

AMENDED BY-LAWS
OF
THE VISTAS HOMEOWNERS ASSOCIATION

ARTICLE I

Definitions

Section 1. “The Vistas” shall mean all of that certain real property located in the County of Washoe, State of Nevada, and more particularly described in Exhibit “A” attached hereto and incorporated by reference together with all real property subsequently annexed to The Vistas by Supplemental Declaration of Restrictions.

Section 2. “Restrictions” shall mean that certain Declaration of Protective Covenants applicable to The Vistas and filed in the Office of the Recorder of the County of Washoe on the 11th day of August, 1989, in Book 2949, Page 531, under Document No. 1342880, as the same may be amended from time to time in accordance with the terms thereof.

Section 3. “Articles of Incorporation” shall refer to the Articles of Incorporation of The Vistas Homeowners Association, a Nevada non-profit corporation.

Section 4. Other Terms used herein shall have the meaning given to them in the Restrictions and the Articles of Incorporation of The Vistas Homeowners Association.

ARTICLE II

Qualifications for Membership

Section 1. Proof of Membership. Membership shall be limited to fee owners of record of parcels or units within The Vistas. One membership shall be issued for each single family

dwelling or lot or multiple family dwelling unit in The Vistas and such membership shall be appurtenant to such parcel.

No person or persons shall exercise the rights of membership until satisfactory proof has been furnished to the Secretary of the Association of qualification as a member or nominee of a member pursuant to the terms of the Restrictions and the Articles of Incorporation. Such proof may consist of a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person or the person nominating him qualified in accordance therewith, which said deed or policy shall be deemed conclusive in the absence of a conflicting claim based upon a later deed or policy.

Section 2. No Additional Qualifications. No initiation fees, costs or dues shall be assessed against any person as a condition upon his exercise of the rights of membership except such assessments, levies and charges as are specifically authorized under the Articles of Incorporation, the Restrictions or these By-Laws.

ARTICLE III

Voting Rights

Section 1. Exercise of Voting Rights. The Corporation shall be non-stock and membership in the Corporation shall be limited to fee owners of record or parcels or units within The Vistas. One membership certificate shall be issued for each single family dwelling or lot or multiple family dwelling in The Vistas, and such membership shall be appurtenant to such parcel. For example, an apartment building or other complex in which multiple apartments or units are located which are not individually fee owned, would have only one vote regardless of

the number of units or apartments. Except as provided hereinafter, each membership shall have one vote.

In the event any parcel or lot in The Vistas is owned by two or more persons or entities whether by joint tenancy, tenancy in common, or otherwise, the membership appurtenant to such parcel or unit shall be joint and a single membership shall be issued in the names of all and they shall designate to the Corporation in writing at the time of their qualification for membership one of their number who shall hold the membership for such parcel or unit and have the power to vote said membership. Notwithstanding the foregoing, there shall be two categories of membership. Class A members shall be owners of lots in The Vistas on which there has been a recorded final map. Class A lot owners shall have one vote per lot. Declarant shall have a Class B membership of three votes for every acre of The Vistas it owns on which there is no final recorded map and three votes for every lot it owns in The Vistas on which there is a recorded final map. Class B membership shall cease and convert to Class A membership (and have one vote for every acre owned on property in The Vistas on which there is no approved final map, and one vote for every lot on property in The Vistas on which there is an approved final map) on July 1, 1993, or upon the sale of 75% of the total acreage in The Vistas, whichever first occurs, or sooner at the sole option of Declarant.

Any member entitled to vote may attend and vote at meetings in person, or by a proxy holder duly appointed by a written proxy signed by the member and filed with the Secretary. Any proxy shall be for a term of not to exceed eleven (11) months unless otherwise expressly provided therein and may be revoked at any time by written notice to the Secretary. It shall be deemed revoked with the Secretary shall receive actual notice of the death or judicially declared incompetence of such member or any person holding an undivided interest in such membership

or upon disqualification of the member to exercise the rights of membership pursuant to the terms hereof. Where a membership is owned by more than one person, any proxy with respect to such membership shall be signed by all such persons.

Any of such persons may attend meetings but they shall only be entitled to exercise the vote attributable to such membership upon the unanimous consent of all such persons present having an interest in such membership.

ARTICLE IV

Meetings of Members

Section 1. Quorum. The presence at any meeting of the members of the Association having over one-third (1/3) of the total votes of the Association shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at a meeting of the members (so long as all of the members of the Association were given advance notice in writing, as provided in these By-Laws, that such action would be considered at the meeting of the members) upon affirmative vote of a majority of the total votes present at such meeting in person or by proxy.

Section 2. Annual Meeting. There shall be an annual meeting of the members of the Association, and the annual meeting of the members shall be held at 6:30 p.m., on the third Thursday of July of each year commencing in 1990.

Section 3. Special Meetings. Special meetings may be called by the vote of a majority of a quorum of the Board or by any twenty percent (20%) of the total voting power of the Association which desire to meet, by written notice signed by those desiring to meet and sent by them to the owners at least ten (10) days before the meeting. Notice of all the meetings shall

specify the place, date and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted. At any meeting, developer shall be deemed to be the owner of any and all condominium units within the project unsold at the time.

ARTICLE V

Notices

Section 1. Method for Giving Notice. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Secretary for the purpose of service of such notice or to the residence lot of such person if no address has been given to the Secretary. Such address may be changed from time to time by notice in writing to the Secretary.

ARTICLE VI

Powers

Section 1. Exercise of Powers. The powers of the Association shall be vested in, exercised by, and under the authority of, and the affairs of the Association shall be controlled by the Board of Directors consisting of three (3) members.

ARTICLE VII

Election, Tenure and Proceedings of Board of Directors

Section 1. Term. The term of each member of the Board of Directors shall serve a period of two (2) years, or until their respective successors are elected; provided, however, that such term shall expire earlier upon (a) the death of any member, (b) the resignation of any member, (c) the removal of any member, or (d) the termination of an interest of the member in any condominium unit which qualifies him to be a member under Article II of these By-Laws;) provided, further, that the term of any individual serving on the Board of Directors shall be less than two (2) years in the event such person is filling a vacancy of a previous member, in which case the term of that member shall be only for the unexpired term of the previous member whose vacancy he has filled. No member of the Board of Directors shall be elected for more than two (2) consecutive two-year terms.

Section 2. Election. Until the third Thursday of July of 1992, there shall be three (3) directors. On that date, there shall be two (2) other directors elected who shall serve for a two-year term. Thereafter, those two director positions shall continue to serve two (2) year terms, expiring on even numbered years. The initial three (3) directors' term shall expire on the third Thursday of July 1993. Thereafter, those three directors' terms shall be two years, expiring on odd numbered years. Vacancies shall be filled by election of the members of the Association at the annual meeting of the members of the Association.

Section 3. Resignation or Removal. Any member of the Board of Directors may resign from his position on the Board of Directors at any time by giving written notice to the President or Secretary of the Association. Any member of the Board of Directors may be removed from his position as a member of the Board of Directors by a vote of the members of the Association;

provided, however, that unless the entire Board is removed, an individual member of the Board of Directors shall not be removed if the number of votes cast against his removal exceeds one-fifth (1/5) of the total votes entitled to vote for such removal.

Section 4. Vacancies. Vacancies on the Board of Directors shall be filled by a majority vote of the remaining members of the Board of Directors, even though the number of members of the Board of Directors remaining may constitute less than a quorum. Each person elected by the Board of Directors to fill a vacancy shall hold office until his successor is elected by the members as provided in this Article VII. Upon tender of a resignation by a Board member, the Board shall have the power to elect his successor to take office at such time as the resignation shall become effective.

Notwithstanding the foregoing, in the event at any meeting of the members of the Association at which members of the Board of Directors are regularly elected as provided herein, such vacancies shall be filled by the members of the Association. In such event, the President of the Association, or the presiding member at the meeting of the members of the Association, shall conduct separate nominations for candidates to run for the Board of Directors for a two-year term, and for candidates to run for a one-year term. Elections for nominated candidates to run for the two-year term shall be held separately from elections for the nominating candidates to run for the one-year term. The cumulative voting provision shall apply as hereafter provided, but cumulative voting, in such instance, shall take place separately for elections for persons who are candidates for two-year terms, and for persons who are candidates for one-year terms.

Section 5. Cumulative Voting. Every member entitled to vote at any election of persons to serve as members of the Board of Directors may cumulate his votes and give one candidate running for a specified term a number of votes equal to the number of directors to be elected for

that specified term, multiplied by the number of votes to which such members are otherwise entitled, or distribute his votes on the same principal among as many candidates running for a specified term as he so desires. The candidates receiving the highest number of votes up to the number of Directors to be elected for that specified term shall be deemed elected.

Section 6. Conduct of Business. Two (2) members of the Board of Directors shall constitute a quorum. If a quorum is present, the decision of a majority of these present shall be the act of the Board, and a binding act upon the Association. Meetings of the Board of Directors may be called, held and conducted in accordance with such regulations as the Board may adopt. The Board may also act without a meeting by unanimous written consent of the members of the Board of Directors.

ARTICLE VIII

Powers and Duties of Board of Directors

Section 1. Powers and Duties Set Forth in Restrictions. The Board of Directors shall have the exclusive right and responsibility to perform diligently all of the obligations and functions of the Association as set forth in the Restrictions and shall have all rights of the Association in connection therewith.

Section 2. Assessments.

A. General. Pursuant to the powers granted to it in its Articles and By-Laws, the Association is expressly authorized and empowered to levy quarterly and special assessments against all single family dwelling or each unit in a multiple family dwelling in the development. No assessments shall be assessed against lots until issuance of a certificate of occupancy. Such assessments shall be uniform as to the type of property. There shall be no assessments by the

Association for maintenance of and/or repair to improvements within the areas held in undivided interests within multiple family residential areas (land owned in common). All costs and expenses incurred in connection with operation, maintenance, repair (including all taxes) or making improvements on, areas held in undivided interests within multiple family residential areas shall be borne by the owners of units within the multiple family area and not the Association.

B. Quarterly Assessments. Within thirty (30) days prior to the commencement of each calendar year, beginning with the year 1990, the Board shall consider the current and future needs of the Association (excluding expenditures for which Special Assessments may be levied) and, in light of those needs, shall fix by resolution the amount of quarterly assessment for purposes, other than capital improvements for acquisitions, to be levied against each lot in the development, which amount shall be a debt of the owner thereof at the time such charge is made. (Prior to January 1, 1990, all costs of undertaking and carrying out the duties of Association shall be paid by Diversified Development & Construction.)

C. Special Assessments. Special assessments may be made by the Board upon an affirmative vote of a majority of the memberships representing lots so assessed, upon a determination by the Board that such assessment is necessary for capital improvements of Association property or for purposes related to the health, safety and welfare of such lot owners for the acquisition of additional Association property. No such special assessment shall be levied without benefit of a hearing for which at least thirty (30) days written notice shall be given to all affected lot owners. Special assessments may be made by the Board against any lot to secure the liability of the owner thereof to the Association arising out of any breach of the

provisions of this Declaration by such owner, which breach shall require the Association to expend funds by virtue thereof.

D. Notice. The Secretary shall mail to each owner whose lot is assessed, at such owner's address within the development, written notice of each annual or special assessment and the time and manner for payment thereof at least thirty (30) days prior to the time such assessment is due and payable to the Association.

E. New Units. The lots in new units shall be subject to pay the next quarterly or monthly installment of the previously established annual assessment, after a certificate of occupancy has been issued and shall be subject to pay all special assessments levied after recordation of such final map. In the case of multi-family units, unit owners shall be required to pay the next quarterly or monthly installment after a certificate of occupancy has been issued for the subject unit.

F. Collection and Lien. Annual assessments shall be paid either quarterly on January, April, July and October on the first day of each said month or monthly on the first day of each month as determined by the Board. The amount of any special assessment levied by the Association shall be paid to it on or before the date fixed by resolution by the Board. If any assessment payment is not paid on the date required, with ten (10) days grace, the entire amount of such assessment, including any deferred portion of any annual assessment, plus any other charges thereon, including interest at ten percent (10%) per annum from date of delinquency and costs of collection, including attorney's fees, if any, shall constitute and become a lien on the lot so assessed when the Board causes to be recorded in the Office of the County Recorder, of Washoe County, Nevada, a notice of delinquent assessment which shall state the amount of such assessment and such other charges and a description of lot which has been assessed. Such notice

shall be signed by the President or Secretary of the Association on behalf of the Association. Upon payment of said assessment and charges, or other satisfaction thereof, the Board shall, within a reasonable time, cause to be recorded a further notice stating the satisfaction and the release of said lien.

G. Priority of Lien. Conveyance of any lot shall not affect any lien for assessments provided herein. Such lien shall be prior to all other liens recorded subsequent to said notice of assessment.

H. Enforcement. The lien provided for herein may be enforced by sale of the property which is subject to a notice of delinquent assessment, such sale to be made by the Association or any of its authorized officers or attorneys in accordance with the provisions of Covenants numbered 6, 7 and 8 of NRS 107.030 and in accordance with the provisions of NRS 107.080 and 107.090 applicable to the exercise of powers of sale in deeds of trust, or in any other manner provided by law. In exercising the power of sale herein contained, the Association shall be deemed to occupy the position of Trustee and Beneficiary and the delinquent lot owner the position of defaulting Trustor. In addition to the above enumerated items constituting the lien, the Association may also realize from the sale the costs of such sale together with a reasonable attorney's fee. The Association may be a bidder at the sale.

I. Proof of Payment. Upon request, the Association shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.

J. Suspension. The Association shall not be required to transfer membership on its books or to allow the exercise of any rights or privileges of membership, including voting rights, on account thereof to any owner or to any person claiming under them unless or until all assessments and charges to which they are subject have been brought current.

K. Fiscal Year. The Board may adopt a fiscal year other than the calendar year.

Section 3. Accounting for Maintenance Fund. At the annual meeting, the Board shall present to the members a written statement of account for all assessments, receipts and disbursements for the preceding calendar year, the allocation thereof, to each member, and the estimated assessment for the coming calendar year. Within ten (10) days after the annual meeting, said statement shall be mailed to each member in the manner provided for giving of notices hereunder. The Board shall cause to be maintained a full set of books and records showing the financial condition of the Association in a manner consistent with generally accepted accounting principles.

Section 4. Other Books and Records. The Board shall cause to be maintained a complete record of all their minutes and acts and of the proceedings of the members. Such records and documents shall be kept and maintained in a manner consistent with reasonably prudent practice which would be applicable to a business for profit.

Section 5. Appointment and Renewal of Officers. The Board shall appoint and remove at pleasure all officers, agents and employees of the Association, prescribing their duties, fixing their compensation and requiring from them security or a fidelity bond for faithful performance of the duties to be prescribed for them to the extent deemed reasonably necessary by the Board or required by the Restrictions.

Section 6. Supervision of Officers. The Board shall supervise all officers, agents and employees of the Association and see that their duties are properly performed.

Section 7. Entering into a Management Agreement. The Board shall have the power to enter into a Management Agreement with an independent party for a period not to exceed one year's duration and is subject to termination upon thirty (30) days written notice thereof.

ARTICLE IX

Officers

Section 1. Enumeration of Officers. The officers of this Association shall be a President and a Secretary-Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Term. The officers of this Association, except such officers as may be appointed in accordance with Sections 3 or 5 of this Article, shall be chosen annually by the Board and each shall hold this office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 3. Special Appointments. The Board may appoint 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 4. Resignation and Removal. Any officer may be removed from office either with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or Secretary. Such resignation shall take effect at 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 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or other cause may be filled in the manner prescribed in the By-Laws for regular appointment to such office. The appointee to such vacated office shall serve the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. The offices of the Secretary or Assistant Secretary and Treasurer may be held by the same person. No person shall be appointed to more than one of any of the other offices except in the case of special offices created pursuant to Section 3 of this Article.

ARTICLE X

President

Section 1. Election. At their first meeting, the Board shall elect one of their number to act as President.

Section 2. Duties. The President shall:

- a. Preside over all meeting of the members and of the Board;
- b. Sign as President all deeds, contracts and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser officer;
- c. Call meetings of the Board whenever he deems it necessary in accordance with rules and upon notice agreed upon by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days;
- d. Have, subject to the advice of the Board, general supervision, direction and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

ARTICLE XI

Secretary and Assistant Secretary

Section 1. Election. At its first meeting, the Board shall elect a Secretary.

Section 2. Duties. The Secretary shall:

- a. Keep a record of all meetings and proceedings of the Board and of the members;
- b. Keep the corporate seal of the Association and affix it on all papers requiring said seal;
- c. Serve such notices of meetings of the Board and the members required either by law or by these By-Laws;
- d. Keep appropriate current records showing the members of this Corporation together with their addresses;
- e. Sign as Secretary all deeds, contracts and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature unless the Board has authorized another officer to sign in the place and stead of the Secretary by duly adopted resolution.

Section 3. Appointment and Duties of the Assistant Secretary. The Board may, in its discretion, appoint an Assistant Secretary who, in the case of absence, inability or refusal to act on the part of the Secretary, shall perform the duties thereof. The Assistant Secretary shall also perform such other duties as may be required of him by the Board.

ARTICLE XII

Treasurer

Section 1. Election. At its first meeting, the Board shall elect a Treasurer.

Section 2. Duties. The Treasurer shall:

- a. Receive and deposit in such bank or banks as the Board may, from time to time, direct all of the funds of the Association;
- b. Be responsible for and shall supervise the maintenance of the books and records to account for such funds and other Association assets;
- c. Disburse and withdraw said funds as the Board may from time to time direct and in accordance with the prescribed procedures.

ARTICLE XIII

Subordinate Officers

Section 1. Appointment. The Board may appoint such subordinate officers as it deems desirable from time to time.

Section 2. Duties. Such subordinate officers shall have the duties that the Board may, from time to time prescribe, including the right to act in the place and stead of such officers, other than the President, as the Board may designate.

ARTICLE XIV

Certification of Membership

Section 1. Issuance of Certificates. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation maintained by the Secretary. If any certificate

shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may direct.

ARTICLE XV

Miscellaneous

Section 1. Inspection of Books and Records. The books, records and such papers as may be placed on file by the members or the Board shall, at all times during reasonable business hours, be open to the inspection of any member.

Section 2. Corporate Seal. The Association shall have a seal in circular form having within its circumference the words "THE VISTAS HOMEOWNERS ASSOCIATION."

Section 3. Adoption and Amendment of These By-Laws. The Board of Directors is authorized to accept these initial By-Laws to govern the affairs of the Association by the vote of a majority of the Board of Directors. Thereafter, these By-Laws may be amended or repealed by the vote or written assent of members holding Fifty-One per cent (51%) or more of the total vote. As long as there is a Class B membership, HUD has the right to veto amendments.

Section 4. Waiver of Consent and Ratification by Members.

A. Meetings Irregularly Called and Noticed. The transactions at any meeting of the members, however called or noticed, shall be valid as though had at a meeting duly held after regular call and notice if a quorum be present, in person or by proxy, if either before or after the meeting, sufficient members entitled to vote but not present thereat sign a written waiver of notice or consent to holding of such meeting or the approval of the true minutes thereof as shall constitute 80% of the members of the Corporation at the time of the meeting. All such waivers,

consents or approvals shall be filed with the Corporate records and made a part of the minutes of the meeting.

B. Meetings Regularly Called. Any act or resolution passed by $\frac{3}{4}$ of all voters present, either in person or by proxy, at a meeting of the members regularly called and noticed in accordance with the By-Laws of the Corporation, even if a quorum not be present at such meeting, may be ratified by the members of the Corporation after the meeting so long as (a) over $\frac{1}{5}$ of the members of the Corporation voted in favor of such act or resolution at the meeting, and (b) written consent to such act or resolution by the members of the Corporation at the meeting shall be obtained and filed with the Secretary of the corporation within sixty (60) days after the meeting such that the total votes of the meeting and written consents obtained are sufficient to constitute $\frac{2}{3}$ of all members of the Corporation.

I, the undersigned, being the Secretary of THE VISTAS HOMEOWNERS ASSOCIATION, do hereby certify the foregoing to be the By-Laws of said corporation as adopted at a meeting of the Board of Directors held on June 1, 1990.

Secretary