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6
7 BY-LAWS

8 OF

9 SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION
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12 ARTICLE I

13 Principal Office
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15 The principal office for the transaction of the
16 business of SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION (herein
17 called the "Association") is hereby fixed and located at
18 1201 Terminal Way, Suite 211, Reno, Nevada 89502. The Board of
19 Directors is hereby granted full power and authority to change
20 said principal office from one location to another within Washoe
21 County, Nevada.

22 ARTICLE II

23 Purposes
24

25 The primary and specific purposes and general purposes
26 of the Association are set forth in the Articles of Incorporation
27 of the Association.

28 ARTICLE III

29 Members
30

31 Section 1. Number of Members. There shall be two
32 memberships in the SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION for

1
2
3 each Parcel located in the SIERRA RANCHOS Record of Survey
4 recorded in Washoe County, Nevada. There shall be no classi-
5 fication of memberships in the Association, and each mem-
6 bership shall be appurtenant to a Parcel in the development.

7 Said memberships shall number approximately Four Hundred
8 Seventy-two. 25 Parcels Parcel being
9 to Sierra

10 Section 2. Qualifications of Members. Each person
11 who is the contract buyer or the owner of a fee simple interest
12 in a parcel shall be entitled to two memberships in the Associa-
13 tion and shall be a member of the Association. Membership in
14 the Association is mandatory and an owner or a contract purchaser
15 of a parcel shall remain a member of the Association until such
16 time as his ownership ceases for any reason. Each owner or con-
17 tract purchaser of a portion of a Parcel (restricted in size to
18 one - half of the total acreage in a parcel or any increment
19 thereof) from an original member of the Association, shall be
20 entitled to one of the Association memberships of the original
21 owner for each one - half portion of said Parcel purchased by
22 such person. In the event that such parcel is owned in joint
23 tenancy or tenancy in common, each ownership, from time to time
24 shall designate one of their number in writing to exercise all
25 voting rights of membership. In default of such designation, the
26 Board of Directors of the Association shall select one of the
27 owners of the parcel to be the individual to vote and exercise
28 all voting rights of membership. The non-voting joint owner
29 however, shall be entitled to all of the benefits of membership
30 of the Association, subject to these By-Laws, the Declaration
31 of Covenants, Conditions and Restrictions, and to the rules and
32 regulations as may be promulgated from time to time by the Board

1 of Directors. Such non-voting owners shall be jointly and sever-
2 ally responsible for the dues, assessments and charges levied
3 against, incurred by, or attributed to the membership and parcel
4 from which such member derives his benefits, rights and obligations.

5 Section 3. Subdivider's Commitment. Assessments
6 charged to unsold Parcels within the development which are sub-
7 ject to the power and authority of the Association shall be
8 billed and charged to the subdivider of the development which
9 is SIERRA RANCHOS, a Partnership or its successors in
10 interest or assigns. Said subdivider shall have the duty and
11 obligation to pay the assessments on unsold Parcels within
12 the development until the date of sale of each of the respec-
13 tive Parcels. The term "successors in interest or assigns"
14 of the subdivider, as used herein, shall not apply to purcha-
15 sers of interest in individual Parcels from the subdivider.

16
17 Section 4. Transfer of Membership. Membership in the
18 Association shall be transferable and shall be transferred by the
19 original owner of a Parcel only when an entire Parcel or portion
20 thereof (equal to one - half of the total acreage in the Parcel
21 or any increment thereof) has been validly sold, conveyed or
22 assigned by written instrument or by operation of law. Any member
23 may delegate the rights of membership to the members of his
24 family or to his tenants. Any transfer made in accordance with
25 this Section shall be effective only upon the filing of a written
26 notice with the Board of Directors by the transferor, or the
27 transferee, to the effect that the transferor gives up and
28 relinquishes all such privileges, rights and incidents relating
29 to the memberships so transferred, for the period during which
30 said agreement, conveyance or assignment remains effective. In
31 connection with any transfer pursuant to this Section, the
32 Association may charge the transferor-member a TEN DOLLAR

1 (\$10.00) transfer fee for such transfer; provided, however, no
2 such charge may be made to the holder of a first deed of trust
3 who acquires title to any Parcel by foreclosure, trustee's
4 sale, or a deed in lieu of foreclosure. The provisions of this
5 Section shall not apply to the subdividers, or to their suc-
6 cessors in interest or assigns.

7 Section 5. Voting and Majority Rule. Each member
8 shall be entitled to one vote for each membership on all ques-
9 tions. Except as expressly provided elsewhere in these By-
10 Laws, a simple majority of the voting power of the members shall
11 prevail on all questions.

12 Section 6. Privileges of Members and Families of
13 Members. Members and families of members shall be entitled to use
common facilities of the Association, if any, without any charge,
15 dues or assessments other than the dues required of and assess-
16 ments made upon each member pursuant to these By-Laws and to the
17 Covenants, Conditions and Restrictions.

18 ARTICLE IV

19 Meetings of Members; Voting

20 Section 1. Place of Meeting. All annual meetings of
21 members shall be held at the principal office of the Association,
22 or at such other place within the County of Washoe, State of
23 Nevada, subject to the limitations herein, as may be fixed
24 from time to time by resolution of the Board of Directors; and
25 all other meetings of members shall be held either at the
26 principal office or at any other place within the County of
27 Washoe, State of Nevada, which may be designated either by the
28 Board of Directors pursuant to authority hereinafter granted
29 to said Board, or by the written consent of all members entitled
30 to vote thereat, given either before or after the meeting
31 and filed with the Secretary of the Association.

32 Section 2. Annual Meetings. Annual meetings of mem

1 bers shall be held on the anniversary date of the first annual
2 meeting at 8:00 o'clock p.m., local time of said day, provided
3 that should said day fall upon a legal holiday, then any such
4 annual meeting of members shall be held at the same time and
5 place on the next day thereafter and ensuing which is not a
6 legal holiday. Notwithstanding anything to the contrary con-
7 tained herein, the first annual meeting shall be held either
8 (i) one (1) year from the date of sale or lease (as the case
9 may be) by the subdividers of the first residential dwelling
10 Parcel of the development, or (ii) after fifty-one percent
11 (51%) of the residential dwelling Parcels of the development
12 have been sold or leased, whichever event first occurs.

13 Written notice of each annual meeting shall be given
14 to each member entitled to vote, either personally or by sending
15 a copy of the notice through the mail or by telegraph, charges
16 prepaid, to his address appearing on the books of the Associa-
17 tion or supplied by him to the Association for the purpose of
18 notice. If a member supplies no address, notice shall be deemed
19 to have been given him if mailed to the address of the lot
20 affected, or published at least once in some newspaper of general
21 circulation in the County of Washoe, State of Nevada. All
22 such notices shall be sent to each member entitled thereto not
23 less than ten (10) days nor more than sixty (60) days before
24 each annual meeting, and shall specify the place, the day, and
25 the hour of such meeting.

26 Section 3. Special Meetings. Special meetings of
27 members for any purpose or purposes whatsoever may be called at
28 any time by the President or by the Board of Directors, or by
29 any two or more members thereof, or by one or more members
30 holding not less than twenty percent (20%) of the voting power
31 of the Association. Except in special cases where other express
32 provision is made by statute, notice of such special meetings

1 shall be given in the same manner as for annual meetings of
2 members. Notices of any special meeting shall specify in
3 addition to the place, the day, and hour of such meeting, the
4 general nature of the business to be transacted.

5 Section 4. Adjourned Meetings. Any members' meeting
6 annual or special, whether or not a quorum is present, may be
7 adjourned from time to time by the vote of members present or
8 represented at such meeting and entitled to cast a majority of
9 votes represented at such meeting to a time not less than
10 forty-eight (48) hours nor more than thirty (30) days from the
11 time the original meeting was called. In the absence of a
12 quorum, no other business may be transacted at any such meeting.
13 It shall not be necessary to give any notice of such adjourn-
14 ment or of the business to be transacted at an adjourned meet-
15 ing, other than by announcement at the meeting at which such
16 adjournment is taken.

17 Section 5. Entry of Notice. Whenever any member who
18 is entitled to vote has been absent from any meeting of members,
19 whether annual or special, an entry in the minutes to the effect
20 that notice has been duly given shall be conclusive and incon-
21 trovertible evidence that due notice of such meeting has been
22 given to each member, as required by law and the By-Laws of the
23 Association.

24 Section 6. Quorum The presence in person or by proxy
25 of members entitled to cast in excess of one-half (1/2) of votes
26 represented by all members of the Association shall constitute
27 a quorum for the transaction of business. The members present
28 at a duly called or held meeting at which a quorum is present may
29 continue to do business until adjournment, notwithstanding the
30 withdrawal of enough members to leave less than a quorum, provided,
31 however, that at any meeting which has been adjourned for lack of
32 a quorum, there shall be deemed a quorum if there are present at

1 the meeting when reconvened pursuant to Section 4 of this
2 Article IV at least one quarter (1/4) of votes represented by all
3 members of the Association.

4 Section 7. Consent of Absentees. The transaction of
5 any meeting of members, either annual or special, however called
6 and noticed, shall be as valid as though had at a meeting duly
7 held after regular call and notice, if a quorum be present either
8 in person or by proxy, and if, either before or after the meeting,
9 each of the members entitled to vote, not present in person or by
10 proxy, sign a written waiver of notice, or a consent to the hold-
11 ing of such meeting, or an approval of the minutes thereof. 'All
12 such waivers, consents or approval shall be filed with the rec-
13 ords of the Association or made a part of the minutes of the
14 meeting.

15 Section 8. Proxies. Every person entitled to vote or
16 execute consents shall have the right to do so either in person
17 or by an agent or agents authorized by a written proxy executed
18 by such person or his duly authorized agent and filed with the
19 Secretary of the Association; provided that no such proxy shall
20 be valid after the expiration of eleven (11) months from the
21 date of its execution, unless the member executing it specified
22 therein the length of time for which such proxy is to continue in
23 force, which in no case shall exceed two (2) years from the date
24 of its execution.

25 Section 9. Balloting. On all questions where a ma-
26 jority of the members deem it necessary, and in any event in the
27 election or removal of members of the Board of Directors, ballots
28 shall be cast secretly and in writing, folded in such a manner
29 that the way in which the ballot is marked cannot be seen, and
30 deposited into a receptacle. ~~The ballots shall be counted im-~~
31 ~~mediately upon collection thereof by two (2) members selected~~
32 ~~by the Chairman of the meeting.~~ The Chairman shall announce the

1 results of the balloting immediately, and the ballots may be
2 inspected by any member.

3 Section 10. Payment of Assessments. From and after
4 the date CC&R's are recorded an owner shall not be entitled to
5 vote on any Association matter unless he is current in his
6 payment of all assessments.

7 ARTICLE V

8 Directors

9 Section 1. Powers. Subject to the limitations of the
10 Articles of Incorporation or By-Laws, or the pertinent Nevada
11 law relative to corporations as to action to be authorized or
12 approved by the members, and subject to the duties of directors
13 as prescribed by the By-Laws and the Declaration of Covenants,
14 Conditions and Restrictions, all corporate powers shall be
15 exercised by or under authority of, and the business and
16 affairs of the Association shall be controlled by the Board
17 of Directors; without prejudice to such general powers, but
18 subject to the same limitations, it is hereby expressly declared
19 that the directors shall have the following powers, to-wit:

20 (a) To select and remove all the other officers,
21 agents, and employees of the Association, prescribe such powers
22 and duties for them as may not be inconsistent with law, with
23 the Articles of Incorporation or the By-Laws, fix their compen-
24 sation and require from them security for faithful service;

25 (b) To conduct, manage and control the affairs and
26 business of the Association, to maintain the common areas within
27 the development, if any and the facilities of the Association, and
28 to make such rules and regulations therefor not inconsistent with
29 law, with the Articles of Incorporation, or the By-Laws, as they
30 deem best;

31 (c) To adopt, make and use a corporate seal, and
32 to prescribe the forms of certificates of membership, and to alter

1 the form of such seal and of such certificates from time to time,
2 as in their judgment they may deem best, provided such seal and
3 such certificates shall at all times comply with the provisions
4 of law.

5 (d) To authorize the issuance of membership to
6 such persons as shall be eligible for membership as in Article
7 III of these By-Laws provided;

8 (e) To appoint an executive committee, and to
9 delegate to such committee, subject to the control of the Board
10 of Directors, any of the powers and authority of said Board except
11 the power to adopt, amend, or repeal the By-Laws;

12 (f) To enforce the provisions of, and to exercise
13 the authority and powers set forth in that Declaration of
14 Covenants, Conditions and Restrictions, recorded June 25, 1971
15 as Document No. 210147 Official Records of Washoe County, Nevada
16 and the Supplemental Declaration of Restrictions thereto, dated
17 June 25, 1974 and recorded as Document No. 331612, Official
18 Records, Washoe County, Nevada, and the Second Amendment and
19 Restatement of Covenants, Conditions, and Restrictions, dated
20 March 13, _____, 1979, Document No. 593271
21 and lien powers therein provided.

22 (g) To contract and to pay for maintenance,
23 materials and supplies, and services thereto within the develop-
24 ment and to employ personnel reasonably necessary for the
25 operation of the project including lawyers and accountants where
26 appropriate.

27 (h) To pay taxes and special assessments which
28 are or would become a lien on the property of the Association,
29 if any.

30 (i) To contract and pay premiums for fire,
31 casualty, liability and other insurance, including indemnity,
32 and other bonds, on said facilities, if any.

1 any common area facilities.

2 Notwithstanding any or all of the foregoing powers, the
3 Board of Directors shall not enter into any contracts which bind
4 the Association for a period in excess of one (1) year, unless
5 reasonable cancellation provisions are included therein, excepting
6 however, from said one year limitation, all contracts concerning
7 electrical power service, sewer service, water service and
8 telephone service to the development.

9 Section 2. Number and Qualifications of Directors. The
10 Board of Directors shall consist of three (3) directors who shall
11 be members of the Association in good standing.

12 Section 3. Election, Term of Office and Removal. The
13 directors shall be elected at each annual meeting of members to
14 serve for a term of one (1) year, but if any such annual meeting
15 is not held or the directors are not elected thereat, the directors
16 may be elected at any special meeting of members held for that
17 purpose. Any director may be removed at any meeting of the mem-
18 bers. All directors, unless removed, shall hold office until their
19 respective successors are elected. In any vote for the election
20 of or removal of more than one (1) director, members shall be
21 entitled to cumulate their votes; that is, all or any part of the
22 total number of votes that each member has (based upon one vote
23 per member for each vacancy to be filled or directors to be re-
24 moved) may be cast for the election of or removal of any one
25 director. The first election shall be held either (i) one (1)
26 year from the date of sale or lease (as the case may be) by the
27 subdivider of the first residential dwelling lot in the
28 development or (ii) after fifty-one percent (51%) of the resi-
29 dential dwelling lots in the development have been sold or
30 leased whichever event occurs first. The directors selected
31 by the subdivision to serve until such time shall be employed
32 only until said first annual election.

1 Section 4. Vacancies. Vacancies in the Board of
2 Directors may be filled by a majority of the remaining di-
3 rectors, though less than a quorum, and each director so elected
4 shall hold office until his successor is elected at an annual
5 meeting of members or at a special meeting called for that
6 purpose.

7 A vacancy, or vacancies shall be deemed to exist in
8 case of the death, resignation, or sale of his residential estate
9 by any director; or if the members shall increase the authorized
10 number of directors but shall fail at the meeting at which such
11 increase is authorized, or at an adjournment thereof, to elect
12 the additional directors so provided for, or in case the members
13 fail at any time to elect the full number of authorized directors,
14 or if a director is removed by the members.

15 The members may at any time elect directors to fill any
16 vacancy not filled by the directors, and may elect the additional
17 directors at the meeting at which an amendment of the By-Laws
18 is voted authorizing an increase in the number of directors.

19 If any director tenders his resignation to the Board
20 of Directors, the Board shall have power to elect a successor to
21 take office at such time as the resignation shall become effec-
22 tive. No reduction of the number of directors shall have the
23 effect of removing any director prior to the expiration of his
24 term of office.

25 Section 5. Place of Meeting. All meetings of the
26 Board of Directors shall be held at the principal office of the
27 Association, or any other place or places within or without
28 the State of Nevada, designated at any time by resolution of the
29 Board or by written consent of all members of the Board.

30 Section 6. Organization Meeting. Immediately following
31 each annual meeting of members, the Board of Directors shall hold
32 a regular meeting for the purpose of organization, election of

1 officers and the transaction of other business. Notice of such
2 meetings is hereby dispensed with.

3 Section 7. Other Regular Meetings. Other regular
4 meetings of the Board of Directors may be held without call at
5 such place and day and hour as may be fixed from time to time.

6 Section 8. Special Meetings. Special meetings of the
7 Board for any purpose or purposes whatsoever may be called at any
8 time by the Chairman of the Board or by any two (2) directors, and
9 upon notice duly given in the manner provided in Section 2 of
10 Article IV of these By-Laws, and specifying, in addition to the
11 place, the day and the hour of such meeting, the general nature
12 of the business to be transacted thereat.

13 Section 9. Majority Rule. Except as expressly provided
14 elsewhere in these By-Laws, a simple majority of the voting power
15 of the directors shall prevail on all questions.

16 Section 10. Election of Officers. All officers shall
17 be chosen by vote of the Board of Directors. Balloting for of-
18 ficers shall be in the manner provided in Section 9 of Article IV
19 regarding the election of directors.

20 Section 11. Directors Acting Without a Meeting by
21 Unanimous Written Consent. Any action required or permitted to
22 be taken by the Board of Directors may be taken without a meeting
23 and with the same force and effect as if taken by a unanimous
24 vote of Directors, if authorized by a writing signed by all mem-
25 bers of the Board. Such consent shall be filed with the regular
26 minutes of the Board.

27 ARTICLE VI

28 Officers

29 Section 1. Officers. The President, Vice President,
30 Secretary and Treasurer of this Association, and such other
31 officers of this Association, having the custody of, or access
32 to, the funds of this Association, shall be, and each of them is,

1 hereby required to obtain and furnish to this Association a bond
2 from such bonding or insurance company, and in such form as shall
3 meet with the approval of the Board of Directors, for the true
4 and faithful accounting to this Association of all of the funds
5 of this Association in the custody of, and under the control of,
6 each such officer and insuring this Association against loss for
7 breach thereof, the cost of all such bonds to be paid by this
8 Association.

9 Section 2. Election. The officers of the Association,
10 except such officers as may be appointed in accordance with the
11 provisions of Section 3 or Section 5 of this Article, shall be
12 chosen annually by the Board of Directors, and each shall hold
13 his office until he shall resign or shall be removed or other-
14 wise disqualified to serve, or his successor shall be elected and
15 qualified.

16 Section 3. Subordinate Officers, Etc. The Board of
17 Directors may appoint such other officers as the business of the
18 Association may require, each of whom shall hold office for such
19 period, have such authority and perform such duties as are
20 provided in the By-Laws or as the Board of Directors, from time
21 to time may determine.

22 Section 4. Removal and Resignation. Any officer may
23 be removed, either with or without cause, by a majority of the di-
24 rectors at the time in office, at any regular or special meeting
25 of the Board, or, except in case of an officer chosen by the Board
26 of Directors, by any officer upon whom such power of removal may
27 be conferred by the Board of Directors.

28 Any officer may resign at any time by giving written
29 notice to the Board of Directors or to the President or to the
30 Secretary of the Association. Any such resignation shall take
31 effect at the date of the receipt of such notice or at any later
32 time specified therein; and, unless otherwise specified therein,

1 the acceptance of such resignation shall not be necessary to
2 make it effective.

3 Section 5. Vacancies. A vacancy in any office because
4 of death, resignation, removal, disqualification, or any other
5 cause, shall be filled in the manner prescribed in the By-Laws
6 for regular appointments to such office.

7 Section 6. President. Subject to such supervisory
8 powers, if any, as may be given by the Board of Directors, to
9 the Chairman of the Board, if there be such an officer, the Presi-
10 dent shall be the chief executive officer of the Association,
11 and shall, subject to the control of the Board of Directors, have
12 general supervision, direction, and control of the business and
13 officers of the Association. He shall preside at all meetings of
14 the members and in the absence of the Chairman of the Board, or
15 if there be none, at all meetings of the Board of Directors. He
16 shall be ex-officio a member of all the standing committees
17 including the executive committee, if any, and shall have the
18 general powers and duties of management usually vested in the
19 office of president of an association, and shall have such other
20 powers and duties as may be prescribed by the Board of Directors
21 or by the By-Laws.

22 Section 7. Vice President. In the absence or dis-
23 ability of the President, the Vice Presidents in order of their
24 rank as fixed by the Board of Directors, or if not ranked, the
25 Vice President designated by the Board of Directors, shall
26 perform all the duties of the President, and when so acting shall
27 have all the powers of and be subject to all the restrictions
28 upon, the President. The Vice Presidents shall have such other
29 powers and perform such other duties as from time to time may
30 be prescribed for them respectively by the Board of Directors
31 or by the By-Laws.

32 Section 8. Secretary. The Secretary shall keep, or

1 cause to be kept, a book of minutes at the principal office or
2 such other place as the Board of Directors may order, of all
3 meetings of directors and members, with the time and place of
4 holding, whether regular or special, and if special, how auth-
5 orized, the notice thereof given, the names of those present at
6 directors' meetings, the number of memberships present or repre-
7 sented at members' meetings and the proceedings thereof.

8 The Secretary shall keep, or cause to be kept, at the
9 principal office or at the office of the Association's transfer
10 agent, a membership register, or a duplicate membership register,
11 showing the names of the members and their addresses, and the
12 property to which each membership shall relate, the number of
13 membership, the number and date of certificates issued for the
14 same, and the number and date of cancellation of every certifi-
15 cate surrendered for cancellation.

16 The Secretary shall give, or cause to be given, notice
17 of all meetings of the members and of the Board of Directors
18 required by the By-Laws or by law to be given, and he shall keep
19 the seal of the Association in safe custody, and shall have such
20 other powers and perform such other duties as may be prescribed
21 by the Board of Directors or by the By-Laws.

22 Section 9. Treasurer. The Treasurer shall keep and
23 maintain, or cause to be kept and maintained, adequate and cor-
24 rect accounts of the properties and business transactions of the
25 Association. The books of account shall at all times be open to
26 inspection by any director. The treasurer shall deposit all
27 monies and other valuables in the name and to the credit of the
28 Association with such depositaries as may be designated by the
29 Board of Directors. He shall disburse the funds of the Associa-
30 tion as may be ordered by the Board of Directors, shall render
31 to the President and directors, whenever they request it, an
32 account of all of his transactions as Treasurer and of the

1 financial condition of the Association and shall have such other
2 powers and perform such other duties as may be prescribed by
3 the Board of Directors or by the By-Laws.

4 ARTICLE VII

5 Miscellaneous

6 Section 1. Record Date and Closing Membership Register.

7 The Board of Directors may fix a time, in the future, not ex-
8 ceeding fifteen (15) days preceding the date of any meeting of
9 members, and not exceeding thirty (30) days preceding the date
10 fixed for the payment of any distribution, as a record date for
11 the determination of the members entitled to notice of and to
12 vote at any such meeting or entitled to receive any such distri-
13 bution, and in such case only members of record on the date so
14 fixed shall be entitled to notice of and to vote at such meeting,
15 or to receive such distribution, as the case may be, notwithstand-
16 ing any transfer of any memberships on the books of the Associa-
17 tion after any record date fixed as aforesaid. The Board of
18 Directors may close the books of the Association against transfers
19 of memberships during the whole, or any part, of any such period.

20 Section 2. Inspection of Corporate Records. The mem-

21 bership register or duplicate membership register, the books of
22 ~~account and minutes of proceedings of the members and directors~~
23 ~~shall be open to inspection upon the written demand of any mem-~~
24 ~~ber at any reasonable time, and for a purpose reasonably related~~
25 ~~to his interest as a member, and shall be produced at any time~~
26 ~~when required by the demand of members entitled to cast at least~~
27 ~~ten percent (10%) of the votes represented at any members'~~
28 ~~meeting. Such inspection may be made in person or by an agent~~
29 ~~or attorney, and shall include the right to make extracts.~~
30 Demand of inspection other than at a members meeting shall be
31 made in writing upon the President, Secretary, or Assistant
32 ~~Secretary of the Association. Every such demand, unless granted,~~

1 shall be referred by such officer to the Board of Directors.

2 Section 3. Checks, Drafts, etc. All checks, drafts, or
3 other orders for the payment of money, notes or other evidence of
4 indebtedness, issued in the name of or payable to the Association,
5 shall be signed or endorsed by such person or persons and in such
6 manner as, from time to time, shall be determined by resolution
7 of the Board of Directors.

8 Section 4. Contract, Etc., How Executed. The Board of
9 Directors, except as in the By-Laws otherwise provided, may
10 authorize any officer or officers, agent or agents to enter into
11 any contract or execute any instrument in the name of and on be-
12 half of the Association, and such authority may be general or
13 confined to specific instances; and unless so authorized by the
14 Board of Directors, no officer, agent or employee shall have any
15 power of authority to bind the Association by any contract or
16 engagement or pledge its credit or to render it liable for any
17 purpose or to any amount.

18 Section 5. Certificate of Membership. A certificate or
19 certificates for membership in the Association shall be issued to
20 each member. All such certificates shall be signed by the
21 President or a Vice President and the Secretary or an Assistant
22 Secretary.

23 Section 6. Audit of Accounts. All accounts of the
24 Association shall be audited annually, as soon as practicable
25 after the close of the books for each year of operation, by an
26 independent recognized accounting firm, to be selected by the
27 Board of Directors, and the report of such audit shall be made
28 available to each member within thirty (30) days of completion.

29 Section 7. Damage to or Destruction of Association
30 Property. In the event that any of the property of the Associa-
31 tion of a value greater than FIVE HUNDRED DOLLARS (\$500.00)
32 is totally or partially damaged or destroyed by fire or other

1 casualty, the Board shall obtain an estimate or estimates of
2 the cost to repair such damage, and a special meeting of the
3 members shall be called forthwith. The members shall vote at
4 such meetings whether or not to repair the damaged facilities,
5 using, insofar as possible, the proceeds of insurance. In the
6 event that a decision is made not to rebuild, any insurance pro-
7 ceeds shall be distributed in accordance with the determination
8 of the Board of Directors.

9 ARTICLE VIII

10 Amendments

11 These By-Laws may be altered or amended at any time by
12 a vote of fifty-one percent (51%) of the members present in
13 person or by proxy, at a meeting of the membership of the Associa-
14 tion called for that purpose. The written consent of a member
15 to an amendment to the By-Laws may also be obtained other than
16 at a meeting or meetings called for such purpose and the same
17 may be used in calculating the total votes required at a meeting
18 or an adjournment of a meeting called for such purpose.

19 CERTIFICATE OF SECRETARY RELATIVE TO
20 AMENDMENT AND RESTATEMENT OF BY-LAWS

21 I, the undersigned, do hereby certify:

22 (1) That I am the duly elected and acting Secretary
23 of SIERRA RAMBOS PROPERTY OWNERS ASSOCIATION, a Nevada
24 corporation; and

25 (2) That the foregoing By-Laws, comprising of
26 eighteen (18) pages, constitute the Amendment and Restatement of
27 the By-Laws of said corporation as adopted by the members of the
28 Association at a meeting properly noticed and duly held on the
29 23rd day of January, 1979.

30 IN WITNESS WHEREOF, I have hereunto subscribed my name
31 this 19th day of March, 1979.

32

SECRETARY

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

JUN 25 1974

WM. SWACKHAMER - SECRETARY OF STATE

Wm. Swackhamer
D.S. 2017-24

ARTICLES OF INCORPORATION

OF

RED ROCK RANCH ASSOCIATION

We, the undersigned, do hereby associate ourselves together for the purpose of forming a non-profit corporation, pursuant to the NRS 81.410 - 81.540, and for that purpose do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation is:

RED ROCK RANCH ASSOCIATION

ARTICLE II

The specific and primary purposes for which this corporation is formed are to provide for the management, maintenance and preservation of the property over which this corporation has jurisdiction, every part thereof, and the improvements thereon for the benefit of the owners thereof, for non-profit purposes, and in furtherance of the foregoing purposes to do any and all things which may be authorized, required or permitted to be done by this corporation under and by virtue of the Supplementary Declaration of Restrictions affecting the property which is subject to the jurisdiction of this corporation, and to do and perform all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of this corporation, for the peace, health, comfort, safety or general welfare of the owners and occupants of property subject to the jurisdiction of this corporation.

ARTICLE III

In addition and incidental to the specific and primary purposes for which this corporation is formed, this corporation may carry on any other lawful activity or do anything whatsoever which the corporation may deem proper or convenient or capable of being carried on, in connection with the foregoing or otherwise, or which may be calculated directly or indirectly to promote the interests of the corporation or of the property over which it has jurisdiction; and to have, enjoy and exercise all of the rights, powers and privileges which are now or which may hereafter be conferred upon non-profit corporations by the laws of the State of Nevada, including the right to do any and all of the things hereinbefore set forth, as principal and as agent, to the same extent as natural persons might or could do; acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the corporation; borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; dedicate, sell or transfer pursuant to the Declaration of Restrictions, any interest to all

1 or any part of the Common Area to any public agency, authority,
2 or utility for such purposes and subject to such conditions as
3 may be agreed to by the members; and comply with any further
4 requirements of the Supplementary Declaration of Restrictions
5 recorded against the property over which this corporation has
6 jurisdiction.

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ARTICLE IV

"Property over which this corporation has jurisdiction" or "property subject to the jurisdiction of this corporation," as the foregoing terms are used in these Articles is and refers to that certain real property, or any part or parts or portion or portions thereof, or interest or estate therein, in the County of Washoe, State of Nevada to be used as a road or street as shown upon the survey filed June 25, 1971 as document number 210148 in the office of the Recorder, Washoe County, Nevada.

ARTICLE V

The principal office for the transaction of the business of this corporation is to be Suite 300, 100 North Arlington Street, Reno, Nevada.

ARTICLE VI

The number of Directors of the corporation shall be three which number shall constitute the authorized number of Directors until changed by amendment of these Articles; or by a bylaw adopted by the members of this corporation; and the names and addresses of the persons who are appointed to act as the first Directors of this corporation are as follows:

Peter G. Dueck
32730 S. Fraserway
Abbotsford, B.C., CANADA

David Froese
32730 S. Fraserway
Abbotsford, B.C., CANADA

Marvin Kehler
32730 S. Fraserway
Abbotsford, B. C., CANADA

ARTICLE VII

Every person or entity who is a record owner of a fee or undivided fee interest in any unit ownership which is located in property subject to the jurisdiction of this corporation shall be a member of the corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be

1 separated from any unit ownership.

2
3 ARTICLE VIII

4 The corporation shall have two (2) classes of
5 voting membership:

6 Class A. Class A members shall be all owners of
7 unit ownerships with the exception of Eagle Peak Development
8 Co., or its successors, and shall be entitled to one vote for
9 each unit ownership. When more than one person or entity
10 is shown of record to be the owner of a unit ownership, all
11 such persons or entities shall be members. The vote for such
12 unit ownership shall be exercised as the owners thereof among
13 themselves determine, but in no event shall more than one
14 vote be cast with respect to any unit ownership.

15 Class B. Class B members shall consist of Eagle
16 Peak Development Co., or its successors, and shall be entitled
17 to three (3) votes for each unit ownership of which it is the
18 owner in fee. Class B membership shall cease and terminate
19 when the total votes of the Class A members equal or are
20 greater than the total votes of the Class B members. Upon
21 the termination of Class B membership, the Class B member
22 shall be deemed a Class A member, and all members thereafter
23 shall have equal and identical interests and voting rights
24 for each unit ownership.

25 ARTICLE IX

26 This corporation shall have no capital stock and
27 is not formed for profit. It is a corporation which does
28 not contemplate the distribution of accumulations, gains,
29 profits, or dividends to the members thereof, and as a
30 corporation, no part of the accumulations, gains or profits
31 of which shall be paid or inure to the benefit of any private
32 person, member or individual, and no part of the activities
33 of this corporation shall consist of the carrying on of
34 propaganda or otherwise to influence legislation.

35 ARTICLE X

36 All of the assets and property of this corporation
37 are irrevocably dedicated to the community and civic welfare
38 and interest, and upon the liquidation, dissolution or
39 abandonment of this corporation none of its assets or property
40 shall inure to the benefit of any private person, but shall
41 be distributed to a fund or funds, foundation or foundations,
42 or corporation or corporations organized and operated for the
43 purpose of aiding and developing community and civic welfare
44 and interest within the limits of the County of Washoe, State
45 of Nevada, or within such limits and elsewhere; provided, however,
46 that in the absence of a specific designation or designations
47 by the person or persons or board having authority so to do,
48 then the same shall be distributed to the County of Washoe,
49 Nevada, for park and recreational purposes.

50 ///

51 ///

52 ///

ARTICLE XI

The term for which this corporation shall exist shall be fifty (50) years.

ARTICLE XII

The subscribers hereto are original members of this corporation and are qualified to so be.

EXECUTED this 25 day of June, 1974.

Lavonne Dauter

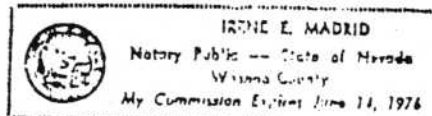
John Dauter

Betty J. Madge

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On the 25 day of June, 1974, personally appeared before me, a notary public, Lavonne Dauter who acknowledged that she executed the above instrument.

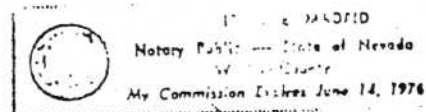
Lavonne Dauter
NOTARY PUBLIC



STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On the 25 day of June, 1974, personally appeared before me, a notary public, John Dauter who acknowledged that she executed the above instrument.

John Dauter
NOTARY PUBLIC



STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On the 25 day of June, 1974, personally appeared before me, a notary public, Betty J. Madge who acknowledged that she executed the above instrument.

Betty J. Madge
NOTARY PUBLIC

