

BY-LAWS

Of

PARK TOWERS HOMEOWNERS ASSOCIATION, INC. (A Nevada Nonprofit Corporation)

ARTICLE I General Provisions

Section 1.01. Definitions.

a) Declaration. "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for Park Towers recorded in the Office of the Recorder of the County of Washoe, State of Nevada, on April 13, 2001, in Book 1, as Document No. 2542883 concurrently or substantially concurrently with the adoption of these Bylaws as the same may be amended from time to time.

b) Other Terms Defined. Other terms used herein shall have the meaning given to them in the Declaration and are hereby incorporated by reference and made a part hereof.

Section 1.02. Principal Office. The principal office of the Association shall be at such place in the County of Washoe, Nevada as the Board may designate from time to time.

Section 1.03. Purpose. The association has been formed for the purposes set forth in the Articles of Incorporation, the Declaration, and these Bylaws.

ARTICLE II Membership

Section 2.01. Qualifications. Each Owner of a Unit shall be a Member of the Association. If a Unit is owned by more than one Owner, all such owners shall be Members of the Association, provided, however, that such Unit shall be represented by and entitled to only (1) vote, which shall be exercised and cast in accordance with these Bylaws as set forth below. Ownership of a Unit shall be the sole qualification for membership in the Association.

Section 2.02. Proof of Membership. No persons shall exercise the rights of membership until satisfactory proof has been furnished to the secretary of the Association of qualification as a Member pursuant to the terms of the Declaration. Such proof may consist of a copy of a duly executed and acknowledged grant deed or title insurance policy showing such person is qualified in accordance therewith, which deed or policy shall be deemed conclusive in the absence of a conflicting claim based upon a latter deed or policy.

Section 2.03. Transfer of Membership. The Association membership of each

Owner shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to the Unit and then only to the transferee of title to the Unit. Any attempt to make a prohibited transfer shall be voided. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof. (See Article II of Item 2 of the Public Offering Statement and Article 6.05 of the declaration pertaining to when rentals will be allowed.)

ARTICLE III

Voting Rights

Section 3.01. Voting. All Owners shall be entitled to one (1) vote for each Unit owned. When a Unit is owned by more than one (1) person, such Owners shall decide among themselves how that Unit's vote is to be cast, but in no event shall more than one (1) vote be cast per Unit. The Owners may designate one of the Owners, to be the voting Member, who shall have the authority to cast any vote as such Owner sees fit; or they may decide by a majority vote among themselves how their Unit's vote is to be cast, but fractional votes shall not be allowed.

Section 3.02. Joint Owner Disputes. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that they were acting with the authority and consent of all other Owners of the same Unit.

Section 3.03. Voting by Proxy. Each Member may vote in person or by proxy in accordance with Section 4.07 below.

Section 3.04. Cumulative Voting. Cumulative voting is not permitted during the election of Directors.

Section 3.05. Suspension of Voting Rights. The Board shall have the right to suspend the voting rights of any Owner or Owners for a period during which any Assessment owed by such Owner or Members remain unpaid and delinquent.

ARTICLE IV

Meetings of Members

Section 4.01. Organizational Meetings. An organizational meeting shall be held within six (6) months of the recordation of the Declaration (the "Organizational Meeting"). Such Organizational Meeting shall be held for the purposes of ratifying the Articles of Incorporation, Declaration, and the proposed Budget and Assessment, and adopting these Bylaws, electing a Board of Directors, and such other business as may properly be presented.

Section 4.02. Annual Meetings. The annual meetings of the Association shall be held during the month of each Annual Anniversary of the Organizational Meeting, or such

other month as the Board may determine on such date and time as fixed by resolution of the board.

A. Meetings of Units' Owners.

NRS 116.3108 has been amended to provide that if the governing documents of a common-interest community do not designate an annual meeting date of the units' owners, a meeting of the units' owners must be held one (1) year after the date of the last meeting of the units' owners. If the units' owners have not held a meeting for one (1) year, a meeting of the units' owners must be held on the following March 1. *NRS 116.3108(1)*.

Not less than ten (10) nor more than sixty (60) days in advance of any meeting of the units' owners of an Association, the secretary or other officer specified in the Bylaws shall cause notice of the meeting 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 unit's owner. The notice of the meeting must state the time and place of the meeting and include a copy of the agenda for the meeting. The notice must include notification of the right of a unit's owner to:

- (a) Have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon request and, if required by the Executive Board, upon payment to the Association of the cost of making the distribution.
- (b) Speak to the Association or Executive Board, unless the Executive board is meeting in executive session. *NRS 116.3108(2)*.

The agenda for a meeting of the units' owners 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 Bylaws, any fees or assessments to be imposed or increased by the Association, any budgetary changes and any proposal to remove an officer or member of the Executive Board.
- (b) A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. In an emergency, the units' owners 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 units' owners and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to Paragraph (b). *NRS 116.3108(3)(c)*.

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

- (a) Could not have been reasonably foreseen;
- (b) Affects the health, welfare and safety of the units' owners of the Association;
- (c) Requires the immediate attention of, and possible action by, the Executive Board; and
- (d) Makes it impracticable to comply with the provisions of subsection 2 or 3. *NRS116.3108(6)(d)*.

B. Quorum.

NRS 116.3109 has been amended to provide that except as otherwise provided in this section and unless the Bylaws provide otherwise, a quorum is present throughout any meeting of the Association if persons entitled to cast twenty percent (20%) of the votes that may be cast for election of the Executive board are present in person or by proxy at the beginning of the meeting. *NRS 116.3109(1)*.

For the purposes of determining whether a quorum is present for the election of any member of the Executive Board, only the secret written ballots that are returned to the Association may be counted. *NRS 116.3109(3)*.

C. Proxies.

NRS 116.3110 has been amended to provide that except as otherwise provided in this section, votes allocated to a unit may be cast pursuant to a proxy executed by a unit's owner. A unit's owner may give a proxy only to a member of his immediate family, a tenant of the unit's owner who resides in the common-interest community or another unit's owner who resides in the common-interest community. 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. A unit's owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if:

- (a) It is not dated or purports to be revocable without notice;
- (b) It does not designate the votes that must be cast on behalf of the unit's owner who executed the proxy; or
- (c) The holder of the proxy does not disclose at the beginning of the meeting for which the proxy is executed the number of proxies pursuant to which he will be casting votes and the voting instructions

received for each proxy. NRS 116.311(2)(c).

A proxy terminates immediately after the conclusion of the meeting for which it was executed. NRS 116.311(2)(c).

A vote may not be cast pursuant to a proxy for the election of a member of the Executive Board of an Association. NRS 116.311(2)(c).

Only a vote cast in person, by secret ballot or by proxy may be counted. NRS 116.311(3).

Section 4.03. Special Meetings. Special meetings of the Members may be called by a majority of the Board or by the President of the Association. In addition, special meetings of the Members for any lawful purpose must be promptly scheduled by the Board in response to a written request therefor signed by Members representing at least ten percent (10%) of the total voting power of the Association.

Section 4.04. Notice of Meetings. Whenever Members are required or permitted to take any action at a meeting, the secretary of the Association shall cause written notice of the meeting to be given to each Member entitled to vote at the meeting not less than fifteen (15) and not more than ninety (90) days before the date of the meeting. The notice shall state the place, date, time of the meeting and the intention to change the assessments, if any, and, in the case of a special meeting, the notice shall further state those matters that the Board, at the time the notice is given, intends to present for action by the Members at the meeting. The notice of any meeting at which directors are to be elected shall include the name of all those who are nominees at the time the notice is given to Members. Notice of a meeting of Members shall be given to each Member either personally or by regular mail, postage prepaid, addressed to the Member at the address appearing on the books of the Association or given by the Member to the Association for purpose of notice.

Section 4.05. Place of Meetings. All meetings of the Members shall be held within the Park Towers or at a meeting place specified in the Notice by the Board.

Section 4.06. Quorum. The presence either in person or by proxy, at any meeting, of Members entitled to cast at least fifty-one percent (51%) of the total voting power of the Association, shall constitute a quorum. The majority of the quorum shall determine any action except as otherwise provided in the Governing Documents.

Section 4.07. Proxies. At all meetings of Members, each Member may vote in person, by proxy. All proxies shall be in writing and delivered to the secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance of the appurtenant Unit or on receipt of written notice by the secretary of the death or judicially declared incapacity of the maker of the proxy. No proxy shall be valid after expiration of eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy, and the maximum term of any proxy shall be three (3) years from the date of its execution.

Section 4.08. Adjourned Meetings and Notices Thereof. Any annual or special meeting whether or not a quorum is present, may be adjourned from time to time by the affirmative vote of a majority of the votes entitled to be cast and represented at such meeting in person or by proxy, but in the absence of a quorum, no other business may be transacted at any such meeting unless these Bylaws or the Declaration provide otherwise when any meeting is adjourned for thirty (30) days or more, notice of the reconvening of the adjourned meeting shall be given as in the case of the original meeting so adjourned. Except as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such adjournment is taken.

ARTICLE V

Board of Directors

Section 5.01. Number. The affairs of this Association shall be managed by a Board of Directors, consisting of not less than three (3) persons, nor more than seven (7) persons, with the exception that until the Organizational Meeting of the Association there shall be one (1) director. All directors must be Members of the Association.

Section 5.02. Developer's Rights. Subject to the provisions of NRS 116.31032(2) and during the maximum time period stated in NRS 116.31032(1) Developer shall control the Association (the "Developer's Rights"). During this period, Developer or persons designated by it, may appoint or remove officers and members of the Board.

Section 5.03. Term. Subject to the Developer's Rights, at the Organizational Meeting of the Association, the Members shall elect three (3) directors, two (2) for a term of two years and one (1) for a term of one (1) year. Thereafter, all directors shall serve two (2) year terms. Except as otherwise provided herein, at each annual meeting the Members shall elect a new director to fill each vacancy created by the expiration of a prior director's term of office.

Section 5.04. Removal. Subject to the Developer's Rights, an individual director shall only be removed by a vote of two-thirds (b) of the Owners at a special meeting call for such purpose.

Section 5.05. Vacancies. In the event of a vacancy on the Board caused by the death or resignation of a Director, the remaining Members of the Board shall elect a successor who shall serve the unexpired term of the predecessor. The Board shall not fill a vacancy on the Board created by the removal of a Director, except with the vote or written assent of a majority of the Members.

Section 5.06. Compensation. A director shall not receive any compensation for any service rendered to the Association; provided, however, that any director may be reimbursed for actual out-of-pocket expenses incurred in the performance of the Association which are approved by the Board.

Section 5.07. Powers and Duties. The Board shall have the powers and duties

and shall be subject to the limitations on any such powers as enumerated in the Declaration.

ARTICLE VI

Nomination and Election of Directors

Section 6.01. Nomination. Nominations for election to the Board shall be made by:

a) A nominating committee appointed by the Board at least sixty (60) days prior to an annual meeting of Members, provided the report of the committee is received by the Board at least sixty (60) days prior to the annual meeting of Members;

b) A petition in writing, containing the written consent to serve as a director of the person sought to be nominated, delivered to the secretary of the Association at least sixty (60) days prior to an annual meeting of Members and signed within eleven (11) months preceding the annual meeting by Members.

c) Any member who is present in person, by telephone or by proxy at the annual meeting of Members at which the director is to be elected.

Section 6.02. Election. Subject to Developer's Rights, Voting for directors shall be by secret written ballot by those present in person or by proxy and verbally by telephone. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the highest number of votes shall be elected.

A. Executive Board Elections.

NRS 116.31034 has been amended to include new provisions requiring that the term of office of a member of the Executive Board may not exceed two (2) years. A member of the Executive Board may be elected to succeed himself. The governing documents of the Association must set forth the month during which election for the members of the Executive Board must be held after the termination of any period of the declarant's control. *NRS 116.31034(2).*

Not less than thirty (30) days before the preparation of a ballot for the election of members of the Executive Board, the secretary or other officer specified in the Bylaws of the Association shall cause notice to be given to each unit's owner of his eligibility to serve as a member of the Executive Board. Each unit's owner who is qualified to serve as a member of the Executive Board may have his name placed on the ballot along with the names of the nominees selected by the members of the Executive Board or a nominating committee established by the Association. *NRS 116.31034(3).*

Where the person serving or offering to serve is an officer or member of the

Executive board is not the record owner, he shall file proof in the records of the Association that:

- A. He is associated with the corporate owner, trust, partnership or estate as required by this subsection; and
- B. Identifies the unit or units owned by the corporate owner, trust partnership or estate. *NRS 116.31034(4)(b).*

The election of any member of the Executive Board must be conducted by secret written ballot. The secretary or other officer specified in the Bylaws of the Association shall cause to be sent prepaid by United States mail to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner, a secret ballot and a return envelope. *NRS 116.31034(5).*

NRS 116.311 has been amended to include a new provision providing that votes cast for the election of a member of the Executive Board of an association must be counted in public. *NRS 116.311(6).*

A vote may not be cast pursuant to a proxy for the election of a member of the Executive Board of an association. *NRS 116.311(2)(c).*

B. Board Member Certification.

Each member of the Executive Board shall, within thirty (30) days after his appointment or election, certify in writing that he has read and understand the governing documents of the Association and the provisions of this chapter to the best of his ability. *NRS 116.31034(6).*

Article VII Meetings of Directors

Section 7.01. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at such place within Park Towers, and at such time as may be fixed from time to time by resolution of the Board. Notice of the time and place of such meeting shall be communicated to the directors not less than four (4) days prior to the meeting, provided however that notice need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 7.02. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president of the Association or by any two directors other than the president. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting must be given in writing to each director not less than three (3) days prior to the time set for the meeting. A copy of the notice of special meeting served on Each director.

Section 7.03. Quorum. A majority of the Board shall constitute a quorum thereof. Every act of decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present, in person, by proxy or by telephone, shall be regarded as the act of the Board, unless the provisions of the Governing Documents require or permit the particular action involved to be taken by the Board under other circumstances.

Section 7.04. Open Meetings. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized by the vote of a majority of a quorum of the Board.

Section 7.05. Executive Session. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

B. Executive Board Meetings.

A meeting of the Executive Board of the Association must be held at least once every ninety (90) days. *SB 451, Section 6(1).*

Except in an emergency or unless the Bylaws of an Association require a longer period of notice, the secretary or other officer specified in the Bylaws of the Association shall, not less than 10 days before the date of a meeting of the Executive Board, cause notice of the meeting to be given to the units' owners. Such notice must be:

- (a) Sent prepaid by United States mail to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner; or
- (b) Published in a newsletter or other similar publication that is circulated to each unit's owner. *SB 451, Section 6(2).*

The notice of a meeting of the Executive Board of an Association 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 units' owners of the Association. The notice must include notification of the right of a unit's owner to:

- (a) Have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon request and, if required by the Executive Board, upon payment to the Association of the cost of making the distribution.
- (b) Speak to the Association or executive Board, unless the Executive Board is meeting in executive session. *NRS116.3108(2)(b).*

The agenda of the meeting of the Executive board of an Association must comply with the provisions of subsection 3 of NRS 116.3108. NRS 116.3108(3) provides that the agenda for the meeting 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 Bylaws, any fees or assessments to be imposed or increased by the Association, any budgetary changes and any proposal to remove an officer or member of the Executive Board.
- (b) A list describing the items on which action may be taken and clearly denoting that action may be taken on those items.
- (c) A period devoted to comments by units' owners and discussion of those comments.

The period required to be devoted to comments by units' owners and discussion of those comments must be scheduled for the beginning of each meeting. In an emergency, the Executive Board may take action on an item which is not listed on the agenda as an item on which action may be taken. NRS 116.3108(3)(c).

A least once every ninety (90) days, the Executive Board must review at one 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;
- (d) The latest account statements prepared by the financial institutions in which the accounts of the Association are maintained;
- (e) An income and expense statement, prepared on at least a quarterly basis, for the operating and reserve accounts of the Association; and
- (f) The current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party. NRS 116.3108.

The minutes of a meeting of the Executive Board of an Association must be made available to the units' owners in accordance with the provisions of subsection 5 of NRS 116.3108. NRS 116.3108(7). NRS 116.3108(5) requires that the secretary or other officer specified in the Bylaws shall cause the minutes or a summary of the minutes of the meeting to be made available not more than thirty (30) days after the meeting. A copy of

the minutes or a summary of the minutes must be provided to any unit's owner who pays the Association the cost of providing the copy to him. See, Section 23(5).

B. Emergency Board Meetings.

In an emergency, the Secretary or other officer specified in the Bylaws of 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 common-interest community. If delivery of the notice in this matter is impracticable, the notice must be hand-delivered to each unit within the common-interest community or posted in a prominent place or places within the common elements of the Association. *NRS 116.31083(3).*

"Emergency" means any occurrence or combination of occurrences that:

- (a) Could not have been reasonably foreseen;
- (b) Affects the health, welfare and safety of the units' owners of the Association;
- (c) Requires the immediate attention of, and possible action by, the Executive Board; and
- (d) Makes it impracticable to comply with the provisions of subsection 2 or 5 of NRS 116.3108 (i.e., the provisions requiring notice of an Executive Board meeting and setting forth the requirements for the agenda of the meeting of the Executive Board). *NRS 116.3108(6)(d).*

ARTICLE VIII

Officers

Section 8.01. Enumeration of Officers. The officers of this Association shall be a president and a vice-president, who shall at all times be Members of the Board, and a secretary and treasurer, and such other officers as the Board may from time to time by resolution create.

Section 8.02. Term. The officers of this Association, shall be elected annually by the Board and each shall hold the office until the next annual meeting unless such officer shall sooner resign or shall be removed, or otherwise be disqualified to serve.

Section 8.03. 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 the 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 upon resignation or removal of an officer, the position shall be filled in the manner prescribed in the Bylaws for regular appointment to such office. The appointee to such vacated office shall serve the remainder of the term of the officer replaced.

Section 8.04. Multiple Offices. The offices of 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.

Section 8.05. Compensation. An officer shall not receive any compensation for any service rendered to the Association; provided, however, that any officer may be reimbursed for actual out-of-pocket expenses incurred in the performance of Association duties as approved by the Board.

ARTICLE IX

President

Section 9.01. Election. At the first regular meeting of the Board following the annual meeting of the Members, the Board shall elect one of their number to act as President.

Section 9.02. Duties. The president shall:

- a) Preside over all meetings 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 deemed 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, direct and control of the affairs of the Association and discharge such other duties as may be required by the Board.

ARTICLE X

Vice-President

Section 10.01. Election. At the first regular meeting of the Board following the annual meeting of the Members, the Board shall elect one of its Members to act as Vice-president.

Section 10.02. Duties. The Vice-president shall:

- a) Act in the place and in the stead of the president in the event of

absence, inability or refusal to act;

b) Exercise and discharge such other duties as may be required by the Board. In connection with any such additional duties, the Vice-president shall be responsible to the president.

ARTICLE XI

Secretary and Treasurer

Section 11.01. Election. At the first regular meeting of the Board following the annual meeting of Members, the Board shall elect a Secretary.

Section 11.02. Duties. The Secretary shall:

- a) Keep a record of all meetings and proceedings of the Board and of the Members;
- b) Keep the seal of the Association, if any, 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 Bylaws;
- d) Keep appropriate current records showing the Members of this Association 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.

Treasurer

Section 11.03. Election. At the first regular meeting of the Board following the annual meeting of Members, the Board shall elect a Treasurer.

Section 11.04. 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 a supervise the maintenance of 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 prescribed procedures;

d) Prepare and distribute the financial statements for the Association required by the Declaration.

ARTICLE XIII

Subordinate Officers

Section 13.01. Appointment. The Board may appoint such subordinate officers as it deems desirable from time to time.

Section 13.02. 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

Books and Records

Section 14.01. Required Records. The Association shall maintain at the principal office of the Association:

- a) Copies of its Governing Documents as last amended;
- b) Adequate and correct books and records of account;
- c) Minutes of the proceedings of its Members, of its Board, and of committees of its Board;
- d) A membership register consisting of a record of its Members giving their names and addresses and the class of membership held by each.

Section 14.02. Right to Membership Records. Each Member shall have the right to inspect, copy, demand and obtain a record of all Members' names, addresses and voting rights.

A. Association Records.

NRS 116.3118 provides that all financial and other records must be made reasonably available for any unit's owner and his authorized agents to inspect, examine, photocopy and audit.

Except as otherwise provided in this subsection, the Executive Board of an Association shall, upon the written request of a unit's owner, make available the books, records and other papers of the Association for review during the regular working hours of the Association. The provisions of this subsection do not apply to:

- (a) The personal records of the employees of the Association; and

- (b) The records of the Association relating to another unit's owner. *NRS116.3118.*

If the Executive Board refuses to allow a unit's owner to review the books, records or other papers of the Association, the ombudsman for owners in common-interest communities may:

- (a) On behalf of the unit's owner and upon written request, review the books, records or other papers of the Association during the regular working hours of the Association; and
- (b) If he is denied access to the books, records or other papers, request the Commission to issue a subpoena for their production. *NRS 116.31175(2)(b).*

The Executive Board of an Association shall maintain and make available for review at the business office of the Association or other suitable location:

- (a) The financial statement of the Association;
- (b) The budgets of the Association required to be prepared pursuant to *Chapter 116 of NRS. NRS 116.31177(1)(b);* and
- (c) The study of the reserves of the Association required to be conducted pursuant to *Chapter 116 of NRS. NRS 116.31177.*

The Executive Board shall provide a copy of any of the records required to be maintained to a unit's owner or the ombudsman for owners in common-interest communities within fourteen (14) days after receiving a written request therefor. The Executive Board may charge a fee to cover the actual costs of preparing a copy, but not to exceed twenty-five cents (\$.25) per page. *NRS 116.31177*

Section 14.03. Inspection of Minutes and Accounts by Members. The accounting books and records of the Association, as well as the minutes of proceedings of it Members, of its Board, and of committees of its Board, shall be open to inspection and copying at any reasonable time by any Member, or by any Member's duly appointed representative, for any purpose reasonably related to the Member's interests as a Member of the Association on written demand made to the Association. The Board shall establish reasonable rules with respect to:

- a) The notice to be given to the custodian of the records by Members desiring to make such inspection or copying;
- b) The hours and days of the week when such an inspection may be made; and
- c) Payment of the cost of reproducing copies of documents requested by a Member.

Section 14.04. Inspection by Director. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of the documents.

ARTICLE XV

Membership Assessments and Lien Rights

Section 15.01. Membership Assessments. General Assessments and Special Assessments as provided for in the Declaration, together with all other Assessments of the Members provided for in the Declaration shall be paid by the Members at the time, in the manner and subject to the conditions and limitations set forth in the Declaration, and the Board shall fix, levy, collect and enforce such assessments at the time, in the manner and subject to the limitations set forth in the Declaration.

Section 15.02. Rules and Regulations. At a properly convened meeting of the Board at which a quorum is present, the Board may establish such rules, regulations and prerequisite conditions to the improvements, maintenance and use of the roads, as it deems appropriate, so long as such rules, regulations and conditions do not materially abridge rights of Members set forth in the Declaration. At a properly convened Annual or special meeting of the Association at which a quorum is present, the Association may establish rules, regulations, fees for, and prerequisite conditions to, the use of the roads by Non-Members.

ARTICLE XVI

Notices

Section 16.01. Method for Giving Notice. Any notice permitted or required to be deliver as provided herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of 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 of the governing body for the purpose of service of such notice or to the Unit 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.

Section 16.02. Consent to Waiver of Notice. The transaction of any meeting of the Members, however called or noticed, shall be valid as though made at a meeting duly held after regular call and notice of a quorum be present, in each person or by proxy, if either before or after the meeting each Member entitled to vote but not present thereat signs a written waiver of notice, or a consent to the holding of such meeting, or approval of the true and correct minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

ARTICLE XVII

Amendments

Section 17.01. Amendment of Bylaws. These Bylaws may be amended, at a regular or special meeting of the Members, by the affirmative vote or written consent of Members representing sixty-four percent (64%) of the Association or seven (7) members.

A. Changes to Governing Documents.

If any change is made to the governing documents of an Association, the secretary or other officer specified in the Bylaws of the Association shall, within thirty (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 unit's owner, a copy of the change that was made. *Chapter 116 of NRS.*

A. Conformance of Governing Documents.

Any Declaration, Bylaw or other governing document of a common-interest community created before January 1, 1992, that does not conform to the provisions of Chapter 116 shall be deemed to conform with those provisions by operation of law, and such Declaration, Bylaw or other governing document is not required to be amended to conform to those provisions. *Chapter 116 of NRS.*

Any Declaration, Bylaw or other governing document of a common-interest community in effect on October 1, 1999, that does not conform to the provisions of Chapter 116 of NRS, as amended, shall be deemed to have conformed to those provisions by operation of law. Notwithstanding any other provision of law to the contrary, not later than October 1, 2000, any Declaration, Bylaw or other governing document of a common-interest community created on or after January 1, 1992, that does not conform to the provisions of Chapter 116 of NRS, as amended, must be changed to conform to those provisions, and may be so changed without complying with the procedural requirements generally applicable to the adoption of an amendment to such Declaration, Bylaw or other governing document. *Chapter 116 of NRS..*

ARTICLE XVIII

Tax-Exempt Status

Section 18.01. Tax-Exempt Status. The Board and Members of the Association shall conduct the business of the Association in such manner that the Association qualify and be considered an organization exempt from federal income taxes pursuant to Internal Revenue Code Section 528.

Section 18.02. Filing. The Board shall cause to be timely filed any annual election for tax-exempt status as may be required under federal or state law, and shall undertake to cause the Association to comply with the statutes, rules and regulations which have

been or shall be adopted by federal and state agencies pertaining to such exemptions.

KNOW ALL MEN BY THESE PRESENTS THAT:

At a duly called meeting of the Association, with a quorum present, a majority vote of the Members present in person, by proxy or by phone, upon motion duly made and seconded resolved to accept the adoption of the foregoing Bylaws, as provided by NRS 81.470.

DATED this _____ day of _____, _____.

Chairman

Director

Director