

BYLAWS OF
SPRING MEADOWS HOMEOWNERS ASSOCIATION
A Nevada Non-Profit Corporation

ARTICLE I

GENERAL PROVISIONS

Section 1 - Name. The name of the Association is Spring Meadows Homeowners Association ("Association"). The principal office of the Association shall be at such place in Clark County as the Board may designate from time to time.

Section 2 - Purpose. The Association has been formed for the purpose of performing the powers and duties of the Association as set forth in these Bylaws, the Articles of Incorporation of the Association, as amended from time to time ("Articles"), and that certain Declaration of Covenants, Conditions and Restrictions ("Declaration") which has been or is to be recorded in the Office of the Clark County Recorder and which may be amended from time to time, in connection with that certain condominium project ("Project") described on Exhibit "A" attached hereto.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1 - Voting. The Association shall have one class of voting membership. Each member shall be entitled to one (1) vote for each Unit in which such member owns an interest, provided, however, when more than one (1) member owns an interest in a Unit, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) such Unit.

Section 2 - Transfer of Membership. The right of 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 said Unit, and then only to the transferee of title to said Unit. Any attempt to make a prohibited transfer

shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

Section 3 - Voting Rights. Each Unit, regardless of the number of Owners thereof, shall be represented in the Association by only one (1) vote which may be cast only as a unit by the Owner or Owners thereof. Whenever these Bylaws, the Declaration or the Articles require the vote, assent or presence of a stated number of Owners or members entitled to vote on a matter or at a meeting with regard to the taking of any action or any other matter whatsoever, the provisions of this Article II and Section 2 of Article IV shall govern as to the total number of available votes, the number of votes an Owner is entitled to cast at the meeting, and the manner in which the vote attributable to a Unit having more than one (1) Owner shall be cast.

Section 4 - Joint Owner Votes. The voting rights for each Unit may not be cast on a fractional basis. In the event that the joint Owners of a Unit are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit same as to the matter in question. If any Owner or Owners cast the voting rights of a particular Unit, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Units. In the event more than one (1) person or entity casts the voting rights of a particular Unit, said voting rights shall not be counted and shall be deemed void.

Section 5 - Members' Rights and Duties. Each member shall have the rights, duties and obligations set forth in these Bylaws, the Articles and the Declaration, as the same may be amended from time to time.

Section 6 - Cumulative Voting. The election of members to the Board shall be by cumulative voting as described herein. All Owners shall have the right to cumulate their votes for candidates in nomination. Under cumulative voting, each Owner, either in person or by proxy, may give a single candidate the number of votes equal to the number of Directors to be elected, multiplied by the number of votes the Owner is entitled to exercise under this Declaration, or the Owner may distribute these cumulated votes among any two (2) or more candidates as the Owner desires. The candidates receiving the highest number of votes up to the number of Board members to be elected shall be elected.

ARTICLE III

MEMBERSHIP ASSESSMENT AND LIEN RIGHTS

Section 1 - Membership Assessments. Regular Monthly and Special Assessments as provided for in the Declaration together with all other assessments of the members of the Association provided for in the Declaration shall be paid by the members of the Association at the times, 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 2 - Enforcement, Lien Rights. For the purpose of enforcing and collecting assessments, the Association shall have the lien rights set forth in the Declaration, which lien rights shall be enforceable by the Board in the manner set forth in the Declaration, and shall also have and be entitled to exercise all other rights and remedies set forth in the Declaration or otherwise provided for at law or in equity.

ARTICLE IV

MEMBERSHIP RIGHTS AND PRIVILEGES

Section 1 - Rights and Privileges of Members. No member shall have the right, without the prior approval of the Board, to exercise any of the powers or to perform any of the acts by these Bylaws or the Declaration delegated to the Board or the Association, but shall have all of the rights and privileges including, but not limited to, property rights and rights to access to and over, and use and enjoyment of the Common Area granted to the members or Owners by these bylaws or the Declaration subject to such limitations, as may be imposed in accordance therewith.

Section 2 - Suspension of Voting Rights. Following the Notice and Hearing procedures set forth hereinbelow, the Board shall have the right to suspend the voting rights and/or Common Area use rights of any member or members of this Association for the period during which any assessment against the Unit owned by such member or members and giving rise to such membership remains unpaid and delinquent; provided, however, that no suspension of Common Area use rights will impede or limit an Owner's right of ingress to and egress from his Unit. The Board shall also have the right to suspend such voting and/or Common Area use rights for a reasonable period pursuant to NRS 116.31031 as it may be amended, for any infraction of the governing documents of the Association, including the rules and regulations of the Association adopted by the Board, committed by any Owner of the

particular Unit giving rise to the voting rights being suspended, his servants, guests, tenants, invitees or the members of his family. In addition to suspension rights, the Board may impose a monetary penalty on any Owner for each such other infraction committed by such Owner, his guests, servants, family members, tenants or invitees pursuant to the terms of NRS 116.31031 as it may be amended.

ARTICLE V

MEETINGS OF MEMBERS

Section 1 - Place of Meetings. All meetings of the members shall be held at the principal office of the Association as set forth in these Bylaws, or at any other place as designated by the Board from time to time.

Section 2 - Annual Meetings. The annual meeting of the members shall be held during February, or at such other time and date as may be designated by the Board; provided the Board must hold at least one members' meeting per year pursuant to NRS 116.3108, as it may be amended.

Section 3 - Notice of Annual Meetings. Written notice of each annual meeting shall be given to each member entitled to vote, either personally or by mail, charges prepaid, addressed to such member at his address appearing on the books of the Association or given by him to the Association for the purpose of notice. If any notice or report addressed to the member at the address of such member appearing on the books of the Association is returned to the Association by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the member at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the member upon written demand of the member at the principal executive office of the Association for a period of one year from the date of the giving of the notice or report to all other members. If a member gives no address, notice shall be deemed to have been given him if sent by mail or other means of written communication addressed to the place where the principal executive office of the Association is situated or to his Unit, or if published at least once in some newspaper of general circulation in the county in which said principal executive office is located. All such notices shall be given to each member entitled thereto not less than ten (10) days nor more than sixty (60) days before each annual meeting. Any such notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

Such notices shall specify:

(a) the place, the date, and the hour of such meeting;

(b) any matter required to be disclosed by NRS 116.3108, as such section may be amended from time to time;

(c) the general nature of any proposal to be voted on; and

(d) such other matters, if any, as may be expressly required by statute.

Such notice shall also include an agenda as required by NRS 116.3108, as it may be amended.

Section 4 - Special Meetings. Special meetings of members, for any purpose or purposes whatsoever, may be called at any time by the President or by the majority of the Board, or by ten percent (10%) or more of the members; provided that no special meeting may be held or called prior to the organization meeting. Except, in special cases where other express provision is made by statute, these Bylaws or the Declaration, notice of such special meetings shall be given in the same manner as for annual meetings of members. Notice of any special meeting shall be given by the person or persons set forth in NRS 116.3108, as it may be amended.

Section 5 - Adjourned Meetings and Notice Thereof. Unless otherwise limited by law, any membership meeting, annual or special, 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 otherwise provides.

Unless otherwise limited by law, when any membership meeting, either annual or special, 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.

Section 6 - Quorum. The presence either in person or by proxy at a meeting of members representing and entitled to cast at least ~~fifty~~twenty percent (50%20%) of the total votes, i.e., the number of Units in the Project minus the number of Units as to which voting rights are suspended in accordance with

these Bylaws at the time of the subject meeting (the "Total Votes") shall constitute a quorum for any action by the members, unless a different requirement is imposed by these Bylaws, the Articles or the Declaration, and a majority of the Total Votes present at a meeting at which a quorum is present shall prevail at such meeting unless a different percentage is required by these Bylaws, the Articles or the Declaration. For the purposes of the election of directors which is held by secret ballot, for the vote to be valid, ballots equaling at least fifty percent (50%) of the Total Votes, as of the date the ballots are to be returned, must be returned. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members, so that less than a quorum is present, and the members then remaining and entitled to cast votes at such meeting shall be able to approve matters, if the vote to approve is sufficient based on the members at the meeting, in person or by proxy, at the commencement of such meeting. If any meeting cannot be held because a quorum is not present, a majority of the members either in person or by proxy and entitled to vote, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirements shall be twenty-five percent (25%) of the Total Votes. If, at such adjourned meeting a quorum is not present, the meeting will be adjourned until such time as a quorum of at least twenty-five percent (25%) of the Total Votes can be convened.

Section 7 - Consent of Absentees. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote and not present in person or by proxy, signs a written waiver of notice, or a consent of the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the Corporate records or made a part of the minutes of the meeting.

Section 8 - Action Without Meeting. Any action, which under the provisions of Nevada Revised Statutes may be taken at a meeting of the members, may be taken without a meeting if done so by written ballot as provided for in the Nevada Revised Statutes.

Section 9 - Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the Association prior to or at the commencement of the meeting at which the proxy is to be exercised. Notwithstanding anything to the contrary contained in these

Bylaws, as long as limited by law, proxies may: (a) be given only to a member of the member's 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. A proxy terminates after the conclusion of the meeting (or any adjournments thereof) for which it is executed. A vote may not be cast pursuant to a proxy for the election of a member of the Board. A proxy shall be void if:

(i) it does not designate the votes that must be cast on behalf of the unit's Owner who executed the proxy; or

(ii) 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.

Section 10 - Action by Members. Unless stated herein, in the Declaration approved by the members of the Association, or pursuant to law, all action required or permitted to be taken by the members of the Association may be taken by the approval of a vote of a majority of the Total Votes (as defined in Section 6 of this Article V) attending or represented at a meeting of the membership called pursuant to these Bylaws if a quorum is present.

Section 11 - Election of Directors. As long as required by Nevada Revised Statutes, the election of directors shall be by secret written ballot disseminated by the Board at least 30 days in advance of any date on which they must be returned. The Board may adopt and revise the mechanism for nominating directors and allowing the candidates to speak to or communicate with the Members.

ARTICLE VI

Directors

Section 1 - Number, Qualifications, Term of Office. The affairs of the Association shall be managed by a Board of ~~THREE~~ (3) Directors who must be members of the Association and at least eighteen (18) years of age. At each annual meeting of the members the members shall elect seven (3) Directors, each of whom shall hold office until his successor is elected. Each Director shall serve for a term of one (1) years. The number of Directors may be increased or decreased from time to time by an amendment to these Bylaws.

Section 2 - Removal and Vacancies. Subject to the provisions of the Nevada Revised Statutes, the entire Board or any individual Director may be removed from office, with or

without cause at any duly called, noticed and held annual or special meeting of the members, at which a quorum is present. The entire Board may be removed by a majority of the members present at such meeting, either in person or by proxy and entitled to vote. Any individual member may be removed by the affirmative vote of 2/3 of the members present, in person or by proxy at such meeting.

Vacancies in the Board may be filled by a majority of the remaining Directors, and each Director so elected shall hold office until his successor is elected at an annual meeting of members. A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, or if the members shall increase the authorized number of Directors. If the Board accepts the resignation of a Director tendered to take effect at a future time, the Board shall have the power to elect a successor to take office when the resignation shall become effective.

Section 3 - Place of Meeting. All meetings of the Board shall be held at the principal office of the Association or any other location convenient to the Project.

Section 4 - Organization Meeting of The Board. After each annual meeting of members, the Board shall hold a regular meeting at the same place for the purpose of organization, election of Officers and the transaction of other business.

Section 5 - Other Regular Meetings. Other regular meetings of the Board shall be held pursuant to notices given in accordance with Nevada Revised Statutes.

Section 6 - Special Meetings. Special meetings of the Board, including meetings by telephone, for any purpose or purposes shall be called at any time by the President, or if he is absent or unable or refuses to act, by any Vice-President or by any two (2) Directors. Notice of the time and place of special meetings shall be given to each Director and the members of the Association in accordance with Nevada Revised Statutes (i.e., at least 10 days prior written notice) except in situations that fall within the definition of "emergency" within Nevada Revised Statutes.

Section 7 - Quorum Requirement, Waiver of Notice. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present, unless a quorum is expressly not required pursuant to these Bylaws, and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an

approval of the minutes thereof. The foregoing shall not release the Association of providing any notice required by law to be given to the members. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 8 - Action Without Meeting. Any action which may be taken by the Board pursuant to the Articles of Incorporation or according to these Bylaws or the Declaration may be taken without a meeting, if all members of the Board shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as a unanimous vote of such Directors.

Section 9 - Quorum. A majority of the Board shall constitute a quorum thereof. Every act or decision done or made by a majority of the Directors present at a meeting duly held, at which a quorum is present, shall be regarded as the act of the Board, unless the provisions of these Bylaws the Articles or the Declaration shall require or permit the particular action involved be taken by the Board under other circumstances.

Section 10 - Notice of Adjournment. Notice of adjournment of any Directors' meeting, either regular or special, need not be given to absent Directors, if the time and place are fixed at the meeting adjourned.

Section 11 - Adjournment. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the Directors present at the Directors' meeting, either regular or special, may adjourn from time to time, until the time fixed for the next regular meeting of the Board:

Section 12 - Entry of Notice. Whenever any Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be made.

Section 13 - Compensation. No Director of the Association shall receive any salary or other compensation for services rendered as a Director or Officer of the Association except as may be provided for in the Declaration of Covenants, Conditions and Restrictions. However, Directors and Officers shall be reimbursed for expenses incurred in connection with the business of the Association and authorized by the Board. Nothing herein shall preclude any Director from serving the Association in any capacity other than as an Officer or a Director and receiving compensation therefor, as authorized and approved by the Board. Any Director receiving any special compensation for services in such other capacity shall be excluded from

deliberations and voting by the Board relating to the authorization thereof and fixing compensation with regard thereto.

Section 14 - Executive Committees. The Board shall have the power to appoint one or more executive committees and to delegate to such committees any of the powers and authority of the Board in the management of the business and affairs of the Association, except the power to adopt, amend or repeal the Bylaws. Each Committee shall be composed of at least two (2) Directors.

Section 15 - Indemnification. Each Director and Officer shall be indemnified by the Association and the members against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or by settlement in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, except in cases of fraud, gross negligence or the bad faith of the Director or Officer in the performance of his duties.

Section 16 - Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in Executive Session to discuss and vote upon matters set forth in Nevada Revised Statutes for Executive Session. The general nature of any and all business to be considered in Executive Session shall first be announced in open session or noted in the next meeting's minutes.

Section 17 - Powers and Duties. Subject to the limitations of the Articles, these Bylaws, the Declaration and the Nevada Revised Statutes as to action required to be taken, authorized or approved by the members of the Association, or a portion or percentage thereof, all Association powers and duties, including those set forth in the Declaration shall be exercised by, or under the authority of the Board, and the business and affairs of the Association shall be controlled by the Board. Without limiting the generality of the foregoing, the Board shall:

(a) Have all the power, duties and authority, vested in or delegated to the Board or the Association (unless otherwise specifically reserved to the Owners), whether by these Bylaws, the Articles, the Declaration, pursuant to Nevada law.

(b) Cause the Common Area within the Project and the improvements, facilities, structures and landscaping thereon to be operated, protected and maintained and procured and pay for liability and hazard insurance, together with such other insurance as may be required by the Declaration.

(c) Have the power to adopt and amend uniform rules and regulations governing the Units and the use of the Common Area, and the personal conduct of members and their guests, servants, tenants, invitees and family members thereon in the manner provided for by the Declaration.

(d) Establish, levy, assess, and collect the assessments or charges referred to in the Declaration in the manner set forth in the Declaration, send out required notices thereof, prepare and issue certificates, setting forth whether assessments have been paid as required by the Declaration, and enforce timely payment of such assessments in the manner set forth in the Declaration. The maintenance of the Common Area and the performance by the Board of all of its duties and powers shall be paid for out of the assessments so made and collected.

(e) In the event that any member of the Board of this Association shall be absent from three (3) consecutive regular meetings of the Board, the Board may, by action taken at the meeting during which said fourth absence occurs, declare the office of said absent Director to be vacant.

(f) The Board may employ a Manager, independent contractors and such other employees as it deems necessary and prescribe their duties, and enter into contracts and agreements for the purpose of providing for the performance of its powers and duties. The Board may further delegate any of its powers to such persons or entities as the Directors may determine.

(g) Cause to be kept a complete record of all of its acts and corporate affairs and present a statement thereof to the members at the annual meeting of the members or at any duly called special meeting of the members.

(h) Supervise all Officers, agents and employees of this Association, and to see that their duties are properly performed.

(i) Appoint and remove at its discretion, all Officers, agents and employees of the Association, prescribe their duties, fix their compensation, subject to the limitations on compensation to Directors, and obtain such fidelity bonds as it may deem necessary or appropriate. The premium on such bonds shall be paid for by the Association.

(j) Borrow money and pledge assessments for the purpose of improving the Common Area and facilities thereon.

(k) Have the power to retain legal and accounting services for the Association, the Board, Officers and the Manager and his staff.

ARTICLE VII

OFFICERS AND COMMITTEES

Section 1 - Enumeration of Officers. The Officers of the Association shall be a President, Vice-President, a Secretary, a Treasurer and such other Officers as the Board may deem necessary. Any person may hold more than one office, provided that no one person may be both the President and Secretary of this Association. The Officers shall be members of the Association.

Section 2 - Election. The Officers shall be chosen by a majority vote of the Directors.

Section 3 - Term. The Officers shall hold office at the discretion of the Board.

Section 4 - President. The President shall be the Chief Executive Officer of the Association and shall, subject to the control of the Board, have supervision, direction and control of the business and Officers of the Association. The President shall preside at all meetings of the members and at all meetings of the Board. He shall be, ex-officio, a member of all standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a Nevada non-profit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

Section 5 - Vice-President. In the absence or disability of the President, the Vice-President shall perform all of the duties of the President, and when so acting shall have all powers of, and be subject to all the restrictions upon, the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board or by these Bylaws.

Section 6 - Secretary. The Secretary shall keep or cause to be kept, a book of minutes at the principal office or such other place as the Board may order, of all meetings of Directors and members, with the time and place of holding, whether regular or special, and if special how authorized, the notice thereof give, the names of those present or represented at members' meetings and the proceedings thereof. The Secretary shall give, or cause to be given, notice of all the meetings of the members and of the Board required by the Bylaws or by law to be given.

Section 7 - Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by

resolution of the Board; shall sign all promissory notes of the Association; shall keep proper books of account; shall prepare and distribute financial statements to each member; and render accounts upon request.

Section 8 - Committees. In addition to the Architectural Committee set forth in the Declaration, the Board may, in its discretion, appoint any committees which it deems appropriate in carrying out its purposes. The Board may delegate authority to committees which are made up solely of Board members.

ARTICLE VIII

MISCELLANEOUS

Section 1 - Checks, Drafts, Etc. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of, or payable to, the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 2 - Contracts, Etc., How Executed. The Board, except as otherwise provided for in the Bylaws, may authorize any Officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to tender it liable for any purpose or to any amount.

Section 3 - Inspection of Bylaws. The Association shall keep in its principal office the original or a copy of the Bylaws as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the members at all reasonable times during office hours.

Section 4 - Fiscal Year. The fiscal year of the Association shall begin on January 1 of each year and terminate on December 31 of each year.

Section 5 - Inspection of Association's Books and Records.

(a) The membership register, books of account, records and minutes of meetings of the Owners, of the Board and of committees of the Board shall be made available for inspection and copying by any Owner or Mortgagee, or their duly appointed representative, at any reasonable time and for a purpose

reasonably related to their interests as an Owner or as a mortgagee, as the case may be, at the office of the Association or at such other place within the Project as the Board shall prescribe.

(b) The Board shall establish reasonable rules with respect to:

(1) Notice to be given to the custodian of the records by the Owner or such holder desiring to make the inspection.

(2) Hours and days of the week when such an inspection may be made.

(3) Payment of the cost of reproducing copies of documents requested by an Owner or such holder.

(c) Every director shall have the absolute right at any reasonable time to inspect, including the right to make extracts and copies of, all books, records and documents of the Association and the physical properties owned or controlled by the Association.

Section 6 - Conflicts. In the event of any inconsistency between these Bylaws and the Articles, the Articles shall control and in the event of any inconsistency between these Bylaws or the Declaration, the Declaration shall control.

Section 7 - Definitions. Any capitalized terms used herein which are not defined herein shall have the same meaning as it has in the Declaration.

ARTICLE IX

NOTICE AND HEARING PROCEDURES

Section 1 - Suspension of Privileges. The Board shall have the right to establish and from time to time to modify the rules and regulations for allowing an Owner a hearing for an alleged violation of these By-Laws, the Association's rules and regulations or the Declaration where such Owner may have his voting rights or common area privileges suspended and/or have a monetary penalty imposed. Such rules or regulations established and maintained by the Board shall be fair and reasonable. If any Owner is found to have violated these By-Laws, the rules and regulations or the Declaration, the Board may suspend such Owner's voting privileges or common area privileges (except ingress and egress from his Unit) for a reasonable period, subject to such Owner's right to a hearing and/or impose a reasonable monetary penalty as allowed by law. The foregoing

rules and regulations may be enforced against any Owner or his tenants and the Owners' and tenants' privileges may be suspended for any violations as provided herein and/or the Board may impose a reasonable monetary penalty.

ARTICLE X

AMENDMENTS

Section 1 - Amendments. These Bylaws may be amended only by a written instrument setting forth the amendment and approved by at least fifty-one percent (51%) of the owners of the Units in the Project. Amendments shall be kept by the Secretary with the other records and books of the Association and shall become effective upon the execution of such written instrument as required by this section without any further action requirement.

Section 2 - Conflicts. In the event of any inconsistency between these Bylaws and the Articles, the Articles shall control and in the event of any inconsistency between these Bylaws or the Declaration, the Declaration shall control.

Executed this _____ day of _____, _____.

SPRING MEADOWS HOMEOWNERS ASSOCIATION

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

I, the undersigned and duly elected and acting Secretary of Spring Meadows Homeowners Association, a Nevada non-profit corporation do hereby certify:

That the within Bylaws were adopted on the ____ day of _____, and that the same replaces any previous Bylaws of the Association and now constitutes the entire set of Bylaws of the said Association.

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____,

Secretary