

**CERTIFICATE OF AMENDMENT OF BYLAWS
MONTREUX HOMEOWNERS ASSOCIATION**

This Certificate Of Amendment to the Bylaws of Montreux Homeowners Association (the "Bylaws") is certified on the date indicated below by the Board of Directors of the Montreux Homeowners Association (the "Association"). The definitions and meanings of terms used in the Bylaws shall have the same meanings when used herein.

AUTHORITY FOR THE AMENDMENT

WHEREAS, the Bylaws for the Association, Article V, Section 5.04, provides that the Bylaws may be amended or repealed by approval of 75% of the regular members.

WHEREAS, there is only 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". Only owners of lots and the Course Owner (as defined in the Declaration) have voting power.

WHEREAS, the Board of Directors determined that the best interests of the membership would be served by the amendment of Bylaws Article III, Section 3.02 NUMBER OF DIRECTORS AND QUALIFICATIONS, and Section 3.03 ELECTION AND TERM OF OFFICE, and requested the members consider said amendment.

WHEREAS, over 75% of the members have approved the amendment and executed written approvals thereof, which have been inspected by the Board and confirmed to be in order.

AMENDMENT

NOW THEREFORE, IT IS HEREBY CERTIFIED THAT Article III, Section 3.02 and Section 3.03 has been amended and restated to read as follows: (bold print is new language, deleted provisions are shown by interlineation).

~~Section 3.02 NUMBER OF DIRECTORS AND QUALIFICATIONS. The number of directors shall be three persons. Only regular members may serve as directors, subject to the provisions of Declarant Control, and during the period of Declarant Control, Declarant may designate otherwise:~~

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

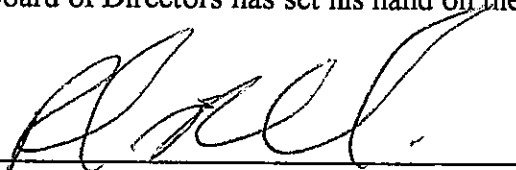
Declarant need not be members of the Association. Each director must be familiar with the Declaration, Bylaws and the provisions of the Act and shall provide a written certification to that effect at the time of his or her appointment or election to office in such form, if applicable, as required by 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.

~~Section 3.03 ELECTION AND TERM OF OFFICE. Directors shall be elected annually. Each elected director shall take office upon election and shall hold office until the next annual meeting after his election to the Board or until a successor has been elected and qualified. If a successor is not elected to replace a director after his one (1) year term, the director's terms shall be extended until a successor is elected.~~

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.

IN WITNESS WHEREOF, the President of the Board of Directors has set his hand on the date indicated below.



ROBERT L. NICHOLS, President

Date: 2/14/02