

FIRST RESTATED BYLAWS
CLARIDGE POINTE HOMEOWNERS ASSOCIATION

ARTICLE 1: RECITALS AND DEFINITIONS

Section 1.1. Name of Association. The name of this corporation is Claridge Pointe Homeowners Association and will be referred to herein as the "Association." The Claridge Pointe Homeowners Association is a non-profit, non-public corporation incorporated under the laws of the State of Nevada.

Section 1.2. Definitions.

(a) **Member in Good Standing.** "Member in Good Standing" means a Member of the Association who is current in the payment of all dues, assessments, fines, penalties and other charges imposed in accordance with the Governing Documents and who is in compliance with all of the provisions of the Governing Documents (e.g., not being disciplined under Article II of the Declaration for Governing Documents violations). A "Member in Good Standing" is a "Member eligible to vote" for purposes of these Bylaws.

The Association is obligated to conduct a hearing in order to suspend a Member's Voting Privileges on the basis of the nonpayment (delinquency of assessments). After such hearing, the member will be notified in writing as to their membership status.

(b) **Voting Power.** The term "Voting Power" means those Members who are eligible to vote for the election of Directors or with respect to any other matter, issue, or proposal properly presented to the Members for approval at the time any determination of Voting Power is made.

(c) **Definitions Incorporated by Reference.** All terms used herein that are defined in the Declaration will have the same meaning when used herein unless the context clearly indicates contrary intention.

ARTICLE 2: PRINCIPAL OFFICE.

Section 2.1. Location of Principal Office. The principal office of the Association will be located at such place within Washoe County as the Board may from time to time designate by resolution and will be the primary location for the housing and storage of the Association's corporate records and important documentation.

ARTICLE 3: MEMBERSHIP AND MEMBERSHIP RIGHTS.

Section 3.1. Members of the Association. Every Owner of a Unit within the Development is a Member of the Association. Only Owners of Record of a Unit within the Development may be Members.

Membership in the Association is appurtenant to, and may not be separated from, ownership of any Unit. Membership in the Association may not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Unit to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Unit. Any attempt to make a prohibited transfer is void.

Section 3.2. Term of Membership. Upon becoming the Owner of a Unit, each Owner will automatically be a Member of the Association and will remain a Member until such time as the ownership of the Unit ceases for any reason. The Owner's Membership interest appurtenant to the Unit will automatically transfer to the Unit's new Owner(s) upon the sale, conveyance or other transfer of an Owner's interest in a Unit.

Section 3.3 Multiple Ownership of Units. Ownership of a Unit will give rise to a single Membership vote in the Association. Accordingly, if more than one person owns a Unit, all of these persons will be deemed to be one Member for voting purposes, although all such Owners will have equal right (as Members) to use and enjoy the Common Elements.

The Secretary will be notified in writing of the Owner designated by their Co-owners as having the sole right to vote the Membership on their behalf. If no such notification is received, the Secretary may accept the vote of any Owner of Record or proxy holder of such an owner as the vote attributable to the Unit in

question. If any Owner casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Unit.

If joint-Owners are unable to agree among themselves as to how their vote or votes are to be cast, they will lose their right to vote on the matter in question. If multiple Owners of a Unit attempt to vote the Membership attributable to the Unit in an inconsistent fashion, the Secretary or other person or persons designated as inspectors of election by the Board may refuse to count any ballot pertaining to that Unit.

Section 3.4 Furnishing Evidence of Membership. A person will be entitled to exercise the rights of a Member once the Secretary (or Agent of the Association) has received notice in writing, including a certified copy of a deed filed with the County Recorder or an effective policy of title insurance, at the Association's annual meeting or at the Association's designated mailing address that the person is qualified to be a Member as set forth in Section 3.1, above.

Section 3.5 Right to Use and Enjoyment of Common Elements by Members and Member's Families. Subject to the provisions of the Governing Documents, a Member and the individuals of a Member's Family who reside in the respective Member's Unit may use the Common Elements.

ARTICLE 4: MEMBERSHIP VOTING.

Section 4.1. Single Class of Membership. The Association will have one class of voting membership.

Section 4.2. Member Voting Rights. On each matter submitted to a vote of the Members, whether a meeting of the Membership called and held pursuant to the provisions of these Bylaws or otherwise, each Member will be entitled to cast one vote for each Unit owned by such Member (subject to limitations found in Section 4.3, below). Single Memberships in which two (2) or more persons have an indivisible interest will be voted as provided in Section 3.3, above.

Section 4.3. Eligibility to Vote. Only Members in Good Standing will be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Unit and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Declaration (See Section 1.3(a), above).

Section 4.4 Manner of Casting Votes.

- (a) **Voting during Membership Meetings.** Voting at any Membership meeting may be by show of hands, or by voice except for voting for e of Directors which must be conducted by secret written ballot. The vote on any other issues (minutes, financials, or other issues) will be conducted by a show of hands or by voice.
- (b) **Voting by Secret Written Ballot.** Member's votes for election of Directors must be conducted by Secret Written Ballot.
- (c) **Proxy Voting.** Members otherwise eligible to vote at a meeting may do so in person or by proxy issued as provided in Section 4.5, subject to subsection (a), above.
- (d) **Cumulative Voting.** Cumulative voting is not permitted.

Section 4.5 Proxies.

- (a) **Proxies Generally.** Any Member entitled to vote at any Members' meeting may do so either in person or by a written proxy. However, a vote may not be cast by proxy for the election or removal of a Director.
- (b) **Effectiveness of Proxies.** Any proxy may be for a term not to exceed eleven (11) months from the date of issuance. The dates on the proxies presumptively determine the order of execution (and respective validity), regardless of the postmarks shown on the envelopes in which the proxies may have been mailed. A proxy is terminated immediately after the conclusion of a meeting for which it is executed.

- (c) **Revocation of Proxies.** An Owner may revoke a proxy only by actual notice of revocation to the person presiding over a meeting of the Association.
- (d) **Proxy holder and Voting of Proxies.** An Owner may give a proxy only to a member of his immediate family, or an Owner who resides in the Development. The authorized proxy holder will vote each proxy it holds strictly in accordance with the provisions of this section and the directions, if any, set forth by the Member on the Member's proxy form.
- (e) **Contents and Form of Proxy.** A proxy is void if:
 - (i) It is not dated or purports to be revocable without notice;
 - (ii) It does not designate the meeting for which it is executed;
 - (iii) It does not designate each specific item on the agenda of the meeting for which the Owner has executed the proxy, except that the Owner may execute the proxy without designating any specific item on the agenda of the meeting if the proxy is to be used solely for determining whether a quorum is present for the meeting. If the proxy designates one or more specific items on each specific item designated in the proxy, whether the holder of the proxy must cast a vote in the affirmative or the negative on behalf of the Owner. If the proxy does not indicate whether the holder of the proxy must cast a vote in the affirmative or the negative for a particular item on the agenda of the meeting, the proxy must be treated, with regard to that particular item, as if the Owner were present but not voting on that particular item.
 - (iv) 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 Director.

Proxies that do not comply with the above requirements will not count toward any vote and/or towards establishing a quorum.

- (f) **Use of Proxy to Establish Quorum.** Subject to Section 4.3 and subsection (e), above, all proxies received by the Association may be counted for purposes of establishing a quorum at the meeting for which the proxy has been issued, regardless of whether the Member has indicated a voting preference on any matter described in the proxy.
- (g) **No Proxy Voting in Connection with "Written Ballot without a Meeting".** Where Members' votes are solicited pursuant to Section 4.6, below, proxy voting will not be allowed on those matters that are set forth on the written ballot. Where Members' votes are solicited by proxy and noticed Member Meeting, the mailed written ballot procedures under Section 4.6, below, will not be allowed on those matters set forth on the proxy form. This subsection (g) does not prevent or limit the use of a written ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting.
- (h) **Proxy Rights Strictly Limited.** The proxy rights of Members will be strictly limited to the rights specified in this section 4.5.

Section 4.6 Action by Written Ballot Without a Meeting.

- (a) **Definition of Written Ballot.** A "written ballot" for purposes of this Section 4.6 (and only Section 4.6) is a ballot that is mailed or otherwise distributed to every Member entitled to vote on the matter and that complies with the requirements of this Section 4.6. For purposes of Section 4.6 (and Section 4.6 only), the term "written ballot" does not include a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such a meeting.
- (b) **Written Ballots Generally.** Any matter requiring the vote of the Members may be submitted to the Members for approval by written ballot without the necessity of calling a meeting of the Members,

as long as the requirements for action by written ballot set forth in this Section 4.6 are satisfied. The determination to seek Member approval for Association action in this fashion will be made by a majority vote by the Board. Once the determination is made to seek Member approval for Association action in this fashion will be made by a majority vote of the Board. Once the determination is made to seek Member approval by written ballot, the Board will establish a record date (See Section 5.8(a)(iii)) for purposes of determining those Members eligible to cast written ballots.

(c) Balloting Time Requirements.

- (i) **Distribution.** In the case of any matter or issue submitted to the Members for approval by written ballot, the Board will distribute the written ballot to every Member entitled to vote on the matter per the requirements of NRS 116 or at least twenty (20) days, but not more than sixty (60) days prior to the final date the written ballots are to be received and counted. For ballots for Director elections, the culmination of the balloting period will be the date of the annual or special Membership meeting.
- (ii) **Extension of the Balloting Period.** The time fixed for the return of written ballots may be extended only if the Board so notifies the Members in the balloting materials originally sent to Members. Notwithstanding the foregoing, if a meeting is scheduled and adjourned without concluding the election process, the time fixed for the return of written ballots will be extended to the date the adjourned meeting is reconvened.

(d) Content of Written Ballots.

- (i) **Written Ballots in General.** Any written ballot distributed to the Members to vote on any issue will set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposed action. For election of Directors, the ballots must set forth the names of all candidates whose names have been placed in nomination at the time the ballot is issued.
- (ii) **Specification of Time for Return of Written Ballot.** All written ballots must state the time by which the ballot must be received in order to be counted (See subsection (c), above).

Section 4.7 Majority Vote Required. If a quorum is present (See Section 5.5 below), the affirmative vote of the majority of the Members represented at the meeting pursuant to Section 4.6 above, entitled to vote and voting on any matter (other than the election of the Directors), will be the act of the Member, unless the vote of a greater number of Members is required by Nevada law or by the CC&R's (Governing Documents).

Section 4.8 Supervision of Election Process. In order to ensure secrecy of ballots and fairness in the conduct of member votes, including Director elections and/or recalls, the Board may, but will not be obligated to, utilize the services of one (or up to three) neutral party(s) of good repute who may be retained to receive and tabulate all ballots and supervise the secrecy of and to conduct the voting process. Votes cast for the election of Directors must be counted in public.

ARTICLE 5: MEMBERSHIP MEETINGS.

Section 5.1. Place of Meeting. Meetings of the Members will be held at any reasonable place within the County of Washoe as selected by the Board. The location of the meeting will be established by the Board and set forth in the notice of meeting sent to the Members.

Section 5.2. Annual Meeting. There will be a regular meeting of the Members every year. The annual meeting will be held at a date determined at the discretion of the Board of Directors. The date of the meeting will be established by the Board and set forth in the notice of meeting sent to the Members.

Section 5.3 Special Meetings.

- (a) **Persons Entitled To Call Special Meetings.** A majority of a quorum of the Board, the President of the Association, or ten percent (10%) or more of the Members may call a special meeting of the Members at any time to consider any lawful business of the Association.
- (b) **Procedures for Calling Special Meetings Requested by Members.** In order to call a special meeting by ten percent (10%) or more of the Members, a request must be submitted by such

Members in writing, specifying the general nature of the business proposed to be transacted, and must be delivered personally, by first class or certified mail, or by telegraphic or facsimile transmission to the President, Vice President, or Secretary of the Association. The written request must bear the signatures of all requesting Members and the Member(s) circulating the request must attach a written, signed certification to the request attesting to the validity of the signatures.

In order to count as a valid signatory, a Member signing the request must be eligible to vote (See Section 1.2(a) and Section 4.3, above).

The Officer receiving the request will cause notice to be promptly given to the Members, in accordance with the provisions of this Article 5, that a meeting will be held, and the date, time and purpose for such meeting, which date will be not less than fifteen (15) days or more than sixty (60) days following the receipt of the request.

Nothing contained in this subsection may be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board or the President of the Association.

Section 5.4. Notice of Members' Meetings.

- (a) **Requirement that Notice be Given.** Notice in writing of all annual and special meetings of the Members must be sent by first class mail or delivered personally to all Members, or as permitted by law, if the Association offers to send notice by electronic mail, be sent by electronic mail at the request of Owners to an electronic mail address designated in writing by the Owners.
- (b) **Time Requirements for Notice.** The notice of Membership meetings must be given in the manner specified in subparagraph (c) of this Section 5.4, not less than ten (10) nor more than sixty (60) days before the date of the meeting.
- (c) **Minimum Requirements regarding Contents of Notice.** The notice of any Membership meeting must:
 - (i) state the purpose(s) for which the meeting is called,
 - (ii) state the location, date, and time of the meeting,
 - (iii) include a copy of the agenda
 - (iv) include notification of the right of an Owner to:
 - (1) have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon request, and if required by the Board, upon payment to the Association of the cost of making the distribution; and
 - (2) speak to the Association or Board, unless the Board is meeting in executive session.
- (d) **Minimum Requirements regarding Agenda.** The agenda for a Members' meeting 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 Governing Documents, 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. In an emergency, the Owners may take action on an item which is not listed on the agenda as an item on which action may be taken;
 - (iii) a period devoted to comments by Owners and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph (ii).

As used in this subsection, "emergency" means any occurrence or combination of occurrences that:

- (1) Could not have been reasonably foreseen;
- (2) Affects the health, welfare and safety of the Owners of the Association;
- (3) Requires the immediate attention of, and possible action by the Board; and
- (4) Makes it impracticable to comply with the provisions of subsection (c) or (d).

Section 5.5 Quorum Requirements.

(a) Quorum Requirements Generally. The following quorum requirements must be satisfied in order to take valid action at any meeting of the Members or for any act by written ballot:

(i) Quorum for Removal of Directors from Office. In the case of any Membership meeting or written ballot (pursuant to Section 4.6, above) called or conducted for the purpose of voting on the removal of any Director from office, the quorum requirement for valid action on the proposal will be two-thirds (2/3) of all Members present at the meeting. The Owners, by a two-thirds vote of all persons present and entitled to vote at any Members' meeting at which a quorum is present, may remove any Director with or without cause.

(ii) Quorum for Votes on Budget Ratification or Assessment Increases. In the case of any Membership meeting called or conducted for the purpose of voting on the annual budget or increase in assessments requiring membership approval the quorum requirement is a majority of all unit owners or minimally fifty-one percent (51%) of all Members. Assessment increases of up to five percent (5%) annually shall not require the approval of the membership.

(iii) Quorum for Valid Action on All Other Matters. In the case of a Membership meeting or written ballot (pursuant to Section 4.6, above) called or conducted for any other purpose, the quorum will be twenty-five percent (25%) of the Members eligible to vote (See Section 1.2(a) and Section 4.3, above), provided that if any regular Membership meeting is actually attended, in person or by proxy, by less than twenty-two percent (22%) or 1/4 of the voting power (as defined in Section 1.2(c), above) of the Members (but a quorum is present) the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting.

(iv) Reduction in Quorum Percentage for Action on Other Matters. Whether or not the minimum quorum percentage specified in subsection (a)(iii), above, is satisfied, the meeting may be adjourned to another time and/or location that is not less than forty-eight (48) hours more than thirty (30) days after the initial meeting date (See subsection 5.6, below) by a majority of those Members present. At the reconvened meeting, the quorum percentage will be reduced to ten percent (10%) of Members eligible to vote (See section 1.2(a) and Section 4.3, above). At the subsequent meeting, if the actual number of Members who are present in person or by proxy at the beginning of the subsequent meeting is less than twenty-five (25%) of the Members eligible to vote the Members who are present in person or by proxy at the subsequent 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.

If a quorum is never established for the meeting, a majority of those Members who are present in person or via proxy may vote to adjourn the meeting for lack of quorum, but no other action may be taken or business transacted. Adjournment is the only valid act that may be taken if a quorum of the Members is not established. Any act of the Members (whether at a meeting or by written ballot pursuant to Section 4.6, above) is void and has no effect if the requisite quorum requirement is not met.

(b) Members Represented by Proxy. Members present at a Membership meeting in person or by proxy (subject to the limitations set forth in Section 4.3 and Section 4.5, above) will be counted toward satisfaction of the quorum requirements specified herein.

(c) Effect of Departure of Members From Meeting. The Members present in person or by proxy at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, so long

as any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

Section 5.6. Adjourned Meeting.

- (a) **Adjournment Generally.** Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another place and/or time (but not for more than thirty (30) days) by the vote of the majority of Members present at the meeting (present either in person or by proxy). Unless there is an absence of a quorum at the reconvened meeting (in which case no business other than adjournment may be transacted), the reconvened meeting may take any action that might have been transacted at the original meeting (subject to the limitations imposed by Section 5.5).
- (b) **Notice Requirements for Adjourned Meetings.** When a Members' meeting is adjourned to another time or place, notice pursuant to Section 5.4 must be given of the new meeting.

Section 5.7 Conducting Meetings. All Members' meetings will be conducted in accordance with a recognized system of any respectfully agreed upon parliamentary type procedure.

Section 5.8 Meeting Minutes. Minutes of Members' meetings and non executive board meetings shall be made available to any Owner who pays the Association the cost of providing the copy to him.

ARTICLE 6: BOARD OF DIRECTORS.

Section 6.1. General Association Powers. Subject to the provisions of Nevada law and limitations set forth in any of the Association's Governing Documents relating to such actions that require Member approval, the business and affairs of the Association will be vested in and exercised by the Board of Directors.

Subject to the limitations expressed in Section 9.1 (pertaining to committees), below, and any restrictions set forth in the Declaration, the Board may delegate the management of the activities of the Association to any person or persons, management company, or committee, provided that notwithstanding any such delegation the activities and affairs of the Association will continue to be managed and all Association powers will continue to be exercised under the ultimate direction of the Board of Directors.

Section 6.2 Number and Qualifications of Directors. The Board will consist of five (5) persons each of whom must be either an Owner, an officer, employee, agent or director of a corporate Owner, a trustee or designated beneficiary of a trust that owns a Unit, a partner of a partnership that owns a Unit, a member or manager of a limited-liability company that owns a Unit, or a fiduciary of an estate that owns a Unit. In all events where the person serving or offering to serve as an officer of Director is not the record owner, he shall file proof in the records of the Association that: (a) He is associated with the corporate owner, trust, partnership, limited-liability company that owns a Unit, or estate as required by this section; and (b) Identifies the Unit(s) owned by the corporate owner, trust, partnership or estate.

A Director must also be a Member in Good Standing (See Section 1.2(a)). Owner's family, lessees, servants, employees, guests, invitees, licensees, contract purchasers, and/or persons who hold an interest in a Unit merely as security for the performance of an obligation are not eligible to serve on the Board. No more than one Owner per Unit may be a director at any given time.

Each person whose name is placed on the ballot as candidate to be a Director must make a good faith effort to disclose any financial, business, or personal relationship or interest that would result 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. The candidate must make the disclosure, in writing, to each member of the Association.

A person may not be a member of the Board if the person, his spouse or his parent or child, by blood, marriage or adoption, performs the duties of a manager for the Association.

Each Director must, within thirty (30) days after his appointment or election, certify in writing that he has read and understands the Governing Documents and the provisions of NRS Chapter 116 to the best of his ability.

Section 6.3 Term of Office. Directors will serve for a term of two (2) years. The Association will institute a rotation of Directorships so that office terms are staggered on a two (2) – three (3) Director basis, with two (2) Directors elected in even numbered years and three (3) Directors elected in odd numbered years. Each Director, including a Director elected to fill a vacancy or elected at a special meeting of Members, will hold office until the expiration of the term for which elected and until a successor has been elected and qualified. There is no limit on the number of consecutive terms to which a Director may be reelected.

Section 6.4 Nomination of Directors. Not less than thirty (30) days before the preparation of a ballot for the election of Directors, the Association shall cause notice to be given to each Owner of his eligibility to serve as a Director. Each Owner who is qualified to serve as a Director may have his name placed on the ballot. Individuals can become candidates for the Board by (1) certifying that they are a Member in Good Standing with the Association, and (2) the candidate's Unit is current in the payment of Assessments both at the time the candidate's name is placed in nomination and as of the election date. (See Section 1.2(a) and Section 4.3, above.)

All Directors must maintain their good standing status with the Association during their term of office or be subject to removal for cause pursuant to Section 6.6 (c) (iv), below. Co-Owners may not serve on the Board of Directors at the same time.

Section 6.5 Election of Directors.

Directors Elected by Secret Written Ballot. The election (or recall) of Directors will be conducted by secret written ballot (via a written ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting or the written ballot procedures of Section 4.6, above). The Association shall send a secret ballot and a return-addressed envelope to each Owner. A vote may not be cast pursuant to a proxy for the election of a Director. If the number of candidates is less than the number of open seats, the candidates will be deemed duly elected as the election will be deemed uncontested and no secret ballot will be mailed to the membership.

Determination of Election Results and Succession to Office. Each Owner must be provided with at least fifteen (15) days after the date the secret written ballot is mailed to the Owner to return the secret written ballot to the Association. A quorum is not required for the election of any Director. Only the secret written ballots that are returned to the Association may be counted to determine the outcome of the election. The secret ballots must be opened and counted at a meeting of the Association. A quorum is not required to be present when the secret ballots are opened and counted at the meeting. The incumbent Directors and each person whose name is placed on the ballot 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 Association. If the number of candidates is less than the number of open seats, the candidates will be deemed duly elected as the election will be deemed uncontested.

The Board of Director candidates receiving the highest number of votes, up to the number of Directors to be elected, will be elected as Directors and will take office immediately following their election. In the event there is a tie vote between those candidates who receive the lowest number of votes necessary to qualify for a Director position, the tie will be broken by lot (e.g. the candidates drawing straws).

Section 6.6 Vacancies on Board of Directors.

- (a) **Vacancies Generally.** A vacancy or vacancies in the Board will be deemed to exist on the occurrence of any of the following: (i) the death, resignation, or removal of a Director (under subsections (b) through (e), below; (ii) an increase of the authorized number of Directors; or (iii) the failure of the Members, at any meeting of the Membership at which any Director or Directors are to be elected, to elect the number of Directors to be elected at such meeting.
- (b) **Resignation of Directors.** Any Director may resign, and such resignation will be effective on giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the resignation it is to become effective immediately. If the

resignation of a Director is effective at a future time, the Board may elect a successor to take office when the resignation becomes effective.

- (c) **Authority of Board to Remove Directors.** The Board will have the power and authority to remove a Director and declare their office vacant if they:
- (i) Have been declared of unsound mind by a final order of court.
 - (ii) Have been convicted of a felony;
 - (iii) Have been found by a final order or judgment of any court to have breached any duty under NRS 82.221 and NRS 116.3103 (relating to the standards of conduct of Directors) and/or.
 - (iv) Fail to maintain the Directors "Member in Good Standing" status (See section 1.2(a) and Section 4.3 for a period of ninety (90) consecutive days or longer.
- (d) **Authority of Members to Remove Directors.** Except for otherwise provided in subsections (c) or (e) of this Section 6.6, a Director may be removed from office prior to expiration of their term only by the process described in NRS 116 that deals specifically with Removal of member of executive Board (currently NRS 116.31036).
- (e) **Removal by Court Action.** The Washoe County District Court may, in response to a suit filed by any Director or at least (5) Members in Good Standing (See Section 1.2(a) and Section 4.3), remove any Director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Association. The Association will be made a party to any such action.
- (f) **Filling Vacancies.** If a vacancy on the Board is created by a Member vote pursuant to subsection (d) above, the vacancy will be filled by a vote of a majority of the Members represented in person or by proxy at a duly held meeting of the Members at which a quorum is present. If more than one Director(s) with the most votes will fill the Director position(s) with the longest remaining term of office.
- All other vacancies on the Board will be filled by a majority vote of the remaining Directors (whether or not a quorum of directors is present).
- (g) **Reduction in Number of Directors.** No amendment to these Bylaws which reduces the authorized number of Directors will have the effect of removing any Director before that Directors term of office expires.

Section 6.7 Disputes as to Elections and/or Removal of Director(s). Should any dispute arise as to whether one or more Director(s) were validly removed, elected and/or appointed, such dispute will be subject to binding arbitration. The arbitrator appointed to decide the dispute will be knowledgeable / experienced in the area of corporate law. The arbitration will be held and the arbitrator's decision will be made as soon as practical.

Section 6.8 Compensation. Directors, officers, and/or members of committees will not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as the Board determines are just and reasonable. Expenses for which reimbursement is sought must be supported by a proper receipt or invoice.

ARTICLE 7: BOARD MEETINGS.

Section 7.1 Place of Meetings. Regular and special meetings of the Board may be held at any place within the County that has been designated from time to time by decision of the Board and stated in the notice of meeting.

Section 7.2 Annual Meeting of Directors. Immediately following each annual meeting of Members, the Board will hold a regular meeting for the purposes of organization, election of offices, and the transaction of other business.

Section 7.3 Other Regular Meetings.

- (a) **Frequency of Regular Meetings.** Other regular meetings of the Board shall be held at least every ninety days (90) or more frequently as may be fixed from time to time by decision of the Board.
- (b) **Notice Requirements.** Notice to Members of the time and place of regular meetings of the Board must be given at least ten (10) days prior to the meeting by one of the following methods:
 - (i) by first class United States Mail;
 - (ii) by notification in official publication of the Association, (e.g. Newsletter).
 - (iii) if the Association offers to send notice by electronic mail (email), be sent by electronic mail at the request of Owners to an electronic mail address designated in writing by the Owners. However, notice of a regular meeting need not be given to any Director who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in Section 7.10 below.

Section 7.4 Special Meetings of the Board.

- (a) **Who May Call a Special Meeting.** Special meetings of the Board may be called for any purpose at any time by the President or by any two (2) Directors.
- (b) **Notice of Special Meetings.**
 - (i) **Time for and Manner of Giving.** Except in emergencies as set forth in Section 7.5, notice to the Members and Directors of the date, time, and place of special meetings of the Board must be given at least ten (10) days prior to the meeting by one of the following methods.
 - (1) by first class United States Mail;
 - (2) by notification in official publication of the Association, (e.g. Newsletter).
 - (3) if the Association offers to send notice by electronic mail (email), be sent by electronic mail at the request of Owners to an electronic mail address designated in writing by the Owners. However, notice of a regular meeting need not be given to any Director who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in Section 7.10 below.
 - (ii) **Notice Contents.** The notice of special meetings will state the time, place and purpose 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 to have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon request and, if required by the Board, upon payment to the Association of the cost of making the distribution, and speak to the Association or Board unless the Board is meeting in executive session.

Section 7.5 Emergency Meetings of the Board. The Board may also hold emergency Board meetings. In an emergency, the Association shall, if practicable, cause notice of the meeting to be sent prepaid by U.S. Mail to the mailing address of each Unit. If delivery of the notice in this manner is impracticable, the notice must be posted in a prominent place or places within the Common Elements.

As used in this section, "emergency" means any occurrence or combination of occurrences that:

- (a) Could not have been reasonably foreseen;
- (b) Affects the health, welfare or safety of the units' owners of the Association;
- (c) Requires the immediate attention of, and possible action by, the Board; and
- (d) Makes it impracticable to comply with the provisions of Section 7.4

Section 7.6 Executive Sessions. The Board may not meet in executive session to enter into, renew, modify, terminate or take any other action regarding a contract, unless it is a contract between the Association and an attorney.

The Board may meet in executive session only 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, or to enter into, renew, modify, terminate or take any other action regarding a contract between the Association and the attorney.
- (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 this Subsection (c), discuss a violation of the governing documents, including, without limitation, the failure to pay an assessment. The Board must meet in executive session to hold a hearing on an alleged violation of the Governing Documents unless the person who may be sanctioned for the alleged violation requests in writing that the hearing be conducted by the Board at an open meeting. The person who may be sanctioned for the alleged violation is entitled to attend the hearing and testify concerning the alleged violation, but the person may be excluded by the Board from any other portion of the hearing, including, without limitation, the Board's deliberations.

Except as otherwise provided in this subsection, any matter discussed by the Board when it meets in executive session must be generally noted in the minutes of the meeting. The Board must maintain minutes of any decision made pursuant to this subsection concerning an alleged violation and, upon request, provide a copy of the decision to the person who was subject to being sanctioned at the hearing or to his designated representative. Except as otherwise provided in this subsection, an Owner is not entitled to attend or speak at an executive Board meeting.

Section 7.7. Members' Rights.

- (a) **Meetings Generally Open to Members.** With the exception of executive sessions, any Member of the Association may attend and speak at any Board and/or Member meetings. The Board may establish a written policy for the Member Open Forum Periods that sets forth:
 - (i) when during the meetings Members may speak;
 - (ii) reasonable time limits for each speaker; and
 - (iii) total time allowed for Members to speak. Unless a majority of the Directors expressly votes to allow further non-Director participation, the participation of Members who are not Directors is limited to the Member Open Forum Periods. The period required to be devoted to Member Open Forum must be scheduled for the beginning of each meeting for Agenda Items.
- (b) **Board Meeting Minutes.** Minutes will be kept for Board meetings. Taking into consideration the need to maintain confidentiality of matters discussed in executive sessions, any matter discussed in an executive session will not be part of the regular Board meeting minutes.

The minutes (or a summary of the minutes) of any meeting of the Board, other than minutes of the executive session, must be available to the Members within thirty (30) days following the Board meeting. Upon a Member's request (and payment of the Association's costs of copying and distribution), copies of the minutes (or a summary of the minutes) will be provided to the requesting Member.

Except for otherwise provided in this subsection and Section 7.6, the minutes of each Board meeting must include: (a) The date, time and place of the meeting; (b) Those members of the Board who were present and those members who were absent at the meeting; (c) The substance of all matters proposed, discussed or decided at the meeting; (d) a record of each member's vote on any matter decided by vote at the meeting; and (e) The substance of remarks made by any Owner who addresses the Board at the meeting if he request that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion.

The Board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings. The Association shall maintain the minutes of each Board meeting until the common-interest community is terminated.

(c) Members' Right to Notice of Meetings. Except for emergency Board meetings, (see Section 7.5) Members will be given notice of the time and place of all Board meetings at least ten (10) days before the date of the meeting. Such notice must be:

- (i) by first class United States Mail;
- (ii) by notification in official publication of the Association, (e.g. Newsletter).
- (iii) if the Association offers to send notice by electronic mail (email), be sent by electronic mail at the request of Owners to an electronic mail address designated in writing by the Owners. However, notice of a regular meeting need not be given to any Director who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in Section 7.10 below.

In an emergency (see Section 7.5), the Association shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each Unit. If delivery of the notice in this manner is impracticable, the notice must be posted in a prominent place or places within the Common Elements.

The notice of the Board meeting 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 to have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon request and, if required by the Board, upon payment to the Association of the cost of making the distribution, and speak to the Association or Board, unless the Board is meeting in executive session.

(d) Minimum Requirements regarding Agenda. The agenda for a Board meeting must consist of:

- (i) a clear statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Governing Documents, 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. In an emergency, the Owners may take action on an item which is not listed on the agenda as an item on which action may be taken.
- (iii) a period devoted to comments by Owners and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph (i).

As used in this subsection, "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 of the association;
- (iii) Requires the immediate attention of, and possible action by, the Board; and
- (iv) Makes it impracticable to comply with the provisions of subsection (c) or (d).

Except as otherwise provided by law, the Association and the Board must do as set forth in this paragraph. If the Association receives a written complaint from an Owner alleging that the Board has violated NRS 116 or Governing Documents, the Board must, if action is required by it, place the subject of the complaint on the agenda of the next regular meeting. Not later than ten (10) business days after the date that the Association receives such a complaint, the Association must acknowledge the receipt of the complaint and notify the Owner that, if action is required by the Board, the subject of the complaint will be placed on the agenda of the next regular meeting.

Section 7.8 Quorum Requirements. Three (3) Directors will constitute a quorum for transaction of business if there is a full five member board. Two (2) Directors will constitute a quorum for the transaction of business if there is less than a full five member board. Transaction of business shall include any and all purposes, except to adjourn as provided in Section 7.9, below. 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 will be regarded as an official act of the Board.

A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors below a quorum, if any action taken is approved by at least a majority of the remaining Directors at that meeting, or such greater number as may be required by law.

Section 7.9 Adjournment. A majority of the Directors present, whether or not a quorum exists, may adjourn any Board meeting to another time, date, and/or location. Notice of adjournment to the new time, date, and/or location must be given in accordance with Section 7.7, above).

Section 7.10 Conducting Meetings. All Board meetings will be conducted in accordance with a recognized system of any respectfully agreed upon parliamentary type procedure. If no mutually recognized system is adopted by the Board, then Robert's Rule of Order will be the default procedure.

At least every ninety (90) days, the Board shall review at one of its meetings:

- (a) current reconciliation of the operating accounts of the Association;
- (b) current reconciliation of the reserve accounts of the Association;
- (c) the actual revenues and expenses for the reserve account, compared to the budget for that account for the current year;
- (d) the latest account statements prepared by the financial institutions in which the accounts of the Association are maintained;
- (e) an income and expense statement, prepared on at least a quarterly basis, for the operating and reserve accounts of the Association; and
- (f) the current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

ARTICLE 8: OFFICERS.

Section 8.1 Officers. The officers of the Association will be a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board may from time to time by resolution appoint, (for smaller

than five member Boards offices of Secretary and Treasurer will be combined). Any two officers may prepare, execute, certify and record amendments to the Declaration.

Section 8.2. Election of Officers. The officers of the Association will be elected by the Boar at the first meeting of the Board following each annual meeting of the Membership. New officer positions may be created and filled at any meeting of the Board. Each officer will hold their office until they resign, are removed or otherwise disqualified to serve. Successors will be elected and qualified by the Board.

Section 8.3 Terms; Removal of Officers. Generally, the officers of the Association will hold office for a period of two (2) years. Any officer may be removed by the Board with or without cause, at any regular or special meeting. Such removal may, in the discretion of the Board, be given immediate effect.

Section 8.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board (the president, or the secretary). Any such resignation will take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, acceptance of such resignation will not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 8.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause may be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for regular appointments to such office.

Section 8.6 President. The President will be a member of the Board. The President will be the chief executive officer of the Association and will, subject to the control of the Board have general supervision, direction and control for the affairs and officers of the Association.

The President will preside at all meetings of the Board and membership, will have the general power and duties of management usually vested in the office of president of a corporation, together with such other powers, acts and duties as may be prescribed by the Board or are set forth in the Bylaws, and will see that orders and resolutions of the Board are carried out.

Section 8.7 Vice President. In the absence or disability of the President, the Vice President will perform all the duties of the President and when so acting will have all the powers of, and be subject to all the restrictions upon, the President. The Vice President will perform such other acts and duties and have such powers as from time to time may be prescribed by the Board or set forth in these Bylaws.

Section 8.8. Secretary.

- (a) **Minutes.** The Secretary will 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 Directors and Members, with the time and place of holding same, whether regular or special, the names of those present at Directors' meetings, the number of Members present in person or by proxy at the Members' meetings, and the proceedings thereof. For all special meetings of either the Board or the Members, the book of minutes will also indicate how the meeting was authorized.
- (b) **Records.** The Secretary will keep, or cause to be kept, all appropriate records of the Association, including current records showing the Members of the Association, together with the Members' addresses as last submitted to the Association by each member.
- (c) **Meetings and Votes.** The Secretary will give, or cause to be given, notice of all meetings as required by these Bylaws and/or by Nevada law. The Secretary will record, or cause to be recorded, the results of all votes in a book kept for that purpose.
- (d) **Other Responsibilities.** The Secretary will perform such other acts and duties and have such powers as from time to time may be prescribed by the Board or set forth in these Bylaws.

Section 8.9. Treasurer. The Treasurer will serve as the Association's chief financial officer and will keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the Development and business transactions of the Association, including accounts of the Association's assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer will receive and deposit, or cause to be received and deposited, all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board in compliance with the requirements of the Governing Documents. The Treasurer will disburse the funds of the Association as may be directed by the Board; provided however, that a resolution of the Board will not be necessary for disbursements made in the ordinary course of business conducted within the limits of the budget adopted by the Board. The Treasurer may, but need not, be a required signatory on checks, notes and/or other instruments of the Association.

The Treasurer will render to the President and/or Directors, whenever they request it, an account of all of their transactions as Treasurer and of the financial condition of the Association. The Association's books and financial records will at all reasonable times be open to inspection by any Director or Member pursuant to inspection rights specified in Article 12, below.

If required by the Board, the Treasurer will give the Association a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of their office and for restoration to the Association of all its books, papers, vouchers, money, and other property of every kind in their possession or under their control on their death, resignation, retirement, or removal from office. The Treasurer will have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

ARTICLE 9: COMMITTEES.

Section 9.1. Committees. The Board may appoint committees. Such committees will have the duties and functions as established by the Board.

The Committees will serve at the pleasure of the Board and will have such authority as designated and granted by the Board with respect to matters within their area of assigned responsibility.

Section 9.2 Effect of Committee Actions. Unless otherwise expressly provided in the Governing Documents, including a Board Resolution authorizing and empowering a committee, all actions for any committee will be considered advisory to the Board and will be scheduled on the agenda of the Board meeting next following the committee's action or decision. At the next Board meeting, the Board may act to affirm, rescind, or modify any and all committee actions, as the Board in its discretion deems appropriate.

ARTICLE 10. CONFLICTS OF INTEREST

Section 10.1. Conflicts of Interest. No Association official (including Directors, Officers, Committee Members and/or Manager) may make, participate in making, or in any way attempt to use their official position to influence an Association decision in which the official knows, or has reason to know, that the official has a direct or indirect financial interest which is distinguishable from the financial interest of the Members of the Association generally.

Except as otherwise provided by law, neither a Director nor a Manager of the Association may solicit or accept any form of compensation, gratuity or other remuneration that would improperly influence or would appear to a reasonable person to improperly influence the decisions made by those persons or would result or would appear to a reasonable person to result in a conflict of interest for those persons.

Except for otherwise provided by law, neither the Board, a Director, an officer, employee or agent of the Association may take, or direct or encourage another person to take, any retaliatory action against an Owner because the owner has complained in good faith about any alleged violation of any provision of NRS 116 or Governing Documents or requested in good faith to review the books, records or other papers of the Association.

Section 10.2. Employees. The provisions of Section 10.1 will not apply to an employee of the Association when they are negotiating their compensation or terms of their employment.

Section 10.3. Enforcement.

- (a) The Board will determine, by a majority vote on the basis of all facts, whether a conflict of interest exists with respect to an Association decision. If the Board determines that a conflict exists, the Board may (by majority vote) refer the matter under discussion to a special

committee of the Board, of which the Association official with the conflict of interest is not a Member.

- (b) If a Director is found by the Board to have violated this article by making, participating or attempting to use their position to influence an Association decision, the Board may commence either a recall election by the Members and have the Director removed. If an Association Officer (who is not a Director) is found by the Boar to have violated this article by making, participating, or attempting to use their position to influence an Association decision, the Board may remove the Officer from office.

Section 10.4. Applicability. The provisions of this article will not apply to contracts entered into on or before the date that these Bylaws are adopted by the Association.

ARTICLE 11: ASSOCIATION FINANCES, RECORDS AND BOOKS.

Section 11.1 Association Financial Records. All Association books of account will be maintained in accordance with generally accepted accounting principles.

Section 11.2 Budgets and Financial Statements. The following financial statements and related information for the Association will be regularly prepared and copies thereof will be distributed to each Member:

- (a) The budget for the daily operation of the Association. The budget must include without limitation, the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve account of the Association.
- (b) The budget to maintain the reserve required by NRS 116, the budget must include without limitation:
 - (i) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the Common Elements;
 - (ii) As of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the Common Elements;
 - (iii) A statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major component of the Common Elements or to provide adequate reserves for that purpose; and
 - (iv) A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to, without limitation the qualifications of the person responsible for the preparation of the reserve study required by NRS 116.

In lieu of distributing copies of the budgets of the Association required by subsection 1, the Board may distribute to each Owner a summary of those budgets, accompanied by a written notice that the budgets are available for review at the business office of the Association or other suitable location and that copies of the budget will be provided upon request.

Section 11.3. Required Reserve Studies and Inspections. The Board will also comply with the reserve study and inspection requirements as outlined in NRS 116 or comparable statute as long as the statute remains in force.

Section 11.4. Contracts. The Board may authorize any officer to enter into any contract in the name of, or on behalf of, the Association (pursuant to the Board's authority to enter into contracts as set forth in the CC&R's).

Section 11.5. Record Keeping. The Board will keep or cause to be kept all Association books, records and papers, including all Governing Documents for at least ten (10) years.

All financial and other records of the Association must be maintained and made available for review at the business office of the Association or some other suitable location within Washoe County and made reasonably available for any Owner to inspect, examine, photocopy and audit.

Section 11.6. Fiscal Year. The Association's fiscal year will be as determined by the Board of Directors, generally the calendar year unless resolution is made otherwise.

ARTICLE 12: INSPECTION.

Section 12.1. Member's Rights to Inspect.

- (a) **Member's Inspection Rights.** Accounting books and records subject to Member inspection under NRS 82.186, and minutes of proceedings of the Members, the Board and/or committees of the Board will be made available for inspection by any Member at any reasonable time. A Member's right to inspection will be exercisable on then (10) business days written demand served upon the Association. All Member demands will state the purpose for which the Member is requesting inspection rights.

A Members inspection rights arise, if and only if, the Member's purpose is reasonably related to their interests as a Member of the Association.

Except otherwise provided in this subsection, the Board must, upon the written request of an Owner, make available the books, records and other papers of the Association for review during regular working hours of the Association, without limitation, all contract to which the Association is a party. The provisions of this subsection do not apply to: (a) 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; (b) The records of the Association relating to another Owner, except for the General Record of Violations; and (c) A contract between the Association and Legal Counsel or Attorney.

- (b) **Minutes of Meetings.** Members have a right, upon request and payment of copying and distribution costs, to copies of Association Minutes for Member and/or Board meetings.

Section 12.2 Director's Right to Inspect. Every Director will have a right to, at any reasonable time, inspect all the Association books, records, documents, and minutes and/or the Association's physical property. The right of inspection by a Director includes the right to make extracts and copies of the documents.

Section 12.3 Adoption of Reasonable Inspection Rules. The Board may establish reasonable rules with respect to:

- (a) necessary notice to be given in order to request inspection;
- (b) hours and days of the week when inspections may be made; and
- (c) payment of the cost of reproducing copies of documents requested by any Member.

ARTICLE 13: AMENDMENTS.

Section 13.1. Amendment of Bylaws.

- (a) **Amendment by Board of Directors.** The Board may, by a vote of three-fifths (3/5ths) majority of all Directors, adopt amendments to these Bylaws when an amendment is needed to conform a particular provision or provisions of these Bylaws to changes in applicable Nevada State law when the changes in applicable Nevada State law are mandatory and nondiscretionary in nature.

Before entertaining a motion to approve any such amendment(s), the Board may receive a written opinion from the Association's legal counsel confirming that:

(i) a change or changes in Nevada law necessitates a corresponding amendment to the Association's Bylaws to make the affected Bylaw provision(s) accurate statement of current underlying Nevada law and

(ii) the Association is bound by law to observe the change in Nevada law.

(b) **Amendment by the Members.** Except for provided in subsection (a), above, these Bylaws may be adopted, amended, or repealed only by the affirmative vote (either at a Member meeting or by written ballot pursuant to section 4.6, above) of Members representing at least fifty-one (51%) of all eligible members.

Section 13.2. Effective Date. Any amendment to these Bylaws will become effective 30 days after distribution of Bylaws after approval by the Members.

ARTICLE 14: GENERAL PROVISIONS.

Section 14.1. Manager. The Board may, from time to time, employ the services of a manager (or management company) to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of Nevada, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the manager any of its day-to-day management and maintenance duties and powers under these Bylaws and the Declaration, provided that the manager will at all times remain subject to the general control of the Board.

Section 14.2. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in Nevada law will govern the construction of these Bylaws.

All provisions of these Bylaws will be liberally construed together to promote and effectuate the fundamental concepts of this Association.

Failure to enforce any provision of the Governing Documents will not constitute a waiver of the right to enforce that provision subsequently.

The masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular.

All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and will not affect the interpretation or application of any of the terms or provisions contained herein.

Section 14.3. Conflicts With Other Documents. In the case of any conflict between the Articles and these Bylaws, the Articles will control. In the case of any conflict between the Declaration and these Bylaws, the Declaration will control. In case of any conflict between other Governing Documents (e.g. Rules & Regulations) and these Bylaws, the Bylaws will control.

Section 14.4. State Law; Severability. Notwithstanding the provisions of Section 14.3, above, these Bylaws will be deemed independent and severable. The invalidity or partial invalidity of any provision of these Bylaws will not affect the validity or enforceability of any other provision of these Bylaws which will remain in full force and effect.

In case any of the Bylaws conflicts with any provisions of the laws of the State of Nevada, such conflicting Bylaws will be null and void upon a court determination to such effect. All other Bylaws will remain in full force and effect.

CERTIFICATE OF SECRETARY

The undersigned duly elected and acting Secretary of the mutual benefit nonprofit corporation known as Claridge Pointe Homeowners Association, does hereby certify that the above and foregoing Bylaws consisting of 19 pages, were duly adopted by vote or written consent of at least two-thirds of the Members of the Association on the 9th day of December 2011, and does that the same does now constitute the Bylaws of Claridge Pointe Homeowners Association.

Claridge Pointe Homeowners Association

Dated: 12-9-2011

By: 
Harry Tolles, Secretary