FOR
THE FIRST ANNUAL MEETING OF THE MEMBERS OF
MONTREUX HOMEOWNERS ASSOCIATION**

We, the undersigned, do hereby waive notice of the time, place and purpose of the first annual meeting of MONTREUX HOMEOWNERS ASSOCIATION, and designate the 20 day of Aug., 1996, at 11 o'clock A.m., as the time, and Montreux office, 2500 Spinnaker Dr Las Vegas, NV. as the place of said meeting; the purpose of said meeting being to elect directors, then to elect officers, to adopt Bylaws, to organize the affairs of the association, and to transact any and such other business as may be necessary and advisable.

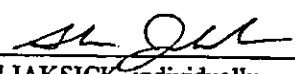
DATED this 20 day of Aug., 1996.



ROBERT L. NICHOLS, individually



SAM JAKSICK, JR., individually and
as President of Toiyabe Investment Company, Inc.,
a Nevada corporation, as Managing Partner of
Montreux Joint Venture, a Nevada general partnership



STAN JAKSICK, individually

TABLE OF CONTENTS

BYLAWS OF THE

MONTREUX HOMEOWNERS ASSOCIATION

	PAGE NO.
ARTICLE I	
OFFICES	-1-
Section 1.01. INCORPORATION OF DECLARATION	-1-
Section 1.02. PRINCIPAL OFFICE	-1-
Section 1.03. OTHER OFFICES	-1-
ARTICLE II	
MEMBERSHIP	-1-
Section 2.01. CLASSES/REGULAR MEMBERS	-1-
Section 2.02. INITIATION FEE, MEMBERSHIP DUES AND ASSESSMENTS. .	-1-
Section 2.03. PLACE OF MEETINGS.	-1-
Section 2.04. ANNUAL MEETINGS.	-2-
Section 2.05. CONDUCT OF MEETINGS.	-2-
Section 2.06. PROXIES	-2-
Section 2.07. ACTION WITHOUT MEETING BY WRITTEN BALLOT.	-2-
ARTICLE III	
DIRECTORS	-3-
Section 3.01 POWERS.	-3-
Section 3.02 NUMBER OF DIRECTORS AND QUALIFICATIONS.	-3-
Section 3.03 ELECTION AND TERM OF OFFICE.	-4-
Section 3.04. VACANCIES.	-4-
Section 3.05. PLACE OF MEETING	-5-
Section 3.06. ANNUAL MEETINGS.	-5-
Section 3.07. REGULAR MEETINGS.	-5-
Section 3.08. SPECIAL MEETINGS.	-5-
Section 3.09. NOTICE.	-5-
Section 3.10. QUORUM.	-5-
Section 3.11. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE.	-6-
Section 3.12. WAIVER OF NOTICE.	-6-
Section 3.13. ADJOURNMENT.	-6-
Section 3.14. RIGHTS OF INSPECTION.	-6-
Section 3.15. EXECUTIVE COMMITTEE.	-6-
Section 3.16. STANDING OR SPECIAL COMMITTEES.	-7-
Section 3.17. LIMITATIONS UPON COMMITTEES OF THE BOARD	-7-
Section 3.18. ADVISORY COMMITTEES.	-7-
Section 3.19. ACTION BY CONSENT	-8-

TABLE OF CONTENTS (Contd.)

ARTICLE IV	
OFFICERS	-8-
Section 4.01. OFFICERS.	-8-
Section 4.02. ELECTION AND TERM OF OFFICE.	-8-
Section 4.03. REMOVAL AND RESIGNATION.	-8-
Section 4.04. VACANCIES.	-8-
Section 4.05. PRESIDENT	-8-
Section 4.06. VICE PRESIDENTS.	-9-
Section 4.07. SECRETARY.	-9-
Section 4.08. TREASURER	-9-
 ARTICLE V	
OTHER PROVISIONS	-9-
Section 5.01. INSPECTION OF ARTICLES AND BYLAWS	-9-
Section 5.02. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. .	-9-
Section 5.03. CONSTRUCTION AND DEFINITIONS.	-10-
Section 5.04. AMENDMENTS.	-10-
Section 5.05. MAINTENANCE OF CORPORATE RECORDS.	-10-
Section 5.06. INDEMNIFICATION.	-10-
 CERTIFICATION	-11-

BYLAWS OF THE MONTREUX HOMEOWNERS ASSOCIATION

A Nonprofit Corporation Under Chapter 82 of the
Nevada Revised Statutes

ARTICLE I OFFICES

Section 1.01. INCORPORATION OF DECLARATION. The provisions of the Montreux Subdivision Declaration of Covenants, Conditions and Restrictions ("Declaration") are incorporated herein. A copy of the Declaration is attached hereto as Exhibit "A".

Section 1.02. PRINCIPAL OFFICE. The Association's principal office shall be fixed and located at such place as the Board of Directors (the "Board") shall determine. The Board is granted full power and authority to change said principal office from one location to another.

Section 1.03. OTHER OFFICES. Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE II MEMBERSHIP

Section 2.01. CLASSES/REGULAR MEMBERS. There shall be one class of voting members, as specified in the Declaration and subject to the provisions on Declarant Control. Owners of lots, are referred to herein as "regular members" or "members".

Section 2.02. INITIATION FEE, MEMBERSHIP DUES AND ASSESSMENTS.

(a) No regular member shall pay any initiation fee or periodic dues other than the assessments specified in the Declaration.

(b) All assessments shall be collected by the Association. Association funds shall be paid out or distributed as authorized or directed by the Board.

(c) The Board may not waive the assessments of a regular member on grounds of financial hardship or for any other cause.

(d) A regular member whose assessments are delinquent shall not be in good standing and shall not be qualified to vote, to hold office, or to participate in business meetings of the Association, and shall not be entitled to rights and privileges of members until the delinquent assessments are fully paid.

Section 2.03. PLACE OF MEETINGS. Meetings of members shall be held at such places as the Board shall designate.

Section 2.04. ANNUAL MEETINGS. Annual meetings of members shall be held. The date and the time of annual meetings shall be fixed by the Board as provided herein. Any proper business may be transacted at the annual meeting.

Section 2.05. CONDUCT OF MEETINGS. The President or other officer of the corporation shall preside as chairman at all meetings of the members. The chairman shall conduct each such meeting in a businesslike and fair manner, but shall not be obligated to follow any technical, formal or parliamentary rules or principles of procedure. The chairman shall have all of the powers usually vested in the chairman of a meeting of members. Without limiting the generality of the foregoing, the chairman's rulings on procedural matters shall be conclusive and binding on all members, unless at the time of a ruling, a request for a vote is made by the members entitled to vote, in which case the decision of a majority of such members shall be conclusive and binding on all members.

Section 2.06. PROXIES. Persons entitled to vote may do so by written proxy. The form and manner of the proxy must comply with NRS 82.321(2)(a) or (b).

Section 2.07. ACTION WITHOUT MEETING BY WRITTEN BALLOT.

(a) Any action which may be taken at any regular or special meeting of the regular members may be taken without a meeting, provided there is satisfaction of the requirements of NRS 82.326, and:

- (1) The Association distributes a written ballot to every regular member entitled to vote on the matter;
- (2) The ballot sets forth the proposed action, provides an opportunity to specify approval or disapproval of any proposal, and provides a reasonable time within which to return the ballot to the Association;
- (3) The number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action; and
- (4) The number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(b) Directors may be elected by written ballot.

ARTICLE III DIRECTORS

Section 3.01 POWERS. Subject to limitations contained in the Articles, these Bylaws or in the applicable Law relating to action required to be approved by the members or by a majority of all members, the activities and affairs of the Association shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person or persons, a management company or committees however composed, or otherwise delegate any power or authority of the Board, provided that the activities and affairs of the association shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws and the Law:

(a) To select and remove all agents and employees of the Association, prescribe powers and duties for them as may not be inconsistent with law, the Articles or these Bylaws, fix their compensation and require from them such security, if any, for faithful service as the Board may deem appropriate.

(b) To conduct, manage and control the affairs and activities of the Association and to make such rules and regulations therefore not inconsistent with law, the Articles or these Bylaws, as they may deem appropriate.

(c) To adopt, make and use a corporate seal, and to prescribe the forms of certificates of membership, if any, and to alter the form of such seal and of such certificates from time to time as they may deem appropriate.

(d) To authorize the issuance of memberships of the corporation from time to time, upon such terms and for such consideration as may be lawful.

(e) To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities.

Section 3.02 NUMBER OF DIRECTORS AND QUALIFICATIONS. The number of directors shall be set by the Board, provided that there shall be not less than three (3) director positions and not more than five (5), and provided further that the Board may not reduce the number of director positions if the reduction has the effect of eliminating a director prior to the expiration of his or her term. During the period of Declarant Control (as defined in the Declaration), the directors shall be selected by Declarant (as defined in the Declaration) and will serve at the sole discretion of Declarant, subject to NRS Chapter 116 (the "Act"), specifically NRS 116.31032 (providing for gradual transition of control of the Board as lots are sold). Only regular members may serve as directors, subject to the provisions of Declarant Control, and during the period of Declarant Control, the directors selected by the Declarant need not be members of the Association. Each director must be familiar with the Declaration, Bylaws and the provisions of the Act and shall provide a written

certification to that effect at the time of his or her appointment or election to office in such form, if applicable, as required by the Act. Any member in good standing may be an officer or a director of the Board, including an officer, employee, agent or director of a corporate member, a trustee or designated beneficiary of a trust member, a partner of a partnership member, a manager or member of a limited liability company member, or a fiduciary of other entity member. When the person serving or offering to serve as an officer or director of the Board is not the record member, such person shall provide proof of authority to the Association. From time to time as sales of the lots proceed, Declarant will yield control of one or more director positions on the Board by resignation as necessary to comply with NRS 116.31032.

(Amended 2/02)

Section 3.03 ELECTION AND TERM OF OFFICE. To the extent practicable and subject to the provisions of this Section, directors shall be elected at the annual members' meeting each year. Each director shall take office upon the effective date of his or her term and hold office until a successor has been elected. If a successor is not elected to replace a director after the expiration of his or her term, then the director's term shall be extended until a successor is elected. Upon the death, resignation, or removal of a director during his or her term, the Board may call a special meeting of the members to elect a new director to the unexpired portion of the term or the Board may leave the position vacant until the next annual members' meeting, at which time any unexpired vacant director's term shall be filled by election of a new director. Commencing in the calendar year 2002, two (2) of the directors' positions shall have terms of two (2) years and the remaining directors' positions shall have a one (1) year term, then commencing in the calendar year 2003, said remaining directors' positions shall have two (2) year terms. Thereafter, all positions are added or deleted by the Board (within the limitations specified in Section 3.02), the Board may initially designate one or more said added or deleted directors' terms to be one (1) year in duration solely for the purpose of creating staggered terms for election of directors' positions, in order to provide to the extent possible, for the election of all directors to two (2) years on an evenly staggered basis. Any qualified person serving as a director may be reelected, and there shall be no limit on the number of terms a qualified person may serve.

(Amended 2/02)

Section 3.04. VACANCIES.

(a) Any director may resign effective upon giving written notice to the Chairman of the Board, the President or the Secretary, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time to take office when the resignation becomes effective.

(b) Vacancies in the Board shall be filled in the manner prescribed for regular election, provided that such vacancies may be filled as they occur and not on an annual basis. Each director so elected shall hold office until the expiration of the term of the replaced director or until such replacement director's successor has been elected and qualifies, whichever is later.

(c) A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors is increased.

(d) The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under the Law. The Board may remove a director and declare vacant the office of a director who fails to attend two consecutive Board meetings without being excused by the Board. The regular members may otherwise remove a director and declare vacant the office, with or without cause, by a two-thirds (2/3) vote, subject to the provisions of Declarant control.

(e) No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

(f) During the period of a vacancy, the Board shall retain all powers to act, notwithstanding the fact that the Board during that period does not have three persons.

Section 3.05. PLACE OF MEETING. Regular or special meetings of the Board shall be held at any place within or without the State of Nevada which has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Association.

Section 3.06. ANNUAL MEETINGS. The Board shall hold an annual meeting for the purpose of organization, and the transaction of other business. Annual meetings of the Board may be held on such dates and at such time as may be fixed by the Board or the Law.

Section 3.07. REGULAR MEETINGS. Regular meetings of the Board may be held on such dates and at such times as may be fixed by the Board.

Section 3.08. SPECIAL MEETINGS. Special meetings of the Board for any purpose or purposes may be called at any time by the President or any three directors.

Section 3.09. NOTICE. Annual and special meetings of the Board shall be held upon at least ten (10) days' notice by first-class mail.

Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of the Association or as may have been given to the Association by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission.

Section 3.10. QUORUM. Sixty-six percent (66%) of the directors in office constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 3.13. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number be required by law or by the Articles, except as provided in the next sentence. 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 such meeting.

Section 3.11. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE.

Members of the Board may participate in a meeting of the Board, or a committee meeting, through use of a conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another.

Section 3.12. WAIVER OF NOTICE. Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consent and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 3.13. ADJOURNMENT. A majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, reasonable notice of any adjournment to another time or place shall be given prior to the time the adjourned meeting is reconvened to the directors who were not present at the time of the adjournment.

Section 3.14. RIGHTS OF INSPECTION. Every member shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

Section 3.15. EXECUTIVE COMMITTEE. The Association may have an executive committee which, except when the Board is in session, and except as its powers may be otherwise limited by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the association, and may authorize the seal of the Association to be affixed to all papers which may require it. The executive committee shall also have the power of general supervision, management, and control of the business of the Association and over its several employees.

The executive committee shall be composed of the President, the Secretary, and the Treasurer. A majority of all the members of the executive committee may determine its rules of procedure unless the Board shall otherwise provide. The President shall conduct all meetings of the executive committee or, in his absence, the Secretary.

Any action which under the provisions of the Law may be taken at a meeting of the executive committee, may be taken without meeting if authorized by a writing signed by all members of the executive committee who would be entitled to vote at a meeting for such purpose and filed with the Secretary of the corporation.

Section 3.16. STANDING OR SPECIAL COMMITTEES. In the event that the Board determines that the management of the Association would be benefitted by the establishment of one or more standing or special committees in addition to the executive committee, the Board may from time to time establish one or more such committees. The establishment of a standing or special committee shall be effected by a resolution of the Board approved by the vote of the majority of the directors then in office, which specifically sets forth the powers and duties delegated to such committee. Each such committee shall consist of two or more directors and shall be presided over by a director selected by the Board. The term "standing committee" or "special committee" shall mean any committee appointed by the Board which is authorized by specific delegation, without further Board action, to make and implement, with some degree of discretion, decisions of the Board pursuant to guidelines established by the Board. Notice of, and procedures for, meetings of standing or special committees shall be as prescribed by the chairman of each such standing or special committee, and meetings of standing or special committees may be called by the Board or the chairman of the standing or special committee.

Section 3.17. LIMITATIONS UPON COMMITTEES OF THE BOARD. No committee of the Board shall have any of the authority of the Board with respect to:

- (a) the approval of any action for which the Law also requires approval of the members or approval of a majority of all members;
- (b) the filling of vacancies on the Board or on any committee which has the authority of the Board;
- (c) the fixing of compensation of the directors for serving on the Board or on any committee which has the authority of the Board;
- (d) the amendment or repeal of Bylaws or the adoption of new Bylaws;
- (e) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) the appointment of other committees of the Board or the members thereof if such committee will have the authority of the Board; or
- (g) the expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected.

Section 3.18. ADVISORY COMMITTEES. The Chairman of the Board, the Board, the executive committee or the President may from time to time appoint such advisory committees as it deems appropriate, consisting of directors or persons who are not directors, but such advisory

committees shall not be deemed committees having the authority of the Board and shall not exercise any powers of the Board. Notice of, and procedures for, meetings of advisory committees shall be as prescribed by the chairman of each such advisory committee, and meetings of advisory committees may be called by the Chairman of the Board, the Board, the executive committee, the President or the chairman of the advisory committee.

Section 3.19. ACTION BY CONSENT. Any action of a majority of the Board, although not at a regularly convened meeting, if assented to in writing by all of the members of the Board, shall be as valid and as effective in all respects as if passed by the Board in a meeting.

ARTICLE IV OFFICERS

Section 4.01. OFFICERS. The officers of the Association shall be a President, a Secretary and a Treasurer. The Association may also have, at the discretion of the Board, such other officers as may be deemed advisable by the Board. Any number of offices may be held by the same person. Only regular members may be officers, unless during the period of Declarant Control, Declarant designates otherwise. The President, Secretary and Treasurer shall all be authorized to prepare, execute, certify and record amendments to the Declaration on behalf of the Association

Section 4.02. ELECTION AND TERM OF OFFICE. The officers of the Association shall be elected by the Board for annual terms. If at the end of an annual term a replacement for an officer is not elected or appointed, the officer shall hold the office until a replacement is elected or appointed.

Section 4.03. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, with the approval of majority of the Board.

Any officer may resign at any time by giving written notice to the Board. Any such resignation shall take effect at 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.

Section 4.04. VACANCIES. A vacancy in any office because of death, resignation, removal or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 4.05. PRESIDENT. Subject to such powers, if any, as may be given by the Board to the Chairman of the Board, if there be such an officer, the President is the chief executive officer of the Association and has, subject to the control of the Board, general supervision, direction and control of the business and officers of the Association. The President shall preside at all meetings of the members and, in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president of a corporation and such other powers and duties as may be prescribed by the Board.

Section 4.06. VICE PRESIDENTS. The Association may have one or more Vice-Presidents. The Vice-Presidents shall have such powers and perform such duties as from time to time may be prescribed for them respectively by the Board.

Section 4.07. SECRETARY. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of members, the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, the number of members present or represented at members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of Nevada the original or a copy of the Association's Articles and any other documents required by law.

The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board and any committees thereof required by these Bylaws or by law to be given, shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 4.08 TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transaction of the Association, and shall send or cause to be sent to the regular members of the corporation such financial statements and reports as are by law or by these Bylaws required to be sent to them. The books of account shall at all times be open to inspection by any director. The Treasurer shall reconcile the books of the Association on a yearly basis and whenever a new President takes office.

The Treasurer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board, shall render to the Board periodic financial statements, as requested. In addition, the Treasurer shall have such other powers and perform such other duties as may be prescribed by the Board.

ARTICLE V OTHER PROVISIONS

Section 5.01. INSPECTION OF ARTICLES AND BYLAWS. The Association shall keep in its principal office in the State of Nevada a copy of its Articles and of these Bylaws, as amended to date, which shall be open to inspection by the regular members at all reasonable times during office hours.

Section 5.02. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The President, or any other officers authorized by the Board or the President, are each authorized to vote, represent and exercise on behalf of the Association all right incident to any and all shares of any other corporation or corporations standing in the name of the Association. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 5.03. CONSTRUCTION AND DEFINITIONS. Unless the context otherwise requires, the general provisions, rules of construction and definitions of Nevada law shall govern the construction of these Bylaws.

Section 5.04. AMENDMENTS. These Bylaws may be amended or repealed by approval of 75% of the regular members, provided any amendment of a provision of the Declaration incorporated herein shall be made under the procedure specified in the Declaration and such an amendment shall be deemed to also be an amendment of these Bylaws.

Section 5.05. MAINTENANCE OF CORPORATE RECORDS. The accounting books, records, minutes of proceedings of the regular members, the Board and the executive committee shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal business office of the Association. The minutes shall be kept in written or typed form and the accounting books and records shall be kept either in written or typed form, or in any other form capable of being converted into written, typed or printed form.

Section 5.06 INDEMNIFICATION. The Association shall, to the maximum extent permitted by the Law, have the power to indemnify its officers, directors and other agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an officer, director or agent of the Association and shall have the power to advance to such persons expenses incurred in defending any such proceedings.