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BYLAWS OF
DESERT FOOTHILLS ESTATES OWNERS ASSOCIATION

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DESERT FOOTHILLS ESTATES OWNERS ASSOCIATION

ARTICLE 1

Name and Location

1.1 Name and Location

The name of the property owners association (the "Association") is DESERT FOOTHILLS ESTATES OWNERS ASSOCIATION. The principal office of the Association shall be located at 1960 Highway 95, Suite 10, Bullhead City, Mohave County, Arizona, or at such other place as the Board of Directors may specify.

ARTICLE 2

Definitions

2.1 Definition of Declaration

"Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements for Desert Foothills Estates applicable to the Property recorded on the 19th day of October, 1994, at Book No. 2479, Pages 222-297, in the office of the Mohave County Recorder.

2.2 Declaration Definitions

The definitions contained in the Declaration are incorporated in these Bylaws by reference.

ARTICLE 3

Meetings of Members and Voting Rights

3.1 Annual Meetings

Regular meetings of Members of the Association shall be held annually on the Property or such other suitable place convenient to the Members as may be designated by the Board at the time and on the date set by the Board for such annual meeting. The first annual meeting shall be held within twelve (12) months following the date of filing of the

Articles with the Arizona Corporation Commission but in no event shall the first meeting be held later than the six (6) months after the close of escrow for the sale of the first Lot or Parcel.

3.2 Special Meetings

A special meeting of the Members of the Association shall be promptly called by the Board upon the vote for such a meeting by a majority of a quorum of the Board or upon receipt of a written request therefor signed by Members representing at least ten percent (10%) of the total voting power of the Association or by Members representing at least ten percent (10%) of the voting power residing in Members other than Declarant.

3.3 Notice of Meetings

Written notice of regular and special meetings shall be given to Members by the Board by mailing a notice to each member which shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. Except in the case of an emergency or except as provided in Subarticle 3.4 below, notice shall be mailed to each Member at least thirty (30) days but no more than sixty (60) days prior to the meeting and shall be posted in a conspicuous place in the Common Area. For the purpose of providing notice of meetings, an emergency shall be deemed to exist if the Board determines that the issues to be addressed at the emergency meeting could not be reasonably foreseen to permit the notice provided for in this Subarticle 3.3.

3.4 Quorum

The presence in person or by proxy of at least sixty (60%), percent of each class of membership of the Association shall constitute a quorum except as specifically provided to the contrary in the Declaration, the Articles or these Bylaws. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum. The required quorum at the subsequent meeting shall be fifty percent (50%) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

3.5 Action Without A Meeting

Any action that, under the provisions of the Arizona corporate law, may be taken at a meeting of the Members may be taken without a meeting if authorized by a writing signed by all of the Members entitled to vote upon such an action at a meeting and filed with the Secretary of the Association.

3.6 Joint Ownership of Lots

When more than one party owns an interest in any Lot or Parcel, all such parties shall be Members of the Association. The vote for such Membership shall be exercised as the Owners of the Membership determine among themselves, but in no event shall more than one ballot be cast for or with respect to any Membership concerning any one vote of the Association. The vote for each Membership must be cast as a unit and fractional votes shall not be allowed. In the event that the joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on behalf of a Membership. If any Member casts a vote representing a Membership; it will thereafter be conclusively presumed for all purposes that he/she or they was/were acting with the authority and consent of all owners of the Membership. In the event more than one vote is cast for a particular Membership during a particular vote of the Association, none of said votes shall be counted and said votes shall be deemed void.

3.7 Proxies

At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his/her Lot or Parcel or upon receipt of notice by the Secretary of the Board of the death or judicial declaration of incompetency of such Member.

3.8 Classes of Membership

The Association shall have two (2) classes of voting Membership established according to the Declaration.

3.9 Voting Requirements

While there are two (2) outstanding classes of Membership, any action by the Association which must have the approval of the Association Membership before being undertaken shall require the vote or written assent of the prescribed percentage of each class of Membership.

3.10 Commencement of Voting Rights

Voting rights attributable to each Lot or Parcel shall vest in accordance with the terms and provisions of the Declaration.

3.11 Record Date

For any meeting of the Members, the Board of Directors may fix in advance a date, not more than sixty (60) days nor less than ten (10) days before the date of such meeting as a record date for the determination of the Members of record entitled to notice of, and to vote at, such meeting. The Members entitled to vote at any meeting of the Members will be determined as of the applicable record date if one has been fixed as aforesaid, otherwise, as of the time the meeting is convened.

3.12 Organization and Conduct of Meetings

All meetings of Members will be called to order and thereafter chaired by the Chairman of the Board if there is one or, if not, or if the Chairman of the Board is absent or so requests, then by the President. If both the Chairman of the Board and the President are unavailable, such other officer of the Association or such Member as may be appointed by the Board may call the meeting to order and chair the meeting. The Association's Secretary will act as secretary of each membership meeting. In his/her absence, the chairman of the meeting may appoint any person (whether a Member or not) to act as secretary thereat.

ARTICLE 4

Board of Directors: Selection; Term of Office

4.1 Number and Term of Directors

The Board shall consist of three (3) Directors, each of whom shall be a Lot or Parcel Owner or an agent of Declarant (while Declarant remains a Lot or Parcel Owner).

The Directors shall serve staggered terms as follows: the first Director (the Director with the most votes) elected at the first meeting of the Association shall serve a three-year term, the Director elected at the meeting with the next highest vote shall serve a two-year term and the remaining Director shall serve a one-year term. Thereafter, all Directors shall be elected to three-year terms. All elections and appointments of Directors under these Bylaws shall be for such terms as will preserve the staggering of terms as provided in this Subarticle 4.1. The incorporating Directors, or their duly elected replacements, shall serve until the first meeting of the Association; thereafter all Directors shall be elected and removed according to these Bylaws.

4.2 Election of Board of Directors

4.2.1 Nomination

Nominations for election to the Board of Directors may be made from the floor at the annual meeting of the Association.

4.2.2. Secret Ballot/No Cumulative Voting

Election of the Board members by the Association Membership shall be secret written ballot. Cumulative voting shall not be permitted except as may be required by law.

4.3 Removal

The entire Board or any individual Director may be removed from office by an affirmative vote of Members holding a majority of the voting power in each class of Membership entitled to vote at an election of Directors. If any Director is so removed, a new Director may be elected at the same meeting.

4.4 Vacancies

Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Members shall be filled by vote of the majority of the remaining Directors, and each person so elected shall be a Director for the remainder of the term of the Director he/she replaces or until a successor is elected at a special meeting of the Members called for that purpose. Vacancies created by the removal of a Director by the Members shall be filled by a vote of the Members.

ARTICLE 5

Meetings of Directors

5.1 Regular Meetings

Regular meetings of the Board shall be conducted at least annually at any place within or without the State of Arizona designated in the notice of meeting while Class B Membership exists and thereafter at least annually at a time and place within or near the Property as may be fixed by the Board. Notice of the time and place of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for the meeting, and shall also be posted at a prominent place or places within the Common Area.

5.2 Special Meetings

A special meeting of the Board may be called by written notice signed by the President of the Association or by any two (2) Directors other than the President. Notice shall be provided to all Directors and posted in the Common Area in the manner prescribed for notice of regular meetings and shall include a description of the nature of any special business to be considered by the Board.

5.3 Waiver of Notice

Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice to that Director. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him/her of the time and place of the meeting. Furthermore, any action to be taken by the Directors pursuant to the Articles, the Declaration or these Bylaws may be taken without a meeting if all Directors consent thereto in writing. Such consent shall have the same effect as a unanimous vote.

5.4 Quorum

The presence in person of a majority of the Directors at any meeting of the Board shall constitute a quorum.

5.5 Board Meetings Open to Members

Regular and special meetings of the Board shall be open to all Members of the Association, provided however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. Notwithstanding the foregoing, any portion of a meeting may be closed if the closed portion of the meeting is limited to consideration of any of the following:

1. Employment or personnel matters for employees of the Board or the Association.
2. Legal advice from any attorney for the Board or the Association.
3. Pending or contemplated litigation.
4. Pending or contemplated matters relating to enforcement of the Articles, the Declaration, these Bylaws or the Desert Foothills Estates Rules.

ARTICLE 6

Powers and Duties of the Board of Directors

6.1 Powers and Duties

The Board shall have the powers and duties necessary for the administration of the affairs of the Association. Without limitation on the generality of the foregoing powers and duties, the Board shall be vested with, and responsible for, the following powers and duties:

6.1.1 To select, appoint, supervise and remove all Officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with Arizona corporate laws governing non-profit corporations and with the Articles, the Declaration and these Bylaws; to fix their compensation (if not prohibited under these Bylaws); and to require from them security for faithful service when deemed advisable for the Board.

6.1.2 To enforce the applicable provisions of the Declaration, the Articles, these Bylaws and other instruments relating to the ownership, management and control of the Property.

6.1.3 To adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the Members, their tenants, guests, and invitees, and to establish procedures and penalties for the infraction thereof, subject to approval of the Membership.

6.1.4 To adopt and publish rules and regulations governing the keeping of animals in the Property.

6.1.5 To pay all taxes and Assessments which are, or could become, a lien on the Common Area or a portion thereof.

6.1.6 To contract for casualty, liability and other insurance on behalf of the Association.

6.1.7 To cause the Common Area to be maintained and to contract for goods and/or services for the Common Area or for the Association, subject to the limitations set forth in these Bylaws and/or the Declaration.

6.1.8 To delegate its powers to committees, Officers or employees of the Association as expressly authorized by the Articles, the Declaration and these Bylaws.

6.1.9 To prepare budgets and financial statements for the Association as prescribed in these Bylaws.

6.1.10 To initiate and execute disciplinary proceedings against Members of the Association for violations of the provisions of the Articles, the Declaration, these Bylaws and such rules and regulations as may be promulgated by the Board in accordance with procedures set forth in these Bylaws, and to impose suspensions of rights and reasonable monetary penalties as provided in Subarticle 9:1 hereof.

6.1.11 Upon giving of reasonable notice, to enter upon any privately owned Lot or Parcel as necessary in connection with construction, maintenance or emergency repair for the benefit of the Common Area, the Property or the Owners.

6.1.12 To borrow money and incur indebtedness for purposes of the Association and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

6.1.13 To fix and collect regular and special Assessments according to the Declaration and these Bylaws and, if necessary, to record a notice of Assessment and foreclose the lien against any Lot or Parcel for which an Assessment is not paid when due or bring an action at law against the Owner personally obligated to pay such Assessment. All reserves for capital expansion, repair and maintenance shall be transferred to and held in a trust fund or funds for such purpose established by vote of a majority of Members and shall be expended only in the manner prescribed.

6.1.14 To prepare and file annual tax returns with the federal government and the State of Arizona and to make such elections as may be necessary to reduce or eliminate the tax liability of the Association. Without limiting the generality of the foregoing, the Board may, on behalf of the Association, elect to be taxed under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on homeowners associations. In connection therewith, the Board shall take such steps as are necessary to assure that the income and expenses of the Association for any taxable year shall meet the following limitations and restrictions:

6.1.14.1 At least sixty percent (60%) of the gross income of the Association for any taxable year shall consist solely of amounts received as membership dues, fees, or Assessments from Lot Owners;

6.1.14.2 At least ninety percent (90%) or more of the expenditures of the Association for any taxable year shall be for the acquisition, construction, management, maintenance and care of the Common Area and other Association Land; and

6.1.14.3 No part of the net earnings of the Association shall inure to the benefit of any private individual (other than by acquiring, constructing or providing management, maintenance and care of the Common Area and other Association Land and other than by a rebate of excess membership dues, fees or Assessments).

6.2 Limitation on Board's Power

Except with the vote or written assent of two-thirds (2/3) of the voting power of the Association residing in Members other than Declarant, the Board shall be prohibited from taking any of the following actions:

6.2.1 Selling property of the Association.

6.2.2 Paying compensation to Directors or Officers of the Association for services performed in the conduct of the Association's business, provided however, that the Board may cause a Director or Officer to be reimbursed for expenses incurred in carrying on the business of the Association.

6.2.3 Mortgaging or conveying any portion of the Common Areas.

6.2.4 Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

6.2.3.1 A contract with a public utility company if the rates charged for the materials or services are regulated by the Arizona Corporation Commission or successor agency, provided however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; and

6.2.3.2 Prepaid casualty and/or liability insurance policies not to exceed three (3) years' duration, provided however, that the policy permits short rate cancellation by the insured.

ARTICLE 7

Officers and Duties

7.1 Enumeration and Term

The Officers of this Association shall be a president (who shall at all times be a member of the Board of Directors), a vice president, a secretary, a treasurer and such other Officers as the Board may from time to time by resolution create. The Officers shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, shall be removed or shall otherwise be disqualified to serve.

7.2 Election of Officers

The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

7.3 Resignation and Removal

Any Officer may be removed from office by a majority of the Board at any time with or without cause. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of 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.

7.4 Vacancies

A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he/she replaces. If, however, the office of President becomes vacant, the Vice President (or Secretary if no Vice President exists) shall automatically fill the office of President and shall serve the remainder of the term. The Board shall then fill by appointment the vacant position of Vice President (or Secretary).

7.5 Multiple Offices

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this article.

7.6 Duties

The duties of the Officers are as follows:

7.6.1 President

The President shall preside at all meetings of the Board, shall see that order and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

7.6.2 Vice President

The Vice President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

7.6.3 Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, shall serve notice of meetings of the Board and of the Members, shall keep appropriate current records showing the Members of the Association together with their addresses and shall perform such other duties as required by the Board.

7.6.4 Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, shall disburse such funds as directed by resolution of the Board shall co-sign all checks and promissory notes of the Association and shall keep proper books of account and prepare or have prepared financial statements as required in these Bylaws.

ARTICLE 8

Maintenance and Assessments

8.1 Maintenance and Assessments

Pursuant to the procedures and guidelines set forth in the Declaration, the Board shall levy, collect and enforce regular and special Assessments as set forth in the Declaration, for the operation of the Association and for the management, maintenance and operation of the Common Area and other areas of the Property for which the Association is responsible pursuant to the Declaration. The Assessments shall be used exclusively to promote the health, safety and welfare of all residents in the entire Property and for the improvement and maintenance of the Common Area and any other areas of the Property for which the Association has maintenance responsibilities for the common good of the Property. Regular Assessments shall include an adequate reserve fund for maintenance, repair and replacement of the Common Area and any other areas of the Property for which the Association has maintenance responsibilities.

ARTICLE 9

Discipline of Members: Suspension of Rights

9.1 Discipline of Members: Suspension of Rights

The Association shall have no power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his/her individually owned Lot or Parcel on account of a failure by the Owner to comply with provisions of the Declaration, the Articles, these Bylaws or of duly enacted rules relating to operation of the Common Area

or Property, except where the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure by the Owner to pay Assessments levied by the Association. Notwithstanding the foregoing, the Board shall have the power to impose reasonable temporary suspensions of an Owner's voting rights as a Member of the Association for failure to comply with the Declaration, the Articles, these Bylaws or duly enacted rules, provided that any suspension, except that resulting from failure to pay Assessments, shall not exceed sixty (60) days per violation, and further provided that except for violations resulting from failure to pay Assessments, the accused shall be given reasonable notice and the opportunity to be heard by the Board with respect to the alleged violation before a decision to impose discipline is reached. In a case in which monetary penalties are to be imposed, such penalties shall be according to a schedule of penalties related to specific offenses, which schedule shall be proposed by the Board and approved by the vote or written assent of a majority of the voting power of each class of membership. Such penalties shall bear a reasonable relationship to the conduct for which the penalty is imposed and may only be imposed prospectively.

ARTICLE 10

Budgets, Financial Statements, Books and Records

10.1 Budgets and Financial Statements

Financial statements for the Association shall be regularly prepared and copies shall be distributed to each Member of the Association as follows:

10.1.1 A pro forma operating statement (budget) for each fiscal year shall be distributed not less than thirty (30) days before the beginning of the fiscal year.

10.1.2 A balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year shall be distributed within sixty (60) days after the close of the fiscal year.

10.2 Fiscal Year

The fiscal year of the Association shall be the fiscal year shall be the calendar year.

10.3 Inspection of Association's Books and Records

Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right to inspection by a Director includes the right to make extracts and copies of documents. The books of account and minutes of meetings of

the Members and the Board shall be made available for inspection and copying by any Member of the Association, first mortgagees and insurers or guarantors of first mortgages or by their duly appointed representatives, at any reasonable time and for a purpose reasonably related to their interest as Members, or as first mortgagees or insurers or guarantors of first mortgages at the office of the Association or at such other place within the Property as the Board shall prescribe. Such inspection may take place on weekdays during normal business hours following at least forty-eight (48) hours' written notice to the Board by the Member, first mortgagee, or the insurer or guarantor of a first mortgage desiring to make the inspection. Any Member, first mortgagee, or insurer or guarantor of a first mortgage desiring copies of any document shall pay the reasonable cost of reproduction. Notwithstanding the foregoing, books and records kept by or on behalf of the Association and the Board may be withheld from disclosure to the Members to the extent that the portion withheld relates to any of the following:

1. Personnel matters or a person's medical records.
2. Communication between the Board and an attorney for the Association.
3. Pending or contemplated litigation.
4. Pending or contemplated matters relating to enforcement of the Association's Declaration, Articles, Bylaws or Desert Foothills Estates Rules.
5. Meeting minutes or other records of a session of a Board meeting or Association meeting that is not required to be open to all Members pursuant to subarticle 5.5 of these Bylaws.

ARTICLE 11

Amendment to Bylaws

11.1 Amendment to Bylaws

These Bylaws may be amended by the vote or written assent of Members representing seventy-five percent (75%) of the total voting power of the Association, provided however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. So long as Declarant controls the Association, amendments to the Bylaws may be vetoed by the Federal Housing Administration ("FHA") or the Veterans Administration ("VA").

ARTICLE 12

Miscellaneous Provisions

12.1 Regulations

All Owners, tenants, their employees, or any other person who might use the Property in any manner are subject to the regulations set forth in these Bylaws and all reasonable rules enacted pursuant to the Declaration. Acquisition, rental or occupancy of any Lot or Parcel shall constitute acceptance and ratification of the provisions of all such rules and regulations.

12.2 Indemnity of Officers and Directors

Each Officer and Director shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him/her by judgment or settlement in connection with any proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been an Officer or Director of the Association, except in cases of fraud, gross negligence or bad faith of the Officer or Director in the performance of his/her duties.

12.3 Notices

Any notices permitted or required to be given by the Articles, the Declaration or these Bylaws may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been given seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, certified or registered, return receipt requested, addressed to each person at the current address given by such person to the Secretary of the Association or addressed to the Lot or Parcel of such person if no address has been given to the Secretary, provided however, that notice of regular special meetings of Members may be mailed by regular mail without request for a return receipt. In the case of notice to the Board, notice may be delivered either personally, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the Board.

ESTABLISHMENT OF BYLAWS

We, the undersigned, being all of the Directors of DESERT FOOTHILLS ESTATES OWNERS ASSOCIATION do hereby certify:

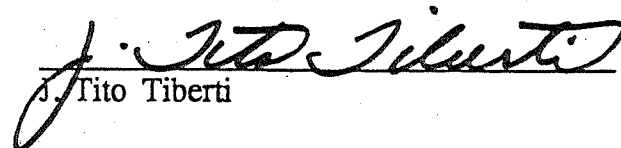
That we are entitled to exercise all of the voting powers of said DESERT FOOTHILLS ESTATES OWNERS ASSOCIATION; and

That we hereby assent to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of said DESERT FOOTHILLS ESTATES OWNERS ASSOCIATION.

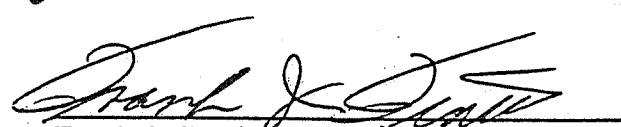
IN WITNESS WHEREOF, we have hereunto subscribed our names this 20 day of October, 1994.



Larry A. Sinagoga



J. Tito Tiberti

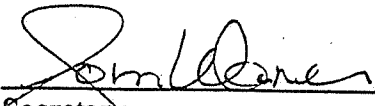


Frank J. Fertitta, Jr.

I, the undersigned duly elected and acting Secretary/Treasurer of DESERT
FOOTHILLS ESTATES OWNERS ASSOCIATION do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said
Association on the 20 day of October, 1994, and that the same do now constitute the
Bylaws of said Association.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20 day
of October, 1994.



Secretary