

**BY-LAWS OF
SARATOGA SPRINGS ESTATES HOMEOWNERS ASSOCIATION**

**ARTICLE I.
NAME AND LOCATION**

The name of the corporation is SARATOGA SPRINGS ESTATES HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1644 Highway 395, Town of Minden, County of Douglas, State of Nevada 89423, but meetings of members and directors may be held at such place within the State of Nevada as may be designated by the Board of Directors.

**ARTICLE II.
DEFINITIONS**

Section 1. "Association" shall mean and refer to SARATOGA SPRINGS ESTATES HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such amendments or additions thereto as may hereafter be brought within the jurisdiction of the Association, and such future property as may be annexed.

Section 3. "Common Area" shall mean those portions of the Project which shall be owned by the Association for the common use and enjoyment of the Owners. The Common Area shall include the following:

- (a) Any central recreational facilities.
- (b) Private streets as shown on the recorded map or maps of the Project.
- (c) Any other property reflected by the map or conveyance, as being owned by the Association, or by way of easement.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, or owners, if more than one, of the fee simple title to any Lot which is a part of the Properties, including Declarant, and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Joseph Arroyo, his successors and assigns if such successors or assigns

should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, applicable to the Properties recorded in the Office of the County Recorder of Douglas County, State of Nevada.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and any amendments thereto.

ARTICLE III.
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at an hour to be set. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV.
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. *Increased by Resolution July 9, 2001 to 5*

Section 2. Term of Office. At the first annual meeting, the members shall elect one (1) director for a one-year term, one (1) director for a two year term, and one (1) director for a three (3) year term, and at each annual meeting thereafter the members shall elect directors for the term of those expiring. *Directors*

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V.
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. 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 largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI.
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII.
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duties of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is required in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) cause the exterior of the dwellings to be maintained.

ARTICLE VIII.
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, Vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed, otherwise disqualified to serve, or re-elected.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out.

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual compilation of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX. COMMITTEES

The Association shall appoint an Architectural Committee, as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X. BOOKS AND RECORDS

The books, records and appears of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, the assessment

shall bear interest from the date of delinquency at the rate of fifteen percent (15%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII.
CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: SARATOGA SPRINGS ESTATES HOMEOWNERS ASSOCIATION.

ARTICLE XIII.
AMENDMENTS

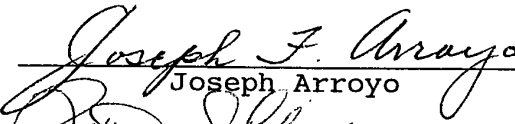
Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these by-laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.


ARTICLE XIV.
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

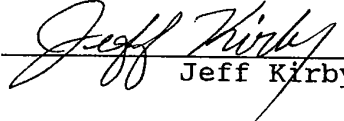
IN WITNESS WHEREOF, we, being all of the directors of the SARATOGA SPRINGS ESTATES HOMEOWNERS ASSOCIATION, have hereunto set our hands this 18th day of February, 1993.



Joseph Arroyo



Patricia Clark



Jeff Kirby

RESOLUTION 2001-1

SARATOGA SPRINGS ESTATES HOMEOWNERS' ASSOCIATION **RESOLUTION INCREASING NUMBER OF DIRECTORS**

BE IT REMEMBERED that the Saratoga Springs Estates Homeowners' Association ("HOA" or "Association") conducted a meeting of the Directors and Members of the Association on July 9, 2001, at which time the Members and Directors considered, and approved the following actions of the Association and its Board.

WITNESSETH

WHEREAS, on July 9, 2001, the Directors of the Association and its Members considered an amendment to the Bylaws of the Association to increase the number of Directors of the HOA from three to five; and

WHEREAS, Article 13, § 1 of the bylaws provide that the bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members present in person or by proxy. At the meeting conducted on July 9, 2001, a quorum of Members was present in person or by proxy to consider the expansion of the Board from three members to five members; and

WHEREAS, the Association had, as of the date of the meeting, 220 homeowners. One hundred thirty-eight responded by proxy or appeared in person at the meeting. Upon vote duly conducted, 138 members voted; 134 members voted in favor of expanding the Board, and 4 voted against such expansion; and

WHEREAS, the Board has determined that a quorum was present at the meeting and voted in favor of expansion of the Board members from three to five.

WHEREAS, the HOA determines that it is in the best interests of the HOA and its members to expand the number of board members from three to five.

NOW THEREFORE, the Board of Directors of the Saratoga Springs Homeowners Association, upon motion made, duly seconded and carried, resolves as follows:


Article IV, § of the bylaws of Saratoga Springs Estates Homeowners' Association shall be amended, the same to read as follows:

“Section 1. The affairs of this Association shall be managed by a board of five (5) Directors who need not be members of the Association.”


BE IT FURTHER RESOLVED that this Resolution regarding the expansion of the Board of Directors shall be in full force and effect as of July 9, 2001, notwithstanding a later date of preparation of this written resolution and its execution by the Board of Directors.

Dated this 9th day of July 2001.

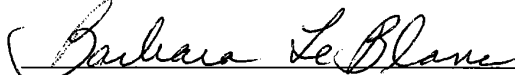
DIRECTORS:



President



Member



Member



Member

Member