

RESTATED BY-LAWS
OF
BELAIRE ESTATES PROPERTY OWNERS ASSOCIATION
ARTICLE I
NAME AND LOCATION

The name of the corporation is BELAIRE ESTATES PROPERTY OWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 12A Sunset Way, Henderson, Nevada 89014, unless relocated by amendment hereto, but meetings of Members and Directors may be held at such place within the State of Nevada, County of Clark, as determined by the Board of Directors in conformance herewith.

ARTICLE II

DEFINITIONS

Unless otherwise specifically provided herein, the capitalized terms in these Bylaws shall have the same meaning as is given to such terms in the Amended and Restated Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Belaire Estates ("Declaration") recorded May 20, 1992, as Instrument No. 00349, in Book No. 920520, Official Records, Clark County, Nevada.

ARTICLE III

MEMBERS

Section 3.1. Voting. Those Members appearing in the official records of the Association, on the date forty-five (45) days prior to the scheduled date of any meeting of the Members required or permitted to be held under this Article III, as record Owners of Units located in the Property, shall be entitled to notice of any meeting of the Members. If there is more than one (1) record Owner of any such Lot, any and all of the Members owning such Lot may attend any meeting of the Members, but the vote attributable to the Lot so owned shall not be increased by reason thereof. Co-Owners owning the majority interest in a Lot shall from time to time designate in writing one (1) of their number to vote. Fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a unit. Where no voting co-Owner is designated, or if the designation has been revoked, the vote for the Lot shall be exercised as the co-Owners owning the majority interests in the Lot have mutually agreed. However, no vote shall be cast for any Lot if the co-Owners present in person or by proxy cannot agree to said vote or other action. Unless the Board receives a written objection in advance from a co-Owner, it shall be conclusively presumed that the voting co-Owner is acting with the consent of all other co-Owners.

Section 3.2. Proxies. Every Member entitled to attend, vote at or exercise consents with respect to any meeting of the Members may do so either in person, or by a representative, known as a proxy, duly authorized by an instrument in writing, filed with the Board of the Association prior to the meeting to which it is applicable. No proxy shall be valid after the expiration of one (1) year from the date of the proxy unless coupled with an interest, or unless the Member executing it specifies the length therein for which such proxy is to continue in effect, which in no case shall exceed seven (7) years from the date of its execution. Such powers of designation and revocation may be exercised by the guardian of any such Member's estate or by his conservator, or in the case of a minor having no guardian, by the parent entitled to his custody, or during the administration of any such Member's estate, by his executor or administrator where the latter's interest in such property is subject to administration in his estate. Any form of proxy or written ballot shall afford an opportunity therein to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot or proxy is distributed, to be acted upon at the meeting for which the proxy or written ballot is solicited, and

shall provide, subject to reasonably specified conditions, that where the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with such specification. A proxy is void if it is not dated or purports to be revocable without notice.

Article III Section 3.2 is hereby amended to include the following:

Section 3.2 Proxies

- I. Except as otherwise provided in the Act, votes allocated to a unit may be cast pursuant to a proxy executed by a Member. The use of proxies is subject to the following requirements:
 - a. Eligibility: A Member may give a proxy only to a member of his immediate family, a tenant of the Member who resides in the Association or another Member who resides in the Association.
 - b. Directed Proxies: A proxy is void if it is not dated or purports to be revocable without notice or if it does not designate the votes that must be cast on behalf of the Member who executed the proxy.
 - c. Term: A proxy terminates immediately after the conclusion of the meeting for which it was executed. If a meeting cannot be held because a quorum is not present and the meeting is adjourned, then the proxy is valid at the reconvened meeting.
 - d. Quorum: A proxy may not be used to establish a quorum for the election of Directors. For the purposes of determining if a quorum is present for the election of Directors, only the persons present and the secret written ballots returned to the Association may be counted.
 - e. Use : A proxy may not be used for the election of any Director.
 - f. Disclosure: A proxy is void if the holder of the proxy does not disclose at the beginning of the meeting for which the proxy is executed, the number of proxies for which he will be casting votes and the voting instructions received for each proxy.
 - g. Multiple Owners: If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through an executed proxy.
 - h. Revocation: A Member may revoke a proxy only by actual notice of revocation to the person presiding over a meeting of the Association.

Section 3.3 Vote Appurtenant to Unit. The right to vote may not be severed or separated from the ownership of the Unit to which it is appurtenant, except that any Member may give a revocable proxy in the manner described above, or may assign his right to vote in writing to a lessee or tenant actually occupying his Unit, for the term of the lease, or to a mortgagee of the Unit, for the term of the mortgage. Any sale, transfer or conveyance of fee title to such Unit to a new owner or owners shall operate automatically to transfer the appurtenant vote to the new Owner, subject to any assignment of the right to vote, to a lessee or mortgagee as provided herein.

Section 3.4. Annual Meetings. There shall be an annual meeting of the Members on the date which is forty-five (45) days prior to the annual meetings of the Master Association; provided, however, that the first meeting of the Members (whether annual or special) shall be held no later than the earlier of (a) forty-five (45) days after close of escrow for the sale of a majority of Lots in the Property, or (b) the date of six (6) months after close of escrow for the first such sale of a Lot in the Property.

MEMBERS

Article III Section 3.4 is hereby amended to include the following:

Section 3.4 Annual Meetings

- I. Frequency: A meeting of the Members must be held at least once each year. If the governing documents do not designate an annual meeting date of the Members, a meeting of the Members must be held 1 year after the date of the last meeting. If the Members have not held a meeting for 1 year, a meeting of the Members must be held consistent with the governing documents and the Act.

2. Meeting Place: The meeting of the Members will be held at such place, within Clark County, Nevada, as the Board of Directors may determine.

Section 3.5. Notice of Meetings. Meetings of Members shall be held at such convenient location on or near the Property and within Clark County as may be designated from time to time by the Board. Written notice of meetings shall state the place, date and time of the meeting and those matters which the Board, at the time the notice is given, intends to present for action by the Members. The Secretary of the Association shall cause notice of meetings to be sent to each Member, no later than ten (10) days nor more than sixty (60) days prior to the meeting. A special meeting of the Members may be called at any reasonable time and place by written request by (1) a majority of the Board of Directors, (2) the President of the Association, or (3) by Members representing ten percent (10%) of the voting power residing in Members other than Declarant. To be effective, such written request shall be delivered to either the President, Vice President, or Secretary of the Association. Such officers shall then cause notice to be given to Members entitled to vote that a meeting will be held at a time and place fixed from time to time by the Board of Directors not less than ten (10) days, nor more than thirty (30) days, after receipt of the written request. Notice of special meetings shall specify the general nature of the business to be undertaken and that no other business may be transacted.

MEMBERS

Article III Section 3.5 is hereby amended to include the following:

Section 3.5 Notice of Membership Meetings

1. Time Period The Association or its duly authorized agent shall send notice of each annual or special meeting of the Members by first-class mail, at least ten (10) but not more than sixty (60) days in advance of such meeting.
2. Purpose and Date The notice must state the purpose of the meeting, the date and hour of the meeting, and the place where it is to be held. The notice must be sent to each Member, and to each first Mortgagee of a unit, which Mortgagee has filed a written request for notice.
3. Contents The notice of the meeting must include notification of the right of a Member to:
 - a. Have a copy of the minutes or a summary of the minutes of the meeting distributed to the Member upon request and payment of the cost of making the distribution.
 - b. Speak to the Association.

MEMBERS

Article III Section 3.5A is hereby added to read as follows:

Section 3.5A Agenda for Membership Meetings

1. Contents: The agenda for a meeting of the Members must consist of:
 - a. A clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Declaration or By-Laws, any fees or assessments to be imposed or increased by the Association, any budgetary changes and any proposal to remove an Officer or Director.

- b. A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. Only in an Emergency, the Members may take action on an item which is not listed on the agenda as an item on which action may be taken.
- c. A period devoted to comments by Members 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 b.

MEMBERS

Article III Section 3.5B is hereby added to read as follows:

Section 3.5B Minutes of Membership Meetings

Not more than 30 days after any meeting of the Members, the Board or any officer or agent acting under the direction of the Board shall cause the minutes or a summary of the minutes of the meeting to be made available to the Members. A copy of the minutes or a summary of the minutes must be provided to any Member who pays the Association the cost of providing the copy.

Section 3.6. Quorum. The presence at the beginning of any meeting, in person or by written proxy, of the Members entitled to vote at least twenty percent (20%) of the total votes of the Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence, in person or by written proxy, of the Members entitled to vote at least fifteen percent (15%) of the total votes of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for annual or special meetings, as applicable. Unless otherwise expressly provided, any action authorized hereunder or under the Declaration may be taken at any meeting of such Members upon the affirmative vote of the Members having a majority of a quorum present at such meeting in person or by proxy.

MEMBERS

Article III Section 3.6 is hereby amended to include the following:

Section 3.6 Quorum

For the purposes of determining whether a quorum is present for the election of any Director, only the persons present and the secret written ballots that are returned to the Association may be counted.

Section 3.7. Suspension of Voting Rights. The Board shall have the authority to suspend the voting rights of any Member to vote at any meeting of the Members, for any period during which the payment of any assessment made pursuant to the Declaration against such Member and the real property owned by such Member remains delinquent, it being understood that any suspension for nonpayment of any such assessment shall not constitute a waiver or discharge of the Member's obligation to pay the assessments provided for in the Declaration.

MEMBERS

Article III Section 3.8 is hereby added to read as follows:

Section 3.8 Notice of Meeting to Consider Assessment for Capital Improvement

The Association shall provide written notice to each Member of a meeting at which an assessment for a capital improvement is to be considered or action is to be taken on such an assessment at least 21 calendar days before the meeting unless a longer period of time is set forth in the governing documents of the Association.

MEMBERS

Article III Section 3.9 is hereby added to read as follows:

Section 3.9 Notice of Meeting for Certain Civil Actions

The Association shall provide written notice to each Member of a meeting at which at the Association will consider commencement of a civil action that requires Membership approval under the Act at least 21 calendar days before the meeting, unless a longer period is set forth in the governing documents of the Association.

ARTICLE IV

VOTING RIGHTS

Section 4.1 Voting. Subject to Section 4.2, below, all owners shall be entitled to cast one vote for each Unit owned.

Section 4.2 Appointment of Board. Declarant shall have the right to appoint and remove a majority of the members of the Board of Directors, subject to the following limitations:

- (a) Not later than sixty (60) days after conveyance of twenty five percent (25%) of the Units that may be created from Declarant to Purchasers, at least one director and not less than 25% of the total directors must be elected by Owners other than Declarant.
- (b) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created from Declarant to Purchasers, not less than one-third of the total directors must be elected by Owners other than Declarant.
- (c) The power reserved to Declarant in this Section 4.2 to appoint or remove a majority of the members of the Board of Directors shall terminate on the earliest of (1) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created from Declarant to Purchasers, (2) two years after Declarant has ceased to offer any Units for sale in the ordinary course of business, or (3) two years after any right to annex any portion of the annexable property was last exercised pursuant to Article XV of the Declaration.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1. Number. The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be Members of the Association. The authorized number of Directors may be changed by a duly adopted amendment to these Bylaws.

BOARD OF DIRECTORS

Article V Section 5.1 is hereby amended to include the following:

Section 5.1 Number

Except as otherwise provided in the Act, upon termination of any period of Declarant's control, the units' owners shall elect an Board of at least 3 members, a majority of which must be Members of the Association. The Board shall elect the Officers. The Members and Officers of the Board shall take office upon election.

Section 5.2. Term of Office. At the first meeting of the Members, one Director shall be elected for a term of three (3) years, one shall be elected for a term of two (2) years, and one shall be

elected for a term of one (1) year, so that replacement of the Board shall be “staggered.” All subsequently elected Directors shall serve terms of three (3) years. Each Director shall in any event serve office until the election of his successor.

BOARD OF DIRECTORS

Article V Section 5.2 is hereby amended to include the following:

Section 5.2 Term of Directors

The term of office of a member of the Board may not exceed 2 years. A member of the Board may be elected to succeed himself or herself. However, any Director elected to a longer term prior to October 1, 1999 may serve the balance of the term.

Section 5.3. Removal and Successors. Any Director may be removed from the Board, with or without cause, as set forth hereunder. Upon receipt of a written petition requesting removal of any Director, signed by such Members as are required for the calling of a special meeting of the Members under Section 3.5, the Board shall present said petition to the Members for vote. Unless the entire Board is removed from office, a Director may not be removed if the number of votes cast against removal is greater than the quotient arrived at by dividing the total number of votes that may be cast under cumulative voting procedures by a divisor equal to authorized number of Directors, less one. In the event of death, resignation or removal of a Director, his successor shall serve for the unexpired term of his predecessor. The successor Director shall be elected in the manner set forth in Article VI hereof.

Section 5.4. Compensation. No Director shall receive compensation for any service he may render to the Association in his capacity as Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5.5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Election to the Board of Directors shall be by secret written ballot. Nominations for election of members of the Board shall not be made from the floor by the Members at the annual meeting (or at any meeting of the Members at which Directors are to be elected).

NOMINATION AND ELECTION OF DIRECTORS

Article VI Section 6.1 is hereby added to read as follows:

Section 6.1 Time of Election

After termination of the period of Declarant’s control, the month for the election of Directors shall be set each year within approximately twelve months of the previous election, providing that meeting space is available and quorum requirements are met.

NOMINATION AND ELECTION OF DIRECTORS

Article VI Section 6.2 is hereby added to read as follows:

Section 6.2 Notice of Election and Ability to Serve on Board of Directors

Not less than 30 days before the preparation of a ballot for the election of Directors, the Board or any other agent acting under the direction of the Board shall cause notice to be given to each Member of his or her eligibility to serve as a Director. Each Member who is qualified to serve as

a Director may have his or her name placed on the ballot along with the names of the nominees selected by the Directors or a nominating committee established by the Association.

NOMINATION AND ELECTION OF DIRECTORS

Article VI Section 6.3 is hereby added to read as follows:

Section 6.3 Ability to Serve on Board of Directors

1. An officer, employee, agent, or director of a corporate owner of a unit, a trustee or designated beneficiary of a trust that owns a unit, a partner of a partnership that owns a unit, a fiduciary of an estate that owns a unit, and the record owner of a unit may be an Officer or Director. In all events where the person serving or offering to serve as an Officer or Director is not the record owner, he or she shall file proof in the records of the Association that:
 - a. He or she is associated with the corporate owner, trust, partnership or estate as required by this subsection; and
 - b. Identifies the unit or units owned by the corporate owner, trust partnership, or estate.

NOMINATION AND ELECTION OF DIRECTORS

Article VI Section 6.4 is hereby added to read as follows:

Section 6.4 Election Procedure & Certification

1. Secret Ballot The election of any member of the Board must be conducted by secret written ballot. The Board or any officer or agent acting under the direction of the Board shall cause a secret ballot and a return envelope to be sent prepaid by United States mail to the mailing address of each unit within the Association or to any other mailing address designated in writing by the Member.
2. Certification Each Director shall, within 30 days after his or her appointment or election, certify in writing that he or she has read and understands the governing documents of the Association and applicable provisions of the Act to the best of his or her ability.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 7.1 Organization Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected.

Section 7.2. Regular Meetings. Regular meetings of the Board shall be open to all Members, unless the Board is meeting in executive session. Regular meetings may be held at such time and place as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the Directors; provided however, that such meetings shall be held at least once every 90 days.

MEETINGS OF DIRECTORS

Article VII Section 7.2 is hereby amended to include the following:

Section 7.2 Regular Meetings

A meeting of the Board must be held at least once every 90 days, with notice.

MEETINGS OF DIRECTORS

Article VII Section 7.2A is hereby added to read as follows:

Section 7.2A Notice of Board Meetings

1. Time Period Except in an Emergency, the Association shall, not less than 10 days before the date of a meeting of the Board, cause notice of the meeting to be given to the Members.
2. Method of Delivery Notice of the Board meeting must be sent prepaid by United States mail to the mailing address of each unit within the Association or to any other mailing address designated in writing by the Member; or published in a newsletter or other similar publication that is circulated to each Member.
3. Method of Delivery for Emergency Meetings In an Emergency, 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 within the Association. If delivery of the notice in this manner is impracticable, the notice must be hand-delivered to each unit within the Association or posted in a prominent place or places within Common Elements of the Association.
4. Contents The notice 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 Members of the Association. The notice must also include notice of the right of a Member to have a copy or a summary of the minutes distributed upon request and, if required upon payment to the Association of the cost of making the distribution and the right to speak to the Association or the Board, unless the Board is meeting in an executive session.

Section 7.3 Special Meetings. Special meetings of the Board shall be open to all Members, unless the Board is meeting in executive session. Special meetings may be called by the President or by a majority of the Directors.

Section 7.4. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A quorum is deemed present throughout any meeting of the Board if the persons entitled to cast fifty percent (50%) of the votes on that Board are present at the beginning of the meeting.

Section 7.5 Notice of Meetings of the Board. It shall be the duty of the Secretary to send a notice of each regular or special meeting of the Board, to each Member of record, and to each first Mortgagee of a Lot, which Mortgagee has filed a written request for notice with the Secretary, and/or post notice of said meetings in the Common Area located within the Properties, consistent with NRS 116.3108, as may be amended from time to time. The notice shall specify those matters the Board intends to present for action by the Board, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. The notice of any meeting of Board shall include notification of the Members' rights: (1) to have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon receipt if he pays the Association the cost of making the distribution, and (2) to speak to the Board. The notice may set forth time limits for speakers and nominating procedures for the meeting. In addition to the foregoing, the notice of any meeting of the Members shall include an agenda for the meeting, the content of which must be consistent with Nevada law, as may be amended from time to time.

Section 7.6. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall be a waiver by him of personal notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting. The transaction at any meeting of the Board, however called

and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

MEETINGS OF DIRECTORS

Article VII Section 7.6 is hereby added to read as follows:

Section 7.6 Board Actions Required

1. At least once every 90 days, the Board shall review at one of its meetings:
 - a. A current reconciliation of the operating account of the Association;
 - b. A current reconciliation of the reserve account of the Association;
 - c. The actual revenues and expenses for the reserve account compared to the budget for that account for the current year;
 - c. The latest account statements prepared by the financial institutions in which the accounts of the Association are maintained;
 - d. An income and expense statement, prepared on at least a quarterly basis, for the operating and reserve accounts of the Association; and,
 - e. The current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

MEETINGS OF DIRECTORS

Article VII Section 7.7 is hereby added to read as follows:

Section 7.7 Minutes of Board Meetings

The minutes or a summary of the minutes of a meeting of the Board must be made available to the Members in accordance with the provisions of the Act.

MEETINGS OF DIRECTORS

Article VII Section 7.8 is hereby added to read as follows:

Section 7.8 Right to Speak at Meetings of the Board

Subject to the provisions of Section VII, a Member may attend and speak at any meeting of the Board. Except for the executive session of the Board, Members may participate in the Board meeting by addressing the Board during the Member comment section of the agenda, which must be held at the beginning of the Board meeting. However, the Board may set reasonable limitations on the comments including limiting the time a Member may speak.

MEETINGS OF DIRECTORS

Article VII Section 7.9 is hereby added to read as follows to include the following:

Section 7.9 Executive Session

1. Purpose. The Board may meet in executive session 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 privileges allowed by law; or
 - b. Discuss matters relating to personnel: or
 - c. Discuss a violation of the governing documents alleged to have been committed by a Member or any other occupant, family member, guest, or invitee occupying or visiting a Lot; and
 - d. For any other reason consistent with and permitted by Nevada law.

2. Members' Right to Attend Except as otherwise provided in subsection 3, below, a Member is not entitled to attend or speak at a meeting of the Board held in executive session.
3. Hearings Held in Executive Session Any Member who has alleged to have committed a violation shall be given an opportunity to be heard in writing or in a hearing before the Board. The Member may be excluded from any other portion of the hearing, including, without limitation, the deliberations of the Board. The Member who allegedly committed the violation may request, in writing, that the opportunity to be heard be offered at an open meeting.
4. Minutes Except as otherwise provided in this subsection, any matter discussed in executive session must be generally noted in the minutes of the Board meeting. The Board shall maintain minutes of any decision made in executive session and, upon request provide a copy of the decision to the Member who was the subject of the hearing or to his or her designated representative.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1. Powers and Duties. The Association shall have all powers given to such a corporation by law, subject only to limitations upon the exercise of such powers as are expressly set forth in the Declaration. The Association shall have the power to perform any and all lawful acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association. Without in any way limiting the generality of the foregoing provisions, the Association, acting through the Board, shall have:

- (a) Assessments. The Association shall have the power and duty to levy assessments on the Owners of Lots in the Property and to enforce payment of such assessments in accordance with the Declaration.
- (b) Repair and Maintenance of Common Areas and Association Property. The Association shall have the power and duty to paint, plant, repair, clean and maintain in a neat and attractive condition, in accordance with the standards provided in the Declaration, the Streets, all Association Property and all Common Areas, in a safe, sanitary and attractive condition and in good order and repair, and to pay for utilities, gardening and other necessary services in connection therewith. All of the foregoing obligations of Association shall be discharged when and in such manner provided in the Declaration. Notwithstanding the foregoing, the Association shall have no responsibility to provide services referred to in this paragraph with respect to improvement which is accepted for maintenance by any governmental agency. Such responsibility shall be that of applicable agency.
- (c) Easements and Rights-of-Way. The Association shall have the power but not the duty to grant and convey to any person easements and rights-of-way in, on, over or under Common Areas and Association Property, for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder: (1) roads, streets, walks, driveways, parkways, park areas and slope areas; (2) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, television, telephone and other similar purposes; (3) sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating, and gas lines or pipes; and (4) any similar public or quasi-public improvements or facilities.
- (d) Manager. Subject to Sub-Section (k) hereof, the Association may retain and pay for services of a professional property management entity ("Manager") prior to close of escrow for the first Lot sold in the Property, for the purpose of operating and maintaining

the Property. Such Manager shall possess no less than five years' experience in managing similar projects, and must an officer or employee certified as a Certified Property Manager. Upon expiration or termination of any such contract with any Manager, a replacement Manager meeting the above-stated qualifications shall be retained by the Board as possible thereafter. (If no Manager meeting the above-stated qualifications is available, the Board shall retain the most highly qualified management entity available. The Board may also retain and pay for the services of such other personnel, including independent contractors, as the Association shall determine to be necessary or desirable for the proper operation and maintenance of the Association, the Common Areas or Association Property, whether such personnel are furnished or employed directly by the Association or by any person with whom or which it contracts.

- (e) Other Services. The Association may undertake or contract for any lawful activity, function or service provided for under the Articles of Incorporation, these Bylaws or the Declaration for the benefit of the Owners. All costs and expenses of activities, functions or services undertaken by the Association for the benefit of fewer than all of the Owners may, at the discretion of the Board, be assessed to the Owners benefited thereby, and such assessments shall be enforced in accordance with the provisions of Article V of the Declaration. The Association shall obtain from any governmental authority any licenses necessary or appropriate to carry out its functions hereunder.
- (f) Rules and Regulations. The Association or Manager may make and enforce reasonable and uniformly applied rules and regulations governing the use of Lots, Streets, Association Property and the Common Areas. Such rules and regulations may, without limitation: (i) regulate the use and parking of vehicles within the Property, subject to Section 4.2 of the Declaration; (ii) regulate the use of the Recreational Facility and other Association Property; and (iii) prohibit noxious or offensive activities, nuisances, unsafe or hazardous activities or construction, emission of loud sounds or offensive odors and unsightliness. The Association shall furnish each Owner with a written copy of each such rule or regulation, but failure to furnish such copy shall not be deemed to invalidate such rules or regulations to any extent.

The Association shall have the right to enforce any of the rules and regulations of the Association and the obligations of any Owner under the Declaration or any provision of its Articles of Incorporation of these By-Laws by assessing a reasonable fine against such Owner or Resident and/or suspending the right of such Owner to vote at meetings of the Association; provided that such use and/or voting suspension may not be imposed for a period longer than thirty (30) days per violation; and provided further that if any such violation continues for a period of ten (10) days after notice of such violation has been given to such Owner or Resident, such continuing violation shall be deemed to be a new violation and shall be subject to the imposition of new penalties. If any such fine imposed on an Owner or Resident by the Association is not paid by said Owner or Resident within thirty (30) days after written notice of the imposition of such fine, then the amount of such fine shall be added to the amount of the Common Assessment charged to the Lot of said Owner (or Resident) and shall be enforceable as an assessment in accordance with Article V of the Declaration. No penalty may be imposed under this Sub-Section until the Owner or Resident accused of any such violation has been afforded the right to be heard in person, by submission of a written statement, or through a representative, at any such hearing. The Association may also take judicial action against any Owner or Resident to enforce compliance with such rules, regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

Should any Resident violate any rule or regulation or any provision of the Declaration, or should any Resident's act, omission or neglect cause damage to Common Areas or Association Property, such violation, act, omission or neglect shall also be considered and treated as a violation, act, omission or neglect of the Owner of the Lot, in which the Resident resides. Likewise, should any guest of an Owner or Resident commit any such violation or cause such damage to Common Areas or Association Property, such violation, act, omission or neglect shall also be considered and treated as a violation, act, omission or neglect of the Owner or Resident (as well as the Owner of the Lot in which the Resident resides).

- (g) Insurance. The Board shall cause to be obtained and maintained adequate blanket public liability insurance (including medical payments), with such limits as may be considered, acceptable to the Federal National Mortgage Association (not less than \$1 million covering all claims for personal injury and property damage arising out of a single occurrence), insuring against liability for bodily injury, death and property damage arising from the activities of the Association and its Members, with respect to the Association Property and the Common Areas. The Board shall also cause to be obtained and maintained fire and casualty insurance with extended coverage, without deduction for depreciation, in an amount as near as possible to the full replacement value of the Common Areas, Association Property and those portions of the Lots consisting of all fixtures, installations or additions comprising a part of the buildings housing the Lots, in accordance with the original plans and specifications. Such insurance shall be maintained for the benefit of the Association, the Owners, and the Mortgagees, as their interests may appear as named insured, subject, however, to loss payment requirements as set forth herein. The Association shall purchase and maintain such additional insurance as it deems necessary and prudent, including, but not limited to, errors and omissions, directors, officers and agent's liability insurance, general casualty and/or liability insurance, medical payments, malicious mischief and vandalism insurance, fidelity bonds and workers compensation, and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect any insurance necessary to meet any requirements established by the Federal National Mortgage Association ("FNMA"), the Government National Mortgage Association ("GNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), VA and/or FHA, so long as any such entity is an Owner of a Lot or holder or insurer of a Mortgage on a Lot in the Property, except to the extent such coverage is not available or has been waived in writing by the FNMA, GNMA, FHLMC, VA and FHA, as applicable. Certificates of insurance shall be issued to each Owner and Mortgagee upon written request.

As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors, and Declarant to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of such persons.

As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors, and Declarant to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of such persons.

If available, all of the policies of insurance maintained by the Association shall contain a provision that such policy or policies shall not expire nor be canceled, terminated, or materially modified without at least thirty (30) days prior written notice to the Board, Declarant, and Owners and those holders or insurers of first Mortgages who have filed a written request with the carrier for such notice, and every other person in interest who requires such notice of the insurer.

The Association, acting through its Board of Directors, shall be the named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for herein shall be paid to the Board of Directors as trustees. The Board shall have full power to receive and to receipt for the proceeds and to deal therewith as deemed necessary and appropriate.

Except as otherwise specifically provided in this Declaration, the Board, acting on behalf of the Association and all Owners, shall have the exclusive right to bind such parties in respect to all matters affecting insurance carried by the Association, the settlement of a loss claim, and the surrender, cancellation, and modification of all such insurance. Duplicate originals or certificates of all policies of insurance maintained by the Association and of all renewals thereof, together with proof of payment of premiums, shall be delivered by the Association to all Mortgagees who have requested the same in writing.

All policies of physical damage insurance shall provide, if reasonably possible, for waiver of the following rights to the extent that the respective insurers would have the rights without such waivers:

- (a) subrogation of claims against the Owners and tenants of the Owners;
- (b) any defense based upon coinsurance;
- (c) any right of setoff, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;
- (d) any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any Owner, or arising from any act, neglect, or omission of any named insured or the respective agents, contractors and employees of any insured;
- (e) any right of the insurer to repair, rebuild or replace, and, if the improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the improvements insured;
- (f) notice of the assignment of any Owner of his interest in the insurance by virtue of a conveyance of any Lot; and
- (g) any right to require any assignment of any mortgage to the insurer.

It is the responsibility of each Owner to provide insurance on his personal property and upon all other property and improvements within his Lot for which the Association has not purchased insurance in accordance with this Article. Nothing herein shall preclude any Owner from carrying any public liability insurance as he deems desirable to cover his individual liability for damage to person or property occurring inside his individual Lot or elsewhere upon the Property. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the

Association, to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

(h) Taxes. The Association shall timely pay all real and personal property taxes and assessments levied against the Common Areas and Association Property.

(i) Entry. The Association shall have the right, upon not less than twenty-four (24) hours prior written notice (except in emergencies), to enter into any Lot for the purpose of enforcing the Declaration or any rules and regulations of the Association. Any damage to any Lot caused by the Association or its agents during any such entry into any Lot shall be repaired by and at the expense of the Association, unless such entry was necessitated by the negligence or misconduct of the Owner, Resident or guest of such Lot.

(j) Implied Rights. The Association shall have and may exercise any right or privilege given to it expressly by the Declaration, or reasonably to be implied from the provisions of the Declaration, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

(k) Limitation on Rights. The Association shall not take any of the following actions except with the prior vote or written consent of a majority of the voting power of the Association:

(a) Entering into a contract with a third person wherein the third person will furnish goods or services for the Association for a term longer than one (1) year, except (i) a contract with a public utility company if the rates charged for the materials or services are regulated by the Nevada Public Service Commission (provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate), or (ii) prepaid casualty and/or liability insurance policies of no greater than three (3) years duration.

(b) Paying compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Article VIII Section 8.1(1) is hereby added to read as follows:

Section 8.1(1) Budgets

1. Budget for Daily Operation: The Board shall not less than 30 days or more than 60 days before the beginning of the fiscal year of the Association, prepare a copy of 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.
2. Budget to Maintain Reserves: The Board shall not less than 30 or more than 60 days before the beginning of the fiscal year of the Association, prepare a copy of the budget to maintain the reserve required by the Act. The budget must include each of the elements required by the Act.
3. Distribution of the Budgets: In lieu of distributing copies of the budgets, the Board may distribute to each Member 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 budgets will be provided at the Member's expense upon request.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Article VIII Section 8.1(m) is hereby added to read as follows:

Section 8.1 (m) Reserve Studies

1. Period and Purpose The Board of the Association shall cause to be conducted at least once every 5 years, a study of the reserves required to repair, replace, and restore the major components of Common Elements. The Board shall review the results of the study annually to determine if the reserves are sufficient and make any adjustments it deems necessary to maintain the required reserves.
2. Qualifications The person conducting the reserve study including a member of the Board, a Member, or the property manager of the Association shall meet the qualifications of training and experience, which shall be adopted by regulation by the Administrator.
3. Contents The study must include, without limitation:
 - a. A summary of an inspection of the major components of Common Elements the Association is obligated to repair, replace or restore;
 - b. An identification of the major components of Common Elements that the Association is obligated to repair, replace, or restore which have a remaining useful life of less than 30 years;
 - c. An estimate of the remaining useful life of each major component identified pursuant to subparagraph b;
 - d. An estimate of the cost of repair, replacement, or restoration of each major component identified pursuant to subparagraph b during and at the end of its useful life; and
 - e. An estimate of the total annual assessment that may be required to cover the cost of repair, replacement, or restoration of the major components identified pursuant to paragraph b, after subtracting the reserves of the Association as of the date of the study.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Article VIII Section 8.1(n) is hereby added to read as follows:

Section 8.1(n) Reserve Fund Withdrawals

Money in the reserve account of the Association required by the Act may not be withdrawn without the signatures of at least two Directors or the signatures of at least one Director and one Officer who is not a Director.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 9.1. Enumeration of Offices. The officers of the Association shall be a President, who shall at all times be a member of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 9.2. 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.

Section 9.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year (but in any event until the election of their successors) unless an officer shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 9.4. Special Appointments. The Board may elect an inspector of elections and such other officers as the affairs of the Association may require, each of whom shall hold office for such

period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 9.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. 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.

Section 9.6. 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 replaces.

Section 9.7. 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 Section 9.4 of this Article.

Section 9.8. Duties. The duties of the officers are as follows:

PRESIDENT

- (a) The President shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the Board are carried, out; shall execute all documents and co-sign all checks and promissory notes.

SECRETARY

- (b) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; 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. The Secretary may co-sign checks in the absence of the Treasurer.

TREASURER

- (c) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and submit to the Board a proposed annual operating budget as well as a statement of income and expenditures to be presented to the membership at its regular annual meeting.

ARTICLE X

BOOKS AND RECORDS

The Board shall cause to be kept a complete record of all of its acts and corporate affairs. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and these Bylaws shall be available for inspection by any Member and copies of said documents may be purchased at a reasonable cost to the Member.

BOOKS AND RECORDS

Article X Section 10.1 is hereby added to read as follows:

Section 10.1 Review of Association Records and Papers

1. Available Documents the Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage, any Member, or the duly appointed

representative of any of the foregoing Lot the Declaration, the By-Laws, the Articles of Incorporation, and any other governing documents including any amendments, the Rules and Regulations, the financial statements, the budgets, the reserve studies, the membership register, any books of account, and the minutes of meetings of the Members, the Board, and committees. The provisions of this subsection do not apply to the personnel records of the employees of the Association or the records of the Association relating to another unit's owner.

2. Time and Place The Board shall provide for such inspection to take place at the office of the Association during the regular working hours of the Association or at such other place within the Property as the Board shall designate.
3. Time Period and Cost The Board shall provide a copy of any of the records required to be maintained pursuant to the Act to a Member within 14 days after receiving a written request therefor. The Board may charge a fee to cover the actual costs of preparing a copy, but not to exceed 25 cents per page or any other amount established under Nevada law.

ARTICLE XI

COMMITTEES

The Board may appoint an Architectural Committee as provided in the Declaration. In addition, the Board of Directors may appoint other committees as deemed appropriate' in carrying out its purpose and may, by resolution, delegate any portion of its authority permitted by law to an Executive Committee consisting of the President, Secretary and Treasurer of the Association.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, the Owner of each Lot within the Property is obligated to pay to the Association Common Assessments which are or may be secured by a continuing lien upon the Unit against which the assessment is made.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:

BELAIRE ESTATES PROPERTY OWNERS ASSOCIATION

ARTICLE XIV

NOTICE AND HEARING PROCEDURE

Before undertaking any action for which notice and hearing is provided for under the Declaration, the Board shall first cause written notice of such proposed action to be delivered to all Owners affected thereby. The notice shall describe the action proposed to be taken, and shall set the date of a hearing on the matter, which date shall be no less than ten (10) days nor more than forty five (45) days after delivery of the notice. Each affected Owner may be heard in person, or by counsel at the Owner's expense, at a hearing before a quorum of Directors. The Board may adjourn and continue the hearing from time to time as it deems necessary for the purpose of obtaining additional evidence or information. The Board shall issue its written ruling on the matter within forty-five (45) days after the conclusion of the hearing, which ruling shall be binding and conclusive as to all matters presented therein.

ARTICLE XV

AMENDMENTS AND OTHER DOCUMENTS

Section 15.1. Amendment. These Bylaws may be amended, added to or altered by a majority vote of the voting power of the Association, or by the written consent of Members representing a majority of the voting power of the Association. All holders, insurers and guarantors of first Mortgages shall be given thirty (30) days' written notice prior to the effective date of any

material amendment hereto. Any amendment which will adversely affect the rights of any first Mortgagee shall require the prior written approval of at least sixty-seven percent (67%) of said first Mortgagees. Further, so long as there is a Class B Membership, any amendment to these Bylaws shall require the prior written approval of the United States Department of Veterans Affairs ("VA"). A draft of any such amendment shall be submitted to and approved by the VA prior to approval by the Association as provided herein.

Section 15.2. Other Documents. The Articles of Incorporation and the Declaration are, by this reference, incorporated herein as if set forth in full. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

AMENDMENTS AND OTHER DOCUMENTS

Article XV Section 15.3 is hereby added to read as follows:

Section 15.3 Notice Requirement for Amendments

If any change is made to the governing documents of the Association, the Association or its duly authorized agent shall within 30 days after the change is made, prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the Member, a copy of the change that was made.

ARTICLE XVI

MISCELLANEOUS

Section 16.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 16.2. Notices. Any notice permitted or required hereunder shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person or entity at the address given by such person or entity to the Association for the purpose of service of such notice, or to the residence of such person or entity if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

AMENDMENTS AND OTHER DOCUMENTS

Article XV Section 15.3 is hereby added to read as follows:

Section 15.3 Notice Requirement for Amendments

If any change is made to the governing documents of the Association, the Association or its duly authorized agent shall within 30 days after the change is made, prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the Member, a copy of the change that was made.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being the Directors and/or Members of the above-named corporation, do hereby respectively acknowledge and adopt the foregoing Bylaws as and for the Bylaws of the Association.

IN WITNESS WHEREOF, we have hereunto set our hands this 27TH day of ~~May~~ JUNE, 2001.

BELAIRE ESTATES PROPERTY OWNERS ASSOCIATION,
a Nevada non-profit corporation

DIRECTORS:

<u>Roy S. Parker</u>	Pres
<u>Mona M. Reed</u>	Sec
<u>David Bap</u>	Treas

IN WITNESS WHEREOF, this First Statutorily Mandated Amendment has been executed by the Association as of the date first above written. The undersigned hereby certify that this First Statutorily Mandated Amendment has been adopted and approved in accordance with the Act.

By: [Signature]
President

By: David Bap
Director