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

ARTICLES OF INCORPORATION

OF

JUL 14 1993

8545-73
CLERK OF THE SECRETARY OF STATE

SKY RANCH NORTH HOMEOWNERS ASSOCIATION, INC.

The undersigned natural persons acting as incorporators of a non-stock, non-profit cooperative corporation under the provisions of Sections 81.410 through 81.510, inclusive, of the Nevada Revised Statutes, adopt the following Articles of Incorporation:

Article I

Name

The name of the Corporation is SKY RANCH NORTH HOMEOWNERS ASSOCIATION, INC. (the "Association").

Article II

Registered Agent

The Registered Agent of the Corporation shall be Stephen C. Mollath, 100 West Liberty Street, Suite 750, Reno, Washoe County, Nevada.

Article III

Purposes

3.1 The purpose for which the Association is formed is to provide for the acquisition, management, maintenance and care of Association property, to include, but not limited to, those portions or parcels of real property which are subject to or which may hereafter become subject to the terms and conditions of the Declarations of Covenants, Conditions and Restrictions for Sky Ranch North Subdivision (the "Development"), recorded on or about the 29th day of March, 1993, as File No. 1658900, Official Records of Washoe County, Nevada as the same may be from time to

time amended or supplemented in accordance with the terms thereof, (the "Declaration"), and for these purposes to:

3.2 Exercise all of the powers and privileges and to perform all duties and obligations of the Association arising from the Declaration, and any other covenants, conditions and restrictions applicable to the above-described real property, and any amendments thereto;

3.3 To have and exercise all rights, powers and privileges granted to a private corporation by the laws of the State of Nevada, excepting such powers as are inconsistent with those granted by NRS 81.410 to 81.510, inclusive, and any amendments, deletions or additions thereto.

Article IV Term

The term of existence of this Association shall be fifty (50) years, unless sooner terminated by appropriate action of the members.

Article V Directors

5.1. The number of directors of the Association shall not be less than three (3), but may be more as provided in the Bylaws or as hereinafter set forth. The initial Board of Directors shall be three (3) in number and are identified as follows:

<u>Name</u>	<u>Address</u>
Timothy O. Tucker	P.O. Box 2489 Reno, Nevada 89505
Scott B. Tucker	P.O. Box 152 Ahahola, Hawaii 96703
Joan Atkinson	100 W. Liberty St., Suite 750 Reno, Nevada 89501

5.2. The Board of Directors shall have the power to amend the Association's Bylaws except as is otherwise set forth therein.

Article VI Not For Profit

The Association is not authorized to have and shall not issue any capital stock. The Association is one which does not contemplate pecuniary gain or profit to the members thereof or any other individual and is organized solely for non-profit purposes with the intent that the Association may qualify for the tax exemption provided for under Section 528 of the Internal Revenue Code of 1954, as amended. Upon dissolution or winding up of the Association, no part of the net earnings of the Association (other than by acquiring, construction or providing management, maintenance and care of Association property, and other than by a rebate of excess membership dues, fees or assessments) shall inure to the benefit of any member, private shareholder or individual.

Article VII Voting

7.1. Members:

(a) A "Class A Member" is defined as the owner of

a Residence (as hereinafter defined) within the Development, excluding TIMOTHY O. TUCKER and SCOTT B. TUCKER (the "Declarant"), or the Declarant as defined in the Declaration and subject to the Declaration.

(b) The "Class B Member" is defined as the Declarant in the Declaration.

(c) A "Residence" is defined as a residential lot shown on any final subdivision map which is part of the Development and is made subject to the Declaration by appropriately recorded document and is not otherwise excluded from the Declaration or the Development. A Residence may, but does not necessarily include a dwelling unit constructed thereon.

7.2. Voting:

(a) Class A Members shall be entitled to one (1) and only one (1) vote per Residence owned, irrespective of the actual number of persons or entities who own the Residence (joint tenants, tenants in common, partners, etc.). The vote for such Residence shall be exercised as they themselves shall determine; but in no case shall more than one vote be cast by one Residence with respect to any matter in question. Further, the voting rights for each Residence may not be cast on a fractional basis. If the joint owners of a Residence are unable to agree among themselves as to how their voting rights shall be cast, then they shall forfeit the vote on the matter in question. If any owner exercises the voting rights of a particular Residence, it will irrefutably and conclusively be presumed for all purposes that he or she was acting with the authority and consent of all other

owners of the same Residence. If more than one person or entity exercises the voting rights for a particular Residence, none of their votes shall be counted, and their votes shall be deemed void.

(b) Class B Member shall be entitled to ten (10) votes per residence owned; provided, however, that the Class B Membership shall be automatically converted to Class A Membership (and therefore one (1) vote per Residence owned) upon the earlier occurrence of the following:

(i) The Class B Member owns no Residence and all of the Total Development Area has theretofore become Covered Property by Supplementary Declaration(s) (as described in Article IV, Section 2 of and elsewhere in the Declaration), or

(ii) December 31, 2005.

7.3. General Rules and Property Rights: The general rules and property rights, interests, privileges and obligations of the Members, both Class A and Class B, and their liability for dues assessments and the collection thereof are as set forth in the Declaration and the Bylaws of the Association.

Article VIII

By-Laws

The Association shall, within one (1) month after filing these Articles with the Secretary of State of Nevada, adopt a code of Bylaws ("the Bylaws") consistent with the provisions of the non-stock, non-profit cooperative corporation law of Nevada, the Declaration and these Articles of Incorporation.

Article IX

Definition of Terms

Other terms defined in the Declaration shall have the same meaning when used in these Articles of Incorporation.

Article X
Indemnity

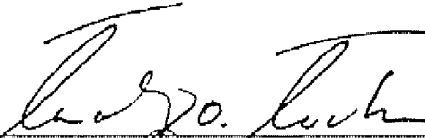
The directors, officers, employees and agents of the Corporation are indemnified by the Corporation to the fullest extent possible and permissible under Section 78.751 of the Nevada Revised Statutes. Further, such indemnification shall be in advance subject to the provisions of Section 78.751(5) of the Nevada Revised Statutes.

Article XI
Incorporators

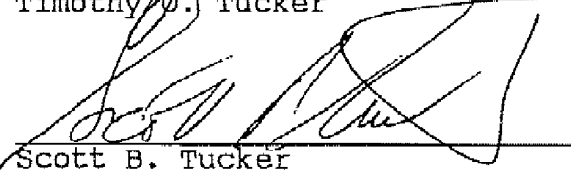
The names and addresses of the Incorporators are as follows:

<u>Name</u>	<u>Address</u>
Timothy O. Tucker	P.O. Box 2489 Reno, Nevada 89505
Scott B. Tucker	P.O. Box 152 Ahahola, Hawaii 96703
Joan Atkinson	100 W. Liberty St., Suite 750 Reno, Nevada 89501


JAA



Timothy O. Tucker



Scott B. Tucker

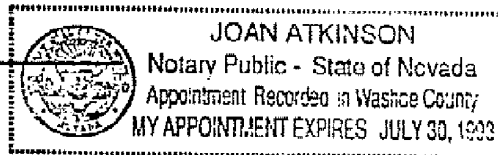


Joan Atkinson

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On the 16th day of June, 1993, personally appeared before me, a Notary Public, TIMOTHY O. TUCKER and acknowledged to me that he executed the above Articles of Incorporation in his capacity of incorporator.

Joan Atkinson
NOTARY PUBLIC



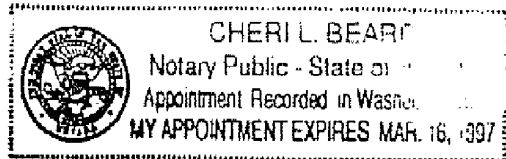
STATE OF HAWAII)
) ss.
COUNTY OF Kauai)

On the 1st day of April, 1993, personally appeared before me, a Notary Public, SCOTT B. TUCKER and acknowledged to me that he executed the above Articles of Incorporation in his capacity of incorporator.

Alisida Malwood
NOTARY PUBLIC

! my comm exp: 1/24/94

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)



On the 2-17th day of May, 1993, personally appeared before me, a Notary Public, JOAN ATKINSON and acknowledged to me that she executed the above Articles of Incorporation in her capacity of incorporator.

Cheri L. Beard
NOTARY PUBLIC

**FIRST AMENDED BYLAWS
OF
SKY RANCH NORTH HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE ONE
NAME AND LOCATION**

1.1 Name and Location. The name of the corporation shall be "Sky Ranch North Homeowners Association, Inc." (the "Association"). The Association may be referred to as the Sky Ranch North Homeowners Association.

**ARTICLE TWO
DEFINITIONS**

2.1 "Original Bylaws" are those bylaws created by Tim Tucker on July 20, 1993.

2.2 "Declaration", for the purposes of these Bylaws, shall mean that certain Declaration of Covenants, Conditions and Restrictions for Sky Ranch North Homeowners Association recorded on March 29, 1993, as Document No. 1658900, of Official Records, Washoe County, Nevada, as the same may from time to time be amended in accordance with the terms thereof.

2.3 Terms used herein and not defined herein shall have the meanings given to them in the Declaration and the Articles of Incorporation which are incorporated herein and made a part hereof by reference.

**ARTICLE THREE
MEMBERSHIP, VOTING RIGHTS OF MEMBERS
AND RIGHT OF DECLARANT TO APPOINT
DIRECTORS AND OFFICERS**

3.1 Membership. The Members of the Association shall be the Owners of the Lots. The Owner(s) of each Lot shall have one (1) membership in the Association. The number of Memberships in the Association shall be equal to the number of Lots within the Property. As used in these Bylaws, the term "Member" shall refer to the Owner of a Lot if there is one Owner, or collectively to all of the Owners of a Lot if there is more than one Owner. Each Member shall have the rights, duties, and obligations set forth in the Declaration, the Articles, these Bylaws, the Design Standards and Rules and Regulations as the same may from time to time be amended.

3.2 Voting Rights. Only Members of the Association shall have voting rights. The voting privileges of the Members shall be as set forth below and as otherwise provided in the Declaration and the Articles of Incorporation. Votes may be cast either in person or by

proxy at a duly called meeting of the Members or, if required by the Bylaws or applicable law, by secret written ballot.

(a) General. Except as otherwise provided in subsections (b), (c) and (d) of this Section 3.2, each Member shall be entitled to one vote for each Lot owned by such Member; provided, however, that no vote allocated to a Lot owned by the Association may be cast.

(b) Declarant's Voting Rights. As provided in Article IV, Section 2 of the Declaration, Declarant shall be entitled to ten (10) votes per Lot owned by Declarant. In all votes of the membership of the Association, Declarant's total votes, as noted in this section, shall be acknowledged as regular member votes for purposes of establishing quorums and deciding questions.

(c) Appointment and Removal of Members of Board and Officers of Association by Declarant. Subject to subparagraph (d) below, Declarant has reserved the right to appoint and remove all of the members of the Board and all of the officers of the Association until the earlier of the following events:

(i) Sixty (60) days after conveyance to Owners other than Declarant of seventy-five percent (75%) of the Lots which may be created; or

(ii) Five (5) years after Declarant has ceased to offer for sale in the ordinary course of business any Lots within the Property; or

(iii) Five (5) years after any right to annex additional Lots was last exercised.

In the event and at such time as Declarant waives by written instrument the rights reserved by Declarant under this subparagraph (c), and such written waiver is recorded in the official records of the County Recorder of Washoe County, Nevada, Declarant shall have the right to designate a person or persons who are entitled to exercise the rights reserved to Declarant under this subparagraph (c).

The date on which the rights reserved by Declarant under this subparagraph (c) terminates is herein called "the Declarant's Control Termination Date". From and after the Declarant's Control Termination Date, the Board of Directors and the officers of the Association shall be elected and appointed as provided in the Articles and these Bylaws.

(d) Composition of Board of Directors. Notwithstanding anything to the contrary set forth herein, not later than sixty (60) days after conveyance to Owners other than Declarant of twenty-five percent (25%) of the Lots which may be created, at least one member and not less than twenty-five percent (25%) of the members of the Board shall be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance to Owners other than Declarant of fifty percent (50%) of the Lots which may be created, not less than thirty-three and

one-third percent (33-1/3%) of the members of the Board shall be elected by Owners other than the Declarant. Not later than the Declarant's Control Termination Date, the Owners shall elect the Board.

3.3 Proxies.

3.3.1 Designation of Proxy; Revocation. At any meeting of the Members of the Association, any Member may designate another person or persons as provided in this Section to act as a proxy or proxies. An Owner may give a proxy only to a member of his immediate family, a tenant of the Owner who resides in the Property or another Owner who resides in the Property. If any Member designates two or more persons to act as proxies, a majority of those persons present at the meeting, or, if only one is present, then that one has and may exercise all of the powers conferred by the Member upon all of the persons so designated unless the Member provides otherwise. If a Lot is owned by more than one person or entity, each owner of a Lot may vote or register protest to the casting of votes by the other Owner or Owners of such Lot through an executed proxy. An Owner of a Lot may revoke a proxy only by actual notice of revocation to the person presiding over a meeting of the Association.

3.3.2 Form of Proxy. Before a vote may be cast pursuant to a proxy, (a) the proxy must be dated; (b) the proxy must not purport to be revocable without notice; (c) the proxy must designate the meeting for which it is executed; and (d) the proxy must designate each specific item on the agenda of the meeting for which the Owner has executed the proxy, except that the Owner may execute the proxy without designating any specific items on the agenda of the meeting if the proxy is to be used solely for determining whether a quorum is present for the meeting. If the proxy designates one or more specific items on the agenda of the meeting for which the Owner has executed the proxy, the proxy must indicate, for each specific item designated in the proxy, whether the holder of the proxy must cast a vote in the affirmative or the negative on behalf of the Owner. If the proxy does not indicate whether the holder of the proxy must cast a vote in the affirmative or the negative for a particular item on the agenda of the meeting, the proxy must be treated, with regard to that particular item, as if the unit's owner were present but not voting on that particular item. The holder of the proxy must disclose at the beginning of the meeting for which the proxy is executed the number of proxies pursuant to which the holder will be casting votes.

3.3.3 Restrictions on Use of Proxy. A proxy terminates immediately after the conclusion of the meeting for which it is executed. A vote may not be cast pursuant to a proxy for the election or removal of a member of the executive board of an association. The holder of a proxy may not cast a vote on behalf of the unit's owner who executed the proxy in a manner that is contrary to the proxy. A proxy is void if the proxy or the holder of the proxy violates any provision of the Act or section 3.3 hereof.

3.4 Exercise of Voting Rights. In the case of a Lot owned by two (2) or more persons or entities, the voting power shall be exercised by only one of them. If only one (1) of several Owners of a Lot is present at a meeting of the Association, that Owner is entitled to cast the vote allocated to that Lot. If more than one (1) of the Owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in

interest of the Owners of that Lot. There shall be deemed to be a majority agreement among several Owners of a Lot if any one of the Owners casts the vote allocated to that Lot without protest made promptly to the person presiding over the meeting by any of the other Owners of the Lot. In the event there is no such protest, it will be conclusively presumed for all purposes that the Owner who cast the vote for a particular Lot was acting with the authority and consent of all other Owners of the same Lot.

3.5 Counting of Votes. Only a vote cast in person or by proxy at a meeting, or by secret ballot, may be counted.

ARTICLE FOUR **MEETINGS OF MEMBERS**

4.1 Quorum. The presence at any meeting of the Members having twenty percent (20%) of the total voting power of the Association shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of a majority of the total voting power present at such a meeting in person or by proxy. 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 of not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which time the quorum requirement shall be at least fifteen percent (15%) of the total votes. For the purposes of determining whether a quorum is present for the election of any member of the Board, only the secret written ballots that are returned to the Association may be counted.

4.2 Meetings.

4.2.1 Annual Meetings. Meetings of Members of the Association shall be held at least once a year.

4.2.2 Notice of Meetings. Written notice of each annual meeting shall be given to each Member either personally or by sending a copy of the notice through the mail, first class, to the address appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice. If no address is supplied, notice shall be deemed to have been given each Member if mailed to the address of the Lot owned by such Member. Notice shall be given to all eligible mortgage holders in the manner specified in the Declaration. Except as otherwise provided in subsection 4.2.3 below, all such notices shall be sent not less than ten (10) days and not more than sixty (60) days before each annual meeting or within such other time period as is prescribed by applicable law. The notice shall specify the time and place of the meeting and the agenda which must consist of a clear and complete statement of the topics scheduled to be considered at the meeting, including, but not limited to, (a) the general nature of 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 Board and (b) a list describing the items on which action may be taken, clearly denoting that action may be taken on those items. In an emergency, the Owners may take action on an item which is not listed on the agenda as an item on which action may be taken. A period of time will be devoted to

comments by 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 this section. As used in this section, "emergency" means any occurrence or combination of occurrences that: (i) could not have been reasonably foreseen; (ii) affects the health, welfare and safety of the Owners; (iii) requires the immediate attention of, and possible action by, the Board; and (iv) makes it impracticable to comply with the notice provisions of these Bylaws. Notice of the meetings shall include a notification of the right of a Member (x) within thirty (30) days after any meeting to have a copy of the minutes or a summary of minutes of the meeting distributed to that Member upon request, if the Member pays the Association the cost of making the distribution and (y) speak to the Association or the Board unless the Board is meeting in executive session. The secretary 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 summary of the minutes must be provided to any Member who pays the Association the cost of providing a copy to that Member.

4.2.3 Notices for Certain Actions. The Board shall provide written notice to the Owner of each Lot of a meeting at which an assessment for a capital improvement or the commencement of a civil action is to be considered or action is to be taken on such an assessment at least 21 calendar days before the meeting. The Association may commence a civil action only in accordance with the provisions of NRS 116.3115.

4.3 Special Meetings. Special meetings of the Members may be called by the President of the Association, a majority of the Board or by Members having five percent (5%) or more of the votes in the Association. The demand by the Members must state the purpose for the meeting. The Members making the demand on the Association must sign, date and deliver their demand to the president or the treasurer of the Association. The Association must then immediately give notice of a special meeting of the Members.

4.4 Record Date for Members. For the purpose of determining Members entitled to notice of or to vote at any meeting or at any adjournment thereof, the Board may fix, in advance, a date as a record date for any such determination of Members. Such record date shall not be more than sixty (60) or less than ten (10) days before the date of such meeting.

4.5 Procedural Rules. All meetings of the Members of the Association shall be conducted in accordance with Robert's Rules of Order.

ARTICLE FIVE NOTICES

5.1 Method for Giving Notice. Any notice permitted or required to be delivered by the terms of these Bylaws may be delivered either by hand delivery or by mail. If delivery is by mail, it must be directed to the Member at the mailing address of each Lot or to any other mailing address designated in writing by a Member, and upon the mailing of any notice, the service thereof is complete and the time of the notice begins to run from the date on which such notice is deposited in the mail for transmission to the Member. The address of

any Member may be changed on the records of the Association from time to time by notice in writing to the Secretary. The notice of any meeting shall be in writing and shall be signed by the President or the Secretary of the Association or by such other persons as may be designated by the Board of Directors. The notice of any meeting of Members must state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to the Declaration or these Bylaws, any budgetary changes or any proposal to remove an officer of the Association or any member of the Board.

5.2 Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes or of the Articles of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE SIX
NOMINATION, ELECTION, TENURE, MEETINGS,
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Exercise of Powers of Association. The powers of the Association shall be vested in, exercised by, and under the authority of, and the affairs of the Association shall be managed and controlled by the Board. The Association shall have not less than three (3) nor more than seven (7) directors. Subject to the right of the Declarant to appoint the Board in accordance with the Declaration, the Articles and these Bylaws, the exact number of directors shall be set by the Members of the Association at any regular or special meeting. The members of the Board, except for the members of the Board appointed by Declarant in accordance with these Bylaws, the Declaration and the Articles, and the first Board named in the Articles of Incorporation, shall be Members of the Association. The following described persons may serve on the Board as representatives of Members which are not natural persons: one officer or director of a corporation which is a Member, one general partner of a partnership which is a Member, one trustee or beneficiary of a trust which is a Member and one personal representative of an estate which is a Member. In all events where the person serving or offering to serve as an officer of the Association or a member of the Board is not the record owner of a Lot, he shall file proof of authority in the records of the Association.

6.2 Powers and Duties of Board.

6.2.1 Power of Board. The Board shall have:

(a). The power to exercise for the Association all powers, duties and authority vested in the Association and not reserved to the Members by other provisions of these Bylaws, the Articles, the Declaration, or Chapters 82 or 116 of the Nevada Revised Statutes.

(b). The powers and duties specifically conferred upon it by Chapter 82 and Section 116.3102 of the Nevada Revised Statutes, the Articles, these Bylaws and the Declaration.

(c). All other powers and duties necessary for the administration of the

affairs of the Association and for the enforcement of the provisions of the Articles, these Bylaws and the Declaration.

6.2.2 Delegation of Powers. The Board shall have the power, but not the obligation, to delegate its powers, duties, and responsibilities to committees of Members, employees, agents and independent contractors, including a professional managing agent.

6.3 Nomination and Election of Directors.

6.3.1 Nominating Committee. Subject to the right of the Declarant to appoint the Board in accordance with these Bylaws, the Declaration, and the Articles, nominations for election to the Board shall be made by a nominating committee. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two (2) or more Members of the Association. The nominating committee shall be appointed by the Board prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting. Not less than thirty (30) days before the preparation of a ballot for the election of members of the Board, the secretary of the Association shall cause notice to be given to each Owner of his or her eligibility to serve as a member of the Board. Each Owner who is qualified to serve as a member of the Board may have his or her name placed on the ballot along with the names of the nominees selected by the members of the nominating committee established by the Board. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies there are to be filled. In the absence of the appointment of a nominating committee as above provided, the Board may act as same.

6.3.2 Persons Entitled to Serve on Board. Except for the members of the Board appointed by Declarant in accordance with the Declaration, the Articles and the Bylaws, and the members of the first Board named in the Articles, all members of the Board shall be Members of the Association and must meet the requirements of NRS 116.31034(6). One (1) officer, employee, agent or director of a corporation, one (1) trustee or designated beneficiary of a trust, one (1) partner of a partnership, one (1) manager or member of a limited liability company, or one (1) personal representative of an estate may serve as an officer or a member of the Board. In all events where the person serving or offering to serve as an officer of the Association or member of the Board is not the record Owner, such person shall file proof of his or her authority in the records of the Association.

6.3.3 Election.

(a) Procedure. Subject to the right of the Declarant to appoint the Board in accordance with these Bylaws, the Declaration, and the Articles, the election of the members of the Board must be conducted by secret written ballot. The secretary of the Association shall cause to be sent prepaid by United States mail to the mailing address of each Lot within the Property or to any other mailing address designated in writing by the Owner, a secret ballot and a return envelope. Each Owner must be provided with at least 15 days after the date the secret written ballot is mailed to the Owner to return the secret written ballot to the Association. A quorum is not required

for the election of any member of the Board. Only the secret written ballots that are returned to the Association within the time period provided in the ballot may be counted to determine the outcome of the election. The secret written ballots must be opened and counted at a meeting of the Association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting. The incumbent members of the Board and each person whose name is placed on the ballot as a candidate for a member of the Board may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the Association before those secret written ballots have been opened and counted at a meeting of the Association.

(b) Terms. The term of any Board Member elected by the Owners may not exceed two (2) years; provided, however, that each director elected shall hold office until his successor shall have been elected and qualified. The terms of office of the Board Members shall be staggered in such a manner that, to the extent possible, an equal number of members of the Board are elected at each election. The provisions of the preceding sentence do not apply to: (i) members of the Board who are appointed by the Declarant; and (ii) Members of the Board who serve a term of 1 year or less. There is no limitation on the number of terms that a person may serve as a member of the executive board.

(c) Board Member Certification. Each member of the Board shall, within thirty (30) days after his appointment or election, certify in writing that he has read and understands the governing documents of the Association and the provisions of Chapter 116 of NRS to the best of his or her ability.

Subject to the right of the Declarant to appoint the Board in accordance with these Bylaws, the Declaration, and the Articles, the directors shall be chosen by a plurality of the votes cast at the election for such directors to be held in accordance with the Articles and these Bylaws.

6.4 Meetings of Board.

6.4.1 Notice. Meetings of the Board shall be noticed and held as provided in the Articles, these Bylaws and the Declaration. Except in an emergency, the secretary of the Association shall, not less than ten (10) days before the date of a meeting of the Board, cause notice of the meeting to be given to the Owners. Such notice must be (a) sent prepaid by United States mail to the mailing address of each Lot within the Property or to any other mailing address designated in writing by the Owner of the Lot or (b) published in a newsletter or other similar publication that is circulated to each Owner. In an emergency, the secretary 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 Lot within the Property. If delivery of the notice in this manner is impracticable, the notice must be hand delivered to each Lot within the Property or posted in a prominent place or places with the Common Area. The notice of a meeting of the Board must state the time and place of the meeting of the Board and the date on which and the locations where copies of the agenda may be conveniently obtained by the Owners. The notice must include notification of the right of

each Owner to (a) have a copy of the minutes or a summary of the minutes of the meeting distributed to such Owner upon request and, if required by the Board, upon payment to the Association of the cost of making the distribution and (b) speak to the Association or Board, unless the Board is meeting in executive session. 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 Owners; (c) requires the immediate attention of, and possible action by, the Board and (d) makes it impracticable to comply with the provisions of subsections 2 or 5 of NRS 116.31083.

6.4.2 Agenda. The agenda of the meeting of the Board must comply with the provisions of subsection 3 of NRS 116.3108. If the Board receives a written complaint from an Owner alleging that the Board has violated any provision of Chapter 116 of the Nevada Revised Statutes or any provision of the governing documents of the Association, the Board shall, if action is required by the Board, place the subject of the complaint on the agenda of the next regularly scheduled meeting of the Board. Not later than 10 business days after the date that the Board receives such a complaint, the Board or an authorized representative of the Association shall acknowledge the receipt of the complaint and notify the Owner who made the complaint that, if action is required by the Board, the subject of the complaint will be placed on the agenda of the next regularly scheduled meeting of the Board. The period required to be devoted to comments by Owners and discussion of those comments must be scheduled for the beginning of each meeting. In an emergency, the Board may take action on an item which is not listed on the agenda as an item on which action may be taken.

6.4.3 Financial Review. At least once every ninety (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; (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.

6.4.4 Minutes. The secretary, or if the secretary is not present at the meeting, another officer appointed by the President, shall cause minutes to be recorded or otherwise taken at each meeting of the Board. The minutes of a meeting of the Board must include the matters described in NRS 116.31083(8) and must be made available to the Members in accordance with the provisions of NRS Section 116.3108 (5). The Association shall maintain the minutes of each meeting of the Board until the common interest community is terminated.

6.4.5 Owner's Right to Attend Board Meetings; Executive Sessions.

(a) General. Except as otherwise provided in subsection (b) below, an Owner may attend any meeting of the Association or of the Board and speak at any such meeting.

(b) Executive Session. The Board may establish reasonable limitations on the time an Owner may speak at such a meeting. The Board may meet in executive session only to (i) 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 privilege set forth in NRS 49.35 to 49.115, inclusive or enter into, review, modify, terminate or take any other action regarding a contract between the Association and the attorney; (ii) discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the Association; (iii) except as otherwise provided in this section, discuss a violation of the governing documents, including, without limitation, the failure to pay an Assessment; or (iv) discuss the alleged failure of an Owner to adhere to a schedule required pursuant to NRS 116.310305 if the alleged failure may subject the Owner to a construction penalty. The Board may not meet in executive session to enter into, renew, modify, terminate or take any other action regarding a contract, unless it is a contract between the Association and an attorney. Except as noted in subparagraph (c) below, a Member is not entitled to attend or speak at a meeting of the Board held in executive session.

(c) Hearings on Alleged Violations. The Board shall meet in executive session to hold a hearing on the alleged violation of the governing documents unless the person who may be sanctioned for the alleged violation requests in writing that the hearing be conducted by the Board at an open meeting. The person who may be sanctioned for the alleged violation is entitled to attend the hearing and testify concerning the alleged violation, but may be excluded by the Board from any other portion of the hearing, including, without limitation, the deliberations of the Board.

(d) Minutes of Executive Session. Except as otherwise provided in this subsection, any matter discussed by the Board when it meets in executive session must be generally noted in the minutes of the meeting of the Board. The Board shall maintain detailed minutes of any matter discussed pursuant to subsection (c) above and, upon request, provide a copy of those minutes to the person who was subject to being sanctioned at the hearing or to his designated representative.

6.5 Vacancies Resulting from Resignation or Death. Vacancies in the Board, including those caused by an increase in the number of directors or the removal of a director, may be filled by a majority vote of the directors in office, though less than a quorum and the directors so chosen shall hold office until the next annual meeting of Members.

6.6 Removal of Board Members. Other than a member of the Board appointed by Declarant, any member of the Board may be removed by a two-thirds (2/3rds) vote of all Members with or without cause. Removal of any member of the Board must be conducted by secret written ballot. For the removal of a member of the Board, the secretary of the Association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each Lot within the common-interest community or to any other mailing address designated in writing by the Owner. Each Owner must be provided with at least 15 days after the date the secret written ballot is mailed to the Owner to return the secret written ballot to the Association. Only the secret written ballots that are

returned to the Association within the time period provided in the ballot may be counted to determine the outcome. The secret written ballots must be opened and counted at a meeting of the Association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting. The incumbent members of the Board, including, without limitation, the member who is subject to the removal, may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the Association before those secret written ballots have been opened and counted at a meeting of the Association.

6.7 Place of Meetings. The Board may hold meetings, both regular and special, upon the Property or at any other reasonable place within Washoe County, State of Nevada.

6.8 Compensation of Directors. No director shall receive compensation for any services he may render to the Association; however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

6.9 Action Taken Without a Meeting. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if, before or after the action, a written consent thereto is signed by a majority of the members of the Board. If the vote of a greater proportion of the directors is required for an action, then the greater proportion of written consents is required. Such written consent must be filed with the minutes of the proceedings of the Board.

6.10 Board Meeting. The first meeting of each newly elected Board shall be held at such time and place as shall be fixed by a vote of the Members at the annual meeting of the Members after consultation with the Board members as to an acceptable time; and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. In the event of the failure of the Members to fix the time or place of such first meeting of the newly elected Board or in the event that such meeting is not held at the time and place so fixed by the Members, the meeting may be held at such time and place as shall be specified in the notice given as hereinafter provided for special meetings of the Board or as shall be specified in a written waiver signed by all of the directors. The Board shall hold a meeting at least every ninety (90) days.

6.11 Special Meeting of Directors. Special meetings of the Board may be called by the President subject to the notice requirements established in these bylaws. Special meetings of the directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) or more directors.

6.12 Quorum in Voting. A majority of the members of the Board at a meeting duly assembled is necessary to constitute a quorum, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Articles of Incorporation. A quorum is deemed present throughout the meeting if persons entitled to cast a majority of the vote are present at the beginning of the meeting. If a quorum shall not be present at any meeting of the Board, the directors present may adjourn the meeting from time to time,

without notice other than announcement at the meeting, until a quorum shall be present.

6.13 Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice.

6.14 Records.

6.14.1 General. The Board shall cause to be kept a complete record of all its acts and corporate affairs. Except as otherwise provided in this Section, the Board shall, upon the written request of an Owner, make available the books, records and other papers of the Association for review during the regular working hours of the Association, including, without limitation, all contracts to which the Association is a party and all records filed with a court relating to a civil or criminal action to which the Association is a party. The provisions of this Section do not apply to: (a) the personnel records of the employees of the Association, except for those records relating to the number of hours worked and the salaries and benefits of those employees; (b) the records of the Association relating to another Owner, except for those records described in Section 6.14.2 hereof; and (c) a contract between the Association and an attorney.

6.14.2 Records Concerning Violations. The Board shall maintain a general record concerning each violation of the governing documents, other than a violation involving a failure to pay an Assessment, for which the Board has imposed a fine, a construction penalty or any other sanction. The general record:

- (a) Must contain a general description of the nature of the violation and the type of the sanction imposed. If the sanction imposed was a fine or construction penalty, the general record must specify the amount of the fine or construction penalty.
- (b) Must not contain the name or address of the person against whom the sanction was imposed or any other personal information which may be used to identify the person or the location of the unit, if any, that is associated with the violation.
- (c) Must be maintained in an organized and convenient filing system or data system that allows an Owner to search and review the general records concerning violations of the governing documents.

ARTICLE SEVEN
OFFICERS

7.1 Designation. The principal officers of the Association shall be a president, vice president, a secretary and a treasurer, all of whom shall be elected by and from the Board. The directors may appoint an assistant secretary-treasurer or such other officers as in their judgment may be necessary. Except for officers appointed by the Declarant, the officers of the Association shall be Members of the Association.

7.2 Election of Officers. Except as otherwise provided in this Section 7.2, the officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. The directors named in the Articles shall elect officers to serve until the first annual meeting of Members. The directors elected at such annual meeting shall elect officers to serve until the annual meeting of the directors or until their successors shall be elected and qualified.

7.3 Removal of Officers. Upon affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any special meeting of the Board called for such purpose.

7.4 President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association. The president shall execute all leases, deeds of trust, deeds and other written instruments and shall co-sign all checks and promissory notes on behalf of the Association unless others are so authorized by resolution of the Board. The President has the power to prepare, execute, record and certify any and all amendments to the Declaration pursuant to Section 11.2 of the Declaration.

7.5 Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The vice president shall also perform such other duties as from time to time shall be imposed upon him by the Board.

7.6 Secretary. The secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of secretary.

7.7 Treasurer. The treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the Association. He shall be responsible for the deposit of all monies and valuable effects in the name, and to the credit, of the Association in

such depositories as may from time to time be designated by the Board. The treasurer shall co-sign all checks and promissory notes on behalf of the Association unless others are so authorized by resolution of the Board.

7.8 Execution of Amendments to Declaration. The president, the secretary and the treasurer of the Association, or any one of them, may prepare or cause to be prepared, and shall execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE EIGHT AMENDMENT TO BYLAWS

8.1 Amendment. These Bylaws may be amended at any regular or special meeting of the Members by a vote of a majority of the Members or by the written consent of a majority of the Members.

ARTICLE NINE RECORDS TO BE MAINTAINED BY THE CORPORATION

9.1 The Association shall keep a copy of the following records at its registered office:

(a) A copy, certified by the Secretary of State, of the Articles of Incorporation of the Association and all amendments thereto;

(b) A copy, certified by an officer of the Association, of the Bylaws of the Association and all amendments thereto;

(c) A Members' ledger or a duplicate Members' ledger, revised annually, containing the names, alphabetically arranged, of all persons who are members of the Association, showing their places of residence, if known, or, in lieu of the Members' ledger or duplicate Members' ledger specified above, a statement setting out the name of the custodian of the Members' ledger or duplicate Members' ledger, and the present and complete post office address, including street and number, if any, where the Members' ledger or duplicate Members' ledger specified in this Article Nine is kept.

(d) The Association must maintain the records required by subparagraphs (a), (b) and (c) in written form or in another form capable of conversion into written form within a reasonable time.

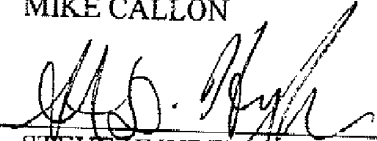
ARTICLE TEN INDEMNIFICATION

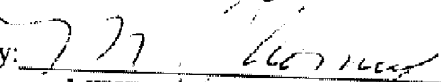
When a member of the Board is sued for liability for actions undertaken in his role as a member of the Board, the Association shall indemnify him for his losses or claims, and undertake all costs of defense; until and unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof, the Association is no longer liable for the cost of defense and may recover costs already expended from the member of

the Board who so acted. Members of the Board are not personally liable to the victims of crimes occurring on the Property.

Adopted by the undersigned, representing all of the Members of the Board of Directors.

By: 
MIKE CALLON

By: 
STEVE HUYBERS


By: 
MIKE THOMEY

CERTIFICATE OF SECRETARY

I, the undersigned certify:

1. That I am the Secretary of the Sky Ranch North Homeowners Association, Inc. Board of Directors.
2. That the foregoing by-laws, consisting of 15 pages, constitutes the amended Bylaws of the corporation as adopted at the regular meeting of the Board of Directors on December 1, 2004

Dated this 1 day of December 2004.


MIKE THOMEY, Secretary