

TABLE OF CONTENTS
 FOR BYLAWS
 OF
 THE ESTATES AT SEVEN HILLS OWNERS ASSOCIATION

	<u>PAGE</u>
1. Plan of Lot Ownership	1
1.1 Name	1
1.2 Application	1
1.3 Meaning of Terms	1
2. Voting by Association Membership	1
2.1 Voting Rights	1
2.2 Majority of Quorum	1
2.3 Quorum	1
2.4 Proxies	1
3. Administration	2
3.1 Association Responsibilities	2
3.2 Place of Meetings of Members	2
3.3 Annual Meetings of Members	2
3.4 Special Meetings of Members	2
3.5 Notice; Record Dates	3
3.6 Adjourned Meetings	3
3.7 Order of Business	3
3.8 Action Without Meeting	4
3.9 Consent of Absentees	4
3.10 Minutes, Presumption of Notice	4
4. Board of Directors	4
4.1 Number and Qualification	4
4.2 Powers and Duties	5
4.3 Special Powers and Duties	5
4.4 Management Agent	8
4.5 Election and Term of Office	8
4.6 Budget; Transfer of Association Records and Property	9
4.7 Vacancies	10
4.8 Removal of Directors	11
4.9 Organization Meeting of Board	11
4.10 Regular Meetings of Board	11

4.11	Special Meetings of Board	11
4.12	Waiver of Notice	12
4.13	Action Without Meeting	12
4.14	Quorum and Adjournment	12
4.15	Committees	12
5.	Officers	13
5.1	Designation	13
5.2	Election of Officers	13
5.3	Removal of Officers	13
5.4	Compensation	13
5.5	President	14
5.6	Vice President	14
5.7	Secretary	14
5.8	Treasurer	15
6.	Obligations of the Members	15
6.1	Assessments	15
6.2	Maintenance and Repair	15
7.	Amendments to Bylaws	16
8.	Mortgagees	16
8.1	Notice to Association	16
8.2	Notice of Unpaid Assessments	16
9.	Conflicting Provisions	16
10.	Indemnification of Directors and Officers	17
11.	Miscellaneous	17
11.1	Checks, Drafts and Documents	17
11.2	Execution of Documents	17
11.3	Availability of Association Documents	17
11.4	Fiscal Year	17
12.	Notice and Hearing Procedure	18
12.1	Suspension of Privileges	18
12.2	Written Complaint	18
12.3	Notice of Hearing	19
12.4	Hearing	20
	CERTIFICATE OF SECRETARY	21

**BYLAWS
OF THE ESTATES AT SEVEN HILLS OWNERS ASSOCIATION**

ARTICLE I

1. Plan of Lot Ownership.

1.1 Name. The name of the corporation is THE ESTATES AT SEVEN HILLS OWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located in Clark County, Nevada.

1.2 Application. The provisions of these Bylaws are applicable to the common-interest community project known as The Estates at Seven Hills, located in Clark County, Nevada (the "Property"). All present and future Owners and their tenants, future tenants, employees, and any other person who might use the Property in any manner, are subject to the regulations set forth in these Bylaws and in the Declaration of Protective Covenants, Conditions and Restrictions and Grant and Reservation of Easements for The Estates at Seven Hills Owners Association (the "Declaration") Recorded or to be Recorded in the official Records of Clark County and applicable to the Property. The mere acquisition or rental of any Lot in the Property or the mere act of occupancy of any Lot will signify that these Bylaws are accepted, ratified, and will be complied with.

1.3 Meaning of Terms. Unless otherwise specifically provided herein, the capitalized terms in these Bylaws shall have the same meanings as are given to such terms in the Declaration.

ARTICLE II

2. Voting by Association Membership.

2.1 Voting Rights. The Association shall have two (2) classes of voting Membership, Class A voting rights and Class B voting rights, as described in the Declaration. All voting rights shall be subject to the restrictions and limitations provided in the Declaration and in the Articles and these Bylaws of the Association.

2.2 Majority of Quorum. Unless otherwise expressly provided in the Articles, these Bylaws or the Declaration, any action which may be taken by the Association may be taken by a majority of a quorum of the Members of the Association.

2.3 Quorum. Except as otherwise provided in these Bylaws, the Articles or Declaration, the presence in person or by proxy of at least twenty percent (20%) of the voting power of each class of voting rights of the Membership of the Association shall constitute a quorum of the Membership.

2.4 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing. Every proxy shall be revocable by the Member(s) granting the proxy and shall automatically cease after completion of the meeting for which the proxy was filed, unless the Member(s) executing the proxy specify therein the length for which such proxy is to continue in force. However, a proxy terminates one year after its date, unless it specifies a shorter term. The proxy shall identify the person or persons authorized to exercise the proxy. The Board may prepare and adopt a form proxy to be used by the Members.

ARTICLE III

3. Administration.

3.1 Association Responsibilities. In accordance with the provisions of the Declaration, the Association shall have the responsibility of administering the Property, compiling the Budget, establishing and collecting all assessments authorized under the Declaration, and arranging for overall architectural control of the Property.

3.2 Place of Meetings of Members. Meetings of the Members shall be held at a location in convenient proximity to the Property, as may be designated from time to time by the Board of Directors.

3.3 Annual Meetings of Members. The first annual meeting of Members shall be held on or about the first anniversary of the Close of Escrow for the sale of the first Lot in the Association. Thereafter, the annual meetings of the Members shall be held on or about the anniversary date of the first annual meeting. Subject to the right of Declarant to appoint the Association's Directors as described in the Declaration, at each annual meeting there shall be elected by ballot of the Members the new Directors who shall be elected to fill vacancies created by the removal or expiration of the terms of the past Directors, in accordance with the requirements of Article IV, Section 4.5 of these Bylaws. The Members may also transact such other business of the Association as may properly come before them. Each first Mortgagee of a Lot in the Project may designate a representative to attend all annual meetings of the Members.

3.4 Special Meetings of Members. It shall be the duty of the Board to call a special meeting of the Members, as directed by resolution of a majority of the Board of Directors, by request of the President of the Association or upon receipt by the Secretary of a petition signed by Members representing at least twenty percent (20%) of the total voting power of the Association stating the purpose of the special meeting. The notice of any special meeting shall be given within twenty (20) days after adoption of such resolution or receipt of such request or petition and shall state the date, time and place of such meeting and the general nature of the business to be transacted. The special meeting shall be held not less than thirty-five (35) days nor more than ninety (90) days after adoption of such resolution or receipt of such request or petition. No business shall be transacted at a special meeting except as stated in the notice. Each first Mortgagee

of a Lot in the Project may designate a representative to attend all special meetings of the Members.

3.5 Notice; Record Dates. It shall be the duty of the Secretary, or other officer specified by the Board of Directors, to send a notice of each annual or special meeting by first-class mail, at least ten (10) but not more than sixty (60) days prior to such meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record, and to each first Mortgagee of a Lot, which Mortgagee has previously filed a written request for notice with the Secretary. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Members. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served when said notice has been deposited in a regular depository of the United States mail. The Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to notice of any meeting of Members. If the Board does not fix a record date for notice to Members, the record date for notice shall be the close of business on the business day preceding the day on which notice is given. In addition, the Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to vote at any meeting of Members. If the Board does not fix a record date for determining Members entitled to vote, Members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

3.6 Adjourned Meetings. If any meeting of Members cannot be organized because a quorum is not present, a majority of the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of the Members holding at least fifteen percent (15%) of the voting power of the Association. Such an adjourned meeting may be held without notice thereof as provided in this Article III, provided that notice is given by announcement at the meeting at which such adjournment is taken.

3.7 Order of Business. The order of business at all meetings of the Members may be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of Minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election or appointment of inspector of elections (at annual meetings or special meetings held for such purpose); (g) election of Directors (at annual meetings or special meetings held for such purpose); (h) unfinished business; and (i) new business.

The Board of Directors may adopt any other order of business for the meetings of the Members as the Board of Directors deems just and proper.

3.8 Action Without Meeting. Any action, which may be taken at a meeting of the Members (including the election of Directors) may be taken without a meeting by written ballot of the Members. Ballots shall be solicited in the same manner as provided in Section 3.5 for the giving of notice of meetings of Members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements, (b) the percentage of approvals necessary to approve the action, and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall set forth each proposed action or candidate, shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the Member specifies a choice, the vote shall be cast in accordance therewith. Receipt within the time period specified in the solicitation of a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting and a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast shall constitute approval by written ballot.

3.9 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 not present in person or by proxy, signs a written waiver of notice, or a consent to 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.

3.10 Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the Minutes executed by the Secretary that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV

4. Board of Directors.

4.1 Number and Qualification. Commencing with the first annual meeting of Members, the property, business and affairs of the Association shall be governed and managed by a Board of Directors composed of five (5) Persons, each of whom, except for those appointed and serving as first Directors, must either be an Owner or an agent of Declarant for so long as Declarant has control of the Board of Directors. Thereafter, at least a majority of the Board shall be Owners. The authorized number of Directors

may be changed by a duly adopted amendment to these Bylaws. Directors shall not receive any salary or compensation for their services as Directors unless such compensation is first approved by the vote or written consent of Members representing at least a majority of the voting power of the Association; provided, however, that (1) nothing herein contained shall be construed to preclude any Director from serving the Association in some other capacity and receiving compensation therefor, and (2) any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.2 Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Members.

4.3 Special Powers and Duties. Without prejudice to such foregoing general powers and duties and such powers and duties as are set forth in the Declaration, the Board of Directors is vested with, and responsible for, the following powers and duties:

(a) Subject to the provisions of the Declaration concerning Declarant's rights to appoint the officers of the Association, the power and duty to select, appoint, and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation, the Declaration and these Bylaws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Board.

(b) The power and duty to conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations therefor consistent with law, the Articles, the Declaration and these Bylaws, as the Board may deem necessary or advisable.

(c) The power but not the duty to change the principal office for the transaction of the business of the Association from one location to another within the County in which the Property is located; to designate any place within said County for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Section 3.2 hereof; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment, may deem best, provided that such seal shall at all times comply with the provisions of law.

(d) With the approval of Members representing at least two-thirds (2/3rds) of the voting power of the Association, the power but not the duty to borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the

Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor; provided, however, that the Common Elements may not be subjected to a Mortgage unless the requirements of Section 4.5(b) of the Declaration are first satisfied.

(e) The power and duty to fix and levy from time to time Annual Assessments and Special Assessments upon Members, as provided in the Declaration; to determine and fix the due date for the payment of such assessments, and the date upon which the same shall become delinquent; provided, however, that such assessments shall be fixed and levied only to provide for the payment of the Common Expenses of the Association and of taxes and assessments upon real or personal property owned, leased, controlled or occupied by the Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such Property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of its Members, in accordance with the provisions of the Declaration. Subject to any limitations imposed by the Declaration and these Bylaws, the Board of Directors shall have the power and duty to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the Association or welfare of its Members. The funds collected by the Board of Directors from the Members, attributable to replacement reserves, for maintenance recurring less frequently than annually, and for capital improvements, shall at all times be held in trust for the Members. Disbursements from such trust reserve fund shall be made only in accordance with the provisions of the Declaration. Such Annual Assessments and Special Assessments shall be fixed in accordance with the provisions of the Declaration. Should any Member fail to pay such assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent assessments as provided in the Declaration.

(f) The power and duty to enforce the provisions of the Declaration, these Bylaws or other agreements of the Association.

(g) The power and duty to contract for and pay for fire, casualty, blanket liability, malicious mischief, vandalism, errors and omissions, liquor liability and other insurance, insuring the Members, the Association, the Board of Directors and other interested parties, in accordance with the provisions of the Declaration, covering and protecting against such

damages or injuries as the Board deems advisable (which may include without limitation, medical expenses of persons injured on the Common Elements). The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Association.

(h) The power and duty to contract for and pay for maintenance, gardening, and common utilities services, and for materials and supplies and other Common Expenses relating to the Common Elements, and relating to the Lots only to the extent not separately metered or charged, and to employ personnel necessary for the operation of the Property, including legal and accounting services, and to contract for and pay for Improvements on the Common Elements.

(i) The power but not the duty to delegate its powers according to law to adopt these Bylaws.

(j) The power but not the duty to grant or quitclaim easements, licenses or rights of way in, on, or over the Common Elements for purposes not inconsistent with the intended use of the Property as a residential project.

(k) The power and duty to adopt such Rules and Regulations as the Board may deem necessary for the management of the Property, which Rules and Regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a meeting called for that purpose, or by the written consent of the Board in accordance with Section 4.13 hereof, and (2) they are distributed to the Members. Such Rules and Regulations may concern, without limitation, use of the Common Elements; signs; parking restrictions; collection and disposal of refuse; minimum standards of property maintenance consistent with the Declaration and the procedures for architectural review; and any other matter within the jurisdiction of the Association as provided in the Declaration; provided, however, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles of Incorporation and these Bylaws.

(l) The power and duty to keep, or cause to be kept, a complete record of all acts and corporate affairs of the Association.

(m) The power but not the duty to appoint a Membership Committee composed of at least one (1) Director and at least one (1) Association Member at large. The Membership Committee shall be responsible for contacting all purchasers of Lots in the Project as soon as any transfer of

title to a Lot is discovered. The Membership Committee shall further attempt to establish initial contact with all Members who are delinquent in the payment of any assessments or other charges due the Association.

4.4 Management Agent. The Board of Directors may engage a professional Manager for the Association at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 hereof. The maximum term of any such contract ("Management Contract") shall be one (1) year, unless a longer term is approved either by vote or written assent of a majority of the voting power of the Association or by VA or FHA, in which case the maximum term of the Management Contract shall be three (3) years. The maximum term of any contract providing for Declarant's services to the Association or the Project shall also be three (3) years. Each such contract for Declarant's services and each management Contract shall provide for its termination by either party thereto with cause upon no more than thirty (30) days' written notice to the other party, and without cause and without payment of a termination fee upon no more than ninety (90) days' written notice to the other party.

4.5 Election and Term of Office.

(a) Subject to the right of Declarant to appoint the Association's Directors, during a period of Declarant's control, as described in Nevada Revised Statute 116.3103(4), as may be amended from time to time, at each annual meeting of the Members, new Directors shall be elected by secret written ballot by the Members as provided in these Bylaws. All positions on the Board of Directors vacated as a result of the expiration of Declarant's appointment right or due to the expiration of the Past Directors' term shall be filled at the first annual or special meeting following the expiration of Declarant's appointment right. If an annual meeting is not held, or the Board is not elected thereat, the Board may be elected at any special meeting of the Members held for that purpose. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. The term of office of the three (3) Directors receiving the highest number of votes at the first meeting at which Directors are elected shall be two (2) years and the term of office of the two (2) Directors receiving the next highest number of votes at such meeting shall be one (1) year. At each annual meeting thereafter, new Directors shall be elected to fill vacancies created by the removal or expiration of the terms of past Directors. The term of office of each Director elected to fill a vacancy created by the expiration of the term of office of the respective past Director shall be two (2) years. The term of office of each Director elected or appointed to fill a vacancy created by the resignation, death or removal of his predecessor shall be the balance of the unserved term of his predecessor. Any person serving as a Director may be reelected, and there shall be no limitation on the number of terms during which he may serve. Cumulative voting shall be used in the election of Directors for any

election in which two (2) or more Directors are to be selected. If a Member cumulates his votes, such Member may cast a number of votes equal to the Member's share of the voting power multiplied by the number of Directors to be elected.

(b) Notwithstanding the foregoing, no later than sixty (60) days following the close of escrow for twenty-five percent (25%) of the Lots that may be created in the Project, at least one (1) member and not less than twenty-five percent (25%) of the Board must be elected by Owners other than Declarant and no later than sixty (60) days following the close of escrow for fifty percent (50%) of the Lots that may be created in the Project, at least two (2) members of the Board must be elected by Owners other than Declarant. Any person shall be an eligible candidate for such election upon receipt by the Secretary of a Declaration of Candidacy, signed by the candidate, at any time prior to the election. Such election shall be by secret written ballot. The person receiving the greatest number of votes cast by the Members other than Declarant shall be elected a Member of the Board in a coequal capacity with all other Directors. The remaining Directors of the Board shall be elected through the customary voting procedure outlined above.

4.6 Budget; Transfer of Association Records and Property.

(a) The Board shall distribute the proposed Budget it adopts in accordance with Section 5.2 of the Declaration.

(b) Within thirty (30) days after Owners other than Declarant may elect a majority of the Board, Declarant shall deliver to the Association all property of the Owners and of the Association held or controlled by Declarant, including, but not limited to, the following:

Within 30 days after Owners other than the Declarant may elect a majority of the members of the Board of Directors, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by him, including:

1. The original or a certified copy of the Recorded Declaration, as amended, the Association's Articles if the Association is incorporated, Bylaws, minute books and other books and records of the Association and any Rules and Regulations which may have been adopted.

2. An accounting for money of the Association and financial statements from the date the Association received money to the date

the period of the Declarant's control ends. The financial statements must fairly and accurately report the Association's financial condition prepared in accordance with generally accepted accounting principles.

3. The Association's money or control thereof.

4. All of the Declarant's tangible personal property that has been represented by the Declarant as property of the Association or, unless the Declarant has disclosed in the public offering statement that all such personal property used in the Association will remain the Declarant's property, all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Elements, and inventories of these properties.

5. A copy of any plans and specifications used in the construction of the Improvements in the Association which were completed within 2 years before the Declaration was recorded.

6. All insurance policies then in force, in which the Owners, the Association, or its directors and officers are named as insured persons.

7. Copies of any certificates of occupancy that may have been issued with respect to any Improvements comprising the Association other than Units in a planned community.

8. Any [renewable] permits and approvals issued by governmental bodies applicable to the Association which are in force and any other permits and approvals so issued and applicable which are required by law to be kept on the premises of the community.

9. Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective.

10. A roster of Owners and Mortgagees of Units and their addresses and telephone numbers, if known, as shown on the Declarant's records.

11. Contracts of employment in which the Association is a contracting party.

12. Any contract for service in which the Association is a

contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.

4.7 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by Declarant shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Any vacancy caused by the removal of a Director by Declarant shall be filled by Declarant. A Director may resign at any time by giving notice to the President, the Secretary or the Board. Any Director who ceases to be an Owner or an agent of Declarant shall be deemed to have resigned from the Board. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in case the Members fail to elect the full-number of authorized Directors at any meeting at which such election is to take place. Any vacancy not filled by the Directors may be filled by vote of the Members at the next annual meeting of the Members or at a special meeting of the Members called for such purpose.

4.8 Removal of Directors. At any regular or special meeting of the Members duly called, any one individual Director or the entire Board (other than Directors appointed by Declarant) may be removed prior to the expiration of their terms of office with or without cause by Members entitled to cast two-thirds of the voting power of all Members, at a meeting at which a quorum is present.

4.9 Organization Meeting of Board. The first regular ("organization") meeting of a newly elected Board of Directors shall be held within ten (10) days of election of the Board, at such place as shall be fixed and announced by the Directors at the meeting at which such Directors were elected, for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting; provided that (1) a majority of the whole Board shall be present when the time and place are announced at the annual meeting and (2) the meeting is held on the same day and at the same place as the annual meeting of the Members at which the newly constituted Board was elected.

4.10 Regular Meetings of Board. Regular meetings of the Board of Directors shall be open to all Members, provided that Members who are not Directors may not participate in any deliberation or discussion at such regular meetings unless expressly so authorized by a vote of a majority of a quorum of the Board of Directors. Regular meetings may be held at such time and place as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meetings shall be held no less frequently than quarterly. Notice of the time and place of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least four (4) days prior to the date named for such meeting.

4.11 Special Meetings of Board. Special meetings of the Board of Directors shall

be open to all members, provided that Members who are not Directors may not participate in any deliberation or discussion at such special meetings, unless expressly so authorized by a vote of a majority of a quorum of the Board of Directors. Special meetings may be called by the President or by any two (2) Directors upon four (4) days' notice by first-class mail or seventy-two (72) hours, notice delivered personally or by telephone or telegraph. The notice shall state the time, place (as hereinabove provided) and the purpose of the meeting.

4.12 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall be a waiver by him of personal notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting, or an approval of the Minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the Minutes of the meeting.

4.13 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if a majority of the Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a majority vote of such Directors.

4.14 Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to another time. At any such reconvened meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice if a quorum is present.

The Board of Directors may, with the approval of a majority of the Directors present at a meeting at which a quorum has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, matters that relate to the formation of contracts with third parties, and orders of business of a similar nature or any other issue that involves matters requiring privacy. The nature of any and all business to be considered in executive session shall first be announced in open session, and shall be generally

noted in the minutes of the Board.

4.15 Committees. The Board of Directors, by resolution, may from time to time designate such advisory and other committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members (at least one of which must be a Director), as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board. No such committee may (a) amend, alter or repeal these Bylaws; (b) elect, appoint or remove any member of any such committee or any Director or officer of the Association; (c) amend or repeal the Articles, adopt a plan of merger or a plan of consolidation with another corporation; (d) authorize the sale, lease or exchange of all of the property and assets of the Association; (e) authorize the voluntary dissolution of the Association or revoke proceedings therefor; (f) adopt a plan for the distribution of the assets of the Association; or (g) amend, alter or repeal any resolution of the Board unless it provides by its terms that it may be amended, altered or repealed by a committee.

ARTICLE V

5. Officers.

5.1 Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Officers other than the President need not be Directors. Any Person may hold more than one office.

5.2 Election of Officers. Subject to the right of Declarant to appoint the officers of the Association during a period of Declarant's control, the officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors, and each officer shall hold his office at the pleasure of the Board of Directors, until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

5.3 Removal of Officers. Subject to the right of Declarant to appoint the officers of the Association during a period of Declarant's control, upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise

specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

5.4 Compensation. Officers, agents and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board; provided, however, that no officer shall receive any compensation for services performed in the conduct of the Association's business unless such compensation is approved by the vote or written consent of Members representing at least a majority of the voting power of the Association; and provided further, that (1) nothing herein contained shall be construed to preclude any officer from serving the Association in some other capacity and receiving compensation therefor, and (2) any officer may be reimbursed for his actual expenses incurred in the performance of his duties. Appointment of any officer, agent, or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, or employee. Notwithstanding the foregoing, no officer, employee or director of Declarant or any affiliate of Declarant may receive any compensation.

5.5 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 of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Association. The President shall sign all leases, mortgages, deeds and other instruments, and shall co-sign all checks and promissory notes; provided, however, that the President need not do so if persons other than the President are authorized by the Board to do so in accordance with Sections 11.1 or 11.2 hereof. The President shall be ex officio a member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws of the Association.

5.6 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or disabled or whenever the President refuses or is unable to act. If neither the President nor the Vice President is able to act, the Board of Directors 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 shall from time to time be imposed upon him by the Board of Directors or these Bylaws of the Association.

5.7 Secretary. The Secretary shall keep the Minutes of all meetings of the Board of Directors and the Minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association

and of the Board of Directors required by these Bylaws or by law to be given. The Secretary shall maintain a record book of Members, listing the names, mailing addresses and telephone numbers of Members, as furnished to the Association ("Membership Register"). Termination or transfer of ownership by any Member shall be recorded in the Membership Register by the Secretary, together with the date of the transfer, in accordance with the provisions of the Declaration. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

5.8 Treasurer. The Treasurer shall be the chief financial officer of the Association and shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other 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 of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, in accordance with the Declaration, shall render to the President and Directors, upon request, an account of all of his transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws. The Treasurer shall sign all checks and promissory notes; provided, however, that the Treasurer need not do so if persons other than the Treasurer are authorized by the Board to do so in accordance with Sections 11.1 or 11.2 hereof.

ARTICLE VI

6. Obligations of the Members.

6.1 Assessments.

(a) All Members are obligated to pay, in accordance with the provisions of the Declaration, all assessments imposed by the Association, to meet all expenses of the Association.

(b) All delinquent assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration.

6.2 Maintenance and Repair.

(a) Every Member must perform promptly, at his sole cost and expense, such maintenance and repair work within his own Unit, as required under the provisions of the Declaration. As further provided in the Declaration, all plans for alterations of Units must receive the prior written consent of the Board of Directors. The Board of Directors shall establish

reasonable procedures for the granting of such approval, in accordance with the Declaration.

(b) As further provided in the Declaration, each Member shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Common Elements, which is damaged through the fault of such Member or his Family or Guests. Such expenditures shall include all court costs and reasonable attorneys' fees incurred in enforcing any provision of these Bylaws or the Declaration.

ARTICLE VII

7. **Amendments to Bylaws.** These Bylaws may be amended by the Association by the vote or written consent of Members representing at least a majority of the voting power of the Association; provided that the specified percentage of the Members necessary to amend a specific Section or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that Section or provision; provided further, that these Bylaws may be amended by a majority of the entire Board at any time prior to the close of escrow for the sale of the first Lot. In addition to the foregoing, any amendment to these Bylaws which materially affects matters delineated in Article 13 or Article 14, Sections 14.1 or 14.2, of the Declaration must be approved by the Beneficiaries of that percentage of first Mortgages on the Lots which is specified in the affected provision of Article 13 or Article 14, Sections 14.1 or 14.2 of the Declaration, respectively; provided that, if an amendment to these Bylaws materially affects matters delineated in both Article 13 and Article 14, Sections 14.1 or 14.2 of the Declaration or purports to amend this sentence, the amendment must be approved pursuant to the requirements of both said Article 13 and Article 14, Sections 14.1 or 14.2. So long as Declarant is entitled to cast votes representing a majority of the voting power of the Association, any amendment of these Bylaws shall require the approval of VA and FHA. A draft of the proposed amendment shall be submitted to VA and FHA for approval prior to its approval by the Membership of the Association.

ARTICLE VIII

8. Mortgagees.

8.1 **Notice to Association.** Upon request by the Association, a Member who mortgages his Lot shall notify the Association through the Manager, or through the Secretary in the event there is no Manager, of the name and address of his Mortgagee; and the Association shall maintain such information in the Association records. Upon request, any such Member shall likewise notify the Association as to the release or discharge of any such Mortgage.

8.2 **Notice of Unpaid Assessments.** The Board of Directors of the Association

shall at the request of a Mortgagee of a Lot, report any unpaid assessments due from the Unit Owner of such Lot, in accordance with the provisions of the Declaration.

ARTICLE IX

9. Conflicting Provisions. In case any of these Bylaws conflict with any provisions of the laws of the State of Nevada, such conflicting Bylaws shall be null and void upon final court determination to such effect, but all other Bylaws shall remain in full force and effect. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE X

10. Indemnification of Directors and Officers. The Board may authorize the Association to pay expenses incurred by, or to satisfy a judgment or fine levied against, any present or former director, officer, employee, or agent of the Association to the extent and under the circumstances provided in the Declaration.

ARTICLE XI

11. Miscellaneous.

11.1 Checks, Drafts and Documents. All checks, drafts, orders for payment of money, notes and other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed in the manner and by the person or persons as the Board shall determine by resolution.

11.2 Execution of Documents. The Board of Directors 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 of Directors, no officer, agent, committee member or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

11.3 Availability of Association Documents. In addition to the rights afforded by the Declaration to Beneficiaries, insurers and guarantors of first Mortgages with regard to inspection of the Association's management documents, the Association shall maintain at its principal office (or at such other place as the Board may prescribe) the Articles, Bylaws, Declaration, Rules and Regulations and the Association's books of account; minutes of meetings of Members, the Board and Board committees; and the Membership Register (collectively, the "Association Documents"), each of which shall be made available for inspection and copying by any Member or the Member's duly appointed

representative for a purpose reasonably related to the Member's interest as a Member, as further provided in Sections 82.181 and 82.186 of the Nevada Revised Statutes, as may be amended from time to time.

11.4 Fiscal Year. The Fiscal Year of the Association shall be determined by the Board of Directors, and having been so determined, is subject to change from time to time as the Board of Directors shall determine.

ARTICLE XII

12. Notice and Hearing Procedure.

12.1 Suspension of Privileges. In the event of an alleged violation of the Declaration, these Bylaws or the Rules and Regulations of the Association, and after written notice of such alleged failure is delivered personally or mailed to the Member or any agent of the Member ("respondent") alleged to be in default in the manner herein provided, by first-class mail or by certified mail return receipt requested, or both, the Board of Directors shall have the right, after affording the respondent an opportunity for an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of all Directors on the Board, to take any one (1) or more of the following actions: (1) levy a Special Assessment as provided in the Declaration; (2) suspend said Member's voting privileges as a Member, as further provided in the Declaration; (3) enter upon a Lot to make necessary repairs, or to perform maintenance which, according to the Declaration, is the responsibility of the Owner of such Lot; (4) record a notice of noncompliance encumbering the Lot of the respondent; or (5) suspend or condition the right of said Member to use any recreational facilities in the Property. Any such suspension shall be for a period of not more than thirty (30) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) may be imposed for so long as the violation continues. The failure of the Board to enforce the Rules and Regulations of the Association, these Bylaws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by these Bylaws shall be cumulative and none shall be exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by these Bylaws, or by the Rules and Regulations of the Association, before that Member may resort to a court of law for relief with respect to any alleged violation of the Declaration, these Bylaws or the Rules and Regulations of the Association by another Member, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Member where the complaint alleges nonpayment of Annual Assessments, Special Assessments or Reconstruction Assessments.

12.2 Written Complaint. A hearing to determine whether a right or privilege of the respondent under the Declaration or these Bylaws should be suspended or conditioned, or whether a Special Assessment should be levied, shall be initiated by the

filing of a written complaint by any Member or by any officer or member of the Board of Directors with the President of the Association or other presiding member of the Board. The Board of Directors and its agents or employees shall prepare a Complaint constituting a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, and a reference to the specific provisions of the Declaration, these Bylaws or the Rules and Regulations of the Association which the respondent is alleged to have violated. A copy of the Complaint prepared by the Board of Directors or its agents or employees shall be delivered to the respondent in accordance with the notice procedures set forth in the Declaration, together with a statement which shall be substantially in the following form:

"Unless a written request for a hearing signed by or on behalf of the person named as respondent in the accompanying Complaint is delivered or mailed to the Board of Directors within fifteen (15) days after the Complaint, the Board of Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled Notice of Defense to the Board of Directors at the following address: 901 N. Green Valley Parkway, # 200,
Henderson, Nevada 89014

You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Directors, you may contact Alex Corlino, 901 N.

Green Valley Pkwy # 200, Henderson, Nevada
89014

The respondent shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board of Directors. The respondent may file a separate statement by way of mitigation, even if he does not file a Notice of Defense.

12.3 Notice of Hearing. The Board shall serve a notice of hearing, as provided herein, on all parties at least ten (10) days prior to the hearing, if such hearing is requested by the respondent. The hearing shall be held no sooner than thirty (30) days after the Complaint is mailed or delivered to the respondent as provided in Section 12.2 of this Article XII. The notice to the respondent shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before the Board of Directors of the Estates at Seola Homeowners Association at Hills

_____ on the _____ day of _____, 199_____,
at the hour of _____, upon the charges made in the
Complaint served upon you. You may be present at the hearing, may but
need not be represented by counsel, may present any relevant evidence,
and will be given full opportunity to cross-examine all witnesses testifying
against you. You are entitled to request the attendance of witnesses and
the production of books, documents or other items by applying to the Board
of Directors of the Association."

12.4 Hearing. The hearing shall be held before the Board in executive session pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice, and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or Director who mailed or delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. No action against the Member arising from the alleged violation shall take effect prior to the expiration of (a) fifteen (15) days after the Member's receipt of the notice of hearing, and (b) five (5) days after the hearing required herein.

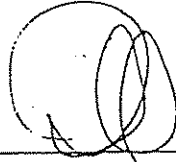
CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of THE ESTATES AT SEVEN HILLS OWNERS ASSOCIATION, a Nevada nonprofit corporation ("Association"); and

2. The foregoing Bylaws comprising 21 pages including this page constitute the Bylaws of the Association duly adopted by the Board of Directors of the Association on _____, 1997.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Association this day of 1997.



Jeff Holm, Secretary

(SEAL)

**FIRST STATUTORILY MANDATED AMENDMENT
TO THE BY-LAWS OF THE ESTATES AT SEVEN HILLS OWNERS' ASSOCIATION**

AMENDMENT TO THE BY-LAWS

TABLE OF CONTENTS

Page #

ARTICLE II

VOTING BY ASSOCIATION MEMBERSHIP 1
Section 2.3 Quorum 1
Section 2.4 Proxies 2

ARTICLE III

ADMINISTRATION 2
Section 3.2 Place of Meetings of Members 2
Section 3.3 Annual Meetings of Members 3
Section 3.4 Special Meetings of Members 3
Section 3.5 Notice; Record Dates 3
Section 3.5A Agenda for Meetings of Members 4
Section 3.10 Minutes; Presumption of Notice 4
Section 3.11 Notice of Meeting to Consider Assessment for Capital Improvement ... 4
Section 3.12 Notice of Meeting for Certain Civil Actions 5

ARTICLE IV

BOARD OF DIRECTORS 5
Section 4.0 Election of Directors After Period of Declarant's Control 5
Section 4.3(l) Review of Association Records and Papers 5
Section 4.5(b) Time of Election 6
Section 4.5(c) Notice of Election and Ability to Serve on Board of Directors 6
Section 4.5(d) Ability to Serve on Board of Directors 6
Section 4.5(e) Election Procedure & Certification 6
Section 4.6 Budget; Transfer of Association Records and Property 7
Section 4.6A Reserve Studies 7
Section 4.6B Reserve Fund Withdrawals 8
Section 4.11A Notice of Board Meetings 8
Section 4.11B Agenda for Board Meetings 9
Section 4.11C Board Actions Required 9
Section 4.11D Minutes of Board Meetings 10
Section 4.16 Right to Speak at Meetings of the Board 10
Section 4.17 Executive Session 10

ARTICLE VII

AMENDMENTS TO BYLAWS 11

ARTICLE IX

CONFLICTING PROVISIONS 11

FIRST STATUTORILY MANDATED AMENDMENT TO THE BY-LAWS OF THE
ESTATES AT SEVEN HILLS OWNERS' ASSOCIATION

THIS AMENDMENT TO THE BY-LAWS is made on this ____ day of _____,
2000 by the Estates at Seven Hills Owners' Association, a Nevada non-profit corporation (the
"Association").

RECITALS

WHEREAS, the By-Laws for Estates at Seven Hills Owners' Association (The "By-Laws")
created the Estates at Seven Hills Owners' Association (the "Association") a Nevada non-profit
corporation and vested the Board of Directors (the "Board") with the power to govern and control
the Estates at Seven Hills Community (the "Community"); and

WHEREAS, the 1999 Nevada Legislature adopted Senate Bill 451 on October 1, 1999 which
made certain changes to Nevada Revised Statutes Chapter 116, the Uniform Common-Interest
Ownership Act (the "Act").

WHEREAS Section 37 of Senate Bill 451 requires that any declaration, by-law, or other
governing document of a common-interest community created on or after January 1, 1992, that does
not conform to the provisions of the Act, as amended, must be changed to conform to those
provisions, and may be so changed without complying with the procedural requirements generally
applicable to the adoption of an amendment to such a declaration, by-law, or other governing
document.

NOW, THEREFORE, the following sections of the By-Laws of the Association are hereby
amended, deleted, or added as follows:

VOTING BY ASSOCIATION MEMBERSHIP

Article II Section 2.3 is hereby amended to include the following:

Section 2.3 Quorum

For the purposes of determining whether a quorum is present for the election of any Director,
only the persons present and the secret written ballots that are returned to the Association
may be counted.

VOTING BY ASSOCIATION MEMBERSHIP

Article II Section 2.4 is hereby amended to include the following:

Section 2.4 Proxies

1. Except as otherwise provided in the Act, votes allocated to a unit may be cast pursuant to a proxy executed by a Member. The use of proxies is subject to the following requirements:
 - a. Eligibility: A Member may give a proxy only to a member of his immediate family, a tenant of the Member who resides in the Association or another Member who resides in the Association.
 - b. Directed Proxies: A proxy is void if it is not dated or purports to be revocable without notice or if it does not designate the votes that must be cast on behalf of the Member who executed the proxy.
 - c. Term: A proxy terminates immediately after the conclusion of the meeting for which it was executed. If a meeting cannot be held because a quorum is not present and the meeting is adjourned, then the proxy is valid at the reconvened meeting.
 - d. Quorum: A proxy may not be used to establish a quorum for the election of Directors. For the purposes of determining if a quorum is present for the election of Directors, only the persons present and the secret written ballots returned to the Association may be counted.
 - e. Use: A proxy may not be used for the election of any Director.
 - f. Disclosure: A proxy is void if the holder of the proxy does not disclose at the beginning of the meeting for which the proxy is executed, the number of proxies for which he will be casting votes and the voting instructions received for each proxy.
 - g. Multiple Owners: If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through an executed proxy.
 - h. Revocation: A Member may revoke a proxy only by actual notice of revocation to the person presiding over a meeting of the Association.

ADMINISTRATION

Article III Section 3.2 is hereby amended to include the following:

Section 3.2 Place of Meetings of Members

1. The meeting of the Members will be held at such place, within Clark County, Nevada, as the Board of Directors may determine.

ADMINISTRATION

Article III Section 3.3 is hereby amended to include the following:

Section 3.3 Annual Meetings of Members

1. A meeting of the Members must be held at least once each year. If the governing documents do not designate an annual meeting date of the Members, a meeting of the Members must be held 1 year after the date of the last meeting. If the Members have not held a meeting for 1 year, a meeting of the Members must be held consistent with the governing documents and the Act.

ADMINISTRATION

Article III Section 3.4 is hereby amended to include the following:

Section 3.4 Special Meetings of Members

1. Special meetings of the Members may be called by the President, a majority of the Board, or by Owners having 10 percent, or any lower percentage specified in the By-Laws, of the votes in the Association.

ADMINISTRATION

Article III Section 3.5 is hereby amended to include the following:

Section 3.5 Notice; Record Dates

1. Time Period The Association or its duly authorized agent shall send notice of each annual or special meeting of the Members by first-class mail, at least ten (10) but not more than sixty (60) days in advance of such meeting.
2. Purpose and Date The notice must state the purpose of the meeting, the date and hour of the meeting, and the place where it is to be held. The notice must be sent to each Member, and to each first Mortgagee of a unit, which Mortgagee has filed a written request for notice.
3. Contents The notice of the meeting must include notification of the right of a Member to:
 - a. Have a copy of the minutes or a summary of the minutes of the meeting distributed to the Member upon request and payment of the cost of making the distribution.
 - b. Speak to the Association.

ADMINISTRATION

Article III Section 3.5A is hereby added to read as follows:

Section 3.5A Agenda for Meetings of Members

1. Contents: The agenda for a meeting of the Members must consist of:
 - a. A clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Declaration or By-Laws, any fees or assessments to be imposed or increased by the Association, any budgetary changes and any proposal to remove an Officer or Director.
 - b. A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. Only in an Emergency, the Members may take action on an item which is not listed on the agenda as an item on which action may be taken.
 - c. A period devoted to comments by Members and discussion of those comments. Except in Emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph b.

ADMINISTRATION

Article III Section 3.10 is hereby amended to include the following:

Section 3.10 Minutes; Presumption of Notice

Not more than 30 days after any meeting of the Members, the Board or any officer or agent acting under the direction of the Board 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 a summary of the minutes must be provided to any Member who pays the Association the cost of providing the copy.

ADMINISTRATION

Article III Section 3.11 is hereby added to read as follows:

Section 3.11 Notice of Meeting to Consider Assessment for Capital Improvement

The Association shall provide written notice to each Member of a meeting at which an assessment for a capital improvement is to be considered or action is to be taken on such an assessment at least 21 calendar days before the meeting unless a longer period of time is set forth in the governing documents of the Association.

ADMINISTRATION

Article III Section 3.12 is hereby added to read as follows:

Section 3.12 Notice of Meeting for Certain Civil Actions

The Association shall provide written notice to each Member of a meeting at which at the Association will consider commencement of a civil action that requires Membership approval under the Act at least 21 calendar days before the meeting, unless a longer period is set forth in the governing documents of the Association.

BOARD OF DIRECTORS

Article IV Section 4.0 is hereby added to read as follows:

Section 4.0 Election of Directors After Period of Declarant's Control

Except as otherwise provided in the Act, upon termination of any period of Declarant's control, the units' owners shall elect an Board of at least five (5) members, all of which must be Members of the Association. The Board shall elect the Officers. The Members and Officers of the Board shall take office upon election.

BOARD OF DIRECTORS

Article IV Section 4.3(I) is hereby amended to include the following:

Section 4.3(I) Review of Association Records and Papers

1. Available Documents the Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage, any Member, or the duly appointed representative of any of the foregoing Lot the Declaration, the By-Laws, the Articles of Incorporation, and any other governing documents including any amendments, the Rules and Regulations, the financial statements, the budgets, the reserve studies, the membership register, any books of account, and the minutes of meetings of the Members, the Board, and committees. The provisions of this subsection do not apply to the personnel records of the employees of the Association or the records of the Association relating to another unit's owner.
2. Time and Place The Board shall provide for such inspection to take place at the office of the Association during the regular working hours of the Association or at such other place within the Property as the Board shall designate.
3. Time Period and Cost The Board shall provide a copy of any of the records required to be maintained pursuant to the Act to a Member within 14 days after receiving a written request therefor. The Board may charge a fee to cover the actual costs of preparing a copy, but not to exceed 25 cents per page or any other amount established under Nevada law.

BOARD OF DIRECTORS

Article IV Section 4.5(b) is hereby added to read as follows:

Section 4.5(b) Time of Election

After termination of the period of Declarant's control, the month for the election of Directors shall be set each year within approximately twelve months of the previous election, providing that meeting space is available and quorum requirements are met.

BOARD OF DIRECTORS

Article IV Section 4.5(c) is hereby added to read as follows:

Section 4.5(c) Notice of Election and Ability to Serve on Board of Directors

Not less than 30 days before the preparation of a ballot for the election of Directors, the Board or any other agent acting under the direction of the Board shall cause notice to be given to each Member of his or her eligibility to serve as a Director. Each Member who is qualified to serve as a Director may have his or her name placed on the ballot along with the names of the nominees selected by the Directors or a nominating committee established by the Association.

BOARD OF DIRECTORS

Article IV Section 4.5(d) is hereby added to read as follows:

Section 4.5(d) Ability to Serve on Board of Directors

1. An officer, employee, agent, or director of a corporate owner of a unit, a trustee or designated beneficiary of a trust that owns a unit, a partner of a partnership that owns a unit, a fiduciary of an estate that owns a unit, and the record owner of a unit may be an Officer or Director. In all events where the person serving or offering to serve as an Officer or Director is not the record owner, he or she shall file proof in the records of the Association that:
 - a. He or she is associated with the corporate owner, trust, partnership or estate as required by this subsection; and
 - b. Identifies the unit or units owned by the corporate owner, trust partnership, or estate.

BOARD OF DIRECTORS

Article IV Section 4.5(e) is hereby added to read as follows:

Section 4.5(e) Election Procedure & Certification

1. Secret Ballot The election of any member of the Board must be conducted by secret written ballot. The Board or any officer or agent acting under the direction of the

Board shall cause a secret ballot and a return envelope to be sent prepaid by United States mail to the mailing address of each unit within the Association or to any other mailing address designated in writing by the Member.

2. Certification Each Director shall, within 30 days after his or her appointment or election, certify in writing that he or she has read and understands the governing documents of the Association and applicable provisions of the Act to the best of his or her ability.

BOARD OF DIRECTORS

Article IV Section 4.6 is hereby amended to include the following:

Section 4.6 Budget; Transfer of Association Records and Property

1. Budget for Daily Operation: The Board shall, not less than 30 days or more than 60 days before the beginning of the fiscal year of the Association, prepare a copy of the budget for the daily operation of the Association. The budget must include, without limitation, the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve account of the Association.
2. Budget to Maintain Reserves: The Board shall not less than 30 or more than 60 days before the beginning of the fiscal year of the Association, prepare a copy of the budget to maintain the reserve required by the Act. The budget must include each of the elements required by the Act.
3. Distribution of the Budgets: In lieu of distributing copies of the budgets, the Board may distribute to each Member a summary of those budgets, accompanied by a written notice that the budgets are available for review at the business office of the Association or other suitable location and that copies of the budgets will be provided at the Member's expense upon request.

BOARD OF DIRECTORS

Article IV Section 4.6A is hereby added to read as follows:

Section 4.6A Reserve Studies

1. Period and Purpose The Board of the Association shall cause to be conducted at least once every 5 years, a study of the reserves required to repair, replace, and restore the major components of Common Elements. The Board shall review the results of the study annually to determine if the reserves are sufficient and make any adjustments it deems necessary to maintain the required reserves.

2. Qualifications The person conducting the reserve study including a member of the Board, a Member, or the property manager of the Association shall meet the qualifications of training and experience, which shall be adopted by regulation by the Administrator.
3. Contents The study must include, without limitation:
 - a. A summary of an inspection of the major components of Common Elements the Association is obligated to repair, replace, or restore;
 - b. An identification of the major components of Common Elements that the Association is obligated to repair, replace, or restore which have a remaining useful life of less than 30 years;
 - c. An estimate of the remaining useful life of each major component identified pursuant to subparagraph b;
 - d. An estimate of the cost of repair, replacement, or restoration of each major component identified pursuant to subparagraph b during and at the end of its useful life; and
 - e. An estimate of the total annual assessment that may be required to cover the cost of repair, replacement, or restoration of the major components identified pursuant to paragraph b, after subtracting the reserves of the Association as of the date of the study.

BOARD OF DIRECTORS

Article IV Section 4.6B is hereby added to read as follows:

Section 4.6B Reserve Fund Withdrawals

Money in the reserve account of the Association required by the Act may not be withdrawn without the signatures of at least two Directors or the signatures of at least one Director and one Office who is not a Director.

BOARD OF DIRECTORS

Article IV Section 4.11A is hereby added to read as follows:

Section 4.11A Notice of Board Meetings

1. Time Period Except in an Emergency, the Association shall, not less than 10 days before the date of a meeting of the Board, cause notice of the meeting to be given to the Members.
2. Method of Delivery Notice of the Board meeting must be sent prepaid by United States mail to the mailing address of each unit within the Association or to any other mailing address designated in writing by the Member; or published in a newsletter or other similar publication that is circulated to each Member.

3. Method of Delivery for Emergency Meetings In an Emergency, the Association shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each unit within the Association. If delivery of the notice in this manner is impracticable, the notice must be hand-delivered to each unit within the Association or posted in a prominent place or places within Common Elements of the Association.
4. Contents The notice must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the Members of the Association. The notice must also include notice of the right of a Member to have a copy or a summary of the minutes distributed upon request and, if required, upon payment to the Association of the cost of making the distribution and the right to speak to the Association or the Board, unless the Board is meeting in an executive session.

BOARD OF DIRECTORS

Article IV Section 4.11B is hereby added to read as follows:

Section 4.11B Agenda for Board Meetings

The agenda of the meeting of the Board must comply with the provisions of the Act. The period required to be devoted to comments by Members and discussion of those comments must be scheduled for the beginning of each meeting. Only 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.

BOARD OF DIRECTORS

Article IV Section 4.11C is hereby added to read as follows:

Section 4.11C Board Actions Required

1. At least once every 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.

BOARD OF DIRECTORS

Article IV Section 4.11D is hereby added to read as follows:

Section 4.11D Minutes of Board Meetings

The minutes or a summary of the minutes of a meeting of the Board must be made available to the Members in accordance with the provisions of the Act.

BOARD OF DIRECTORS

Article IV Section 4.16 is hereby added to read as follows:

Section 4.16 Right to Speak at Meetings of the Board

Subject to the provisions of Section 4.17, a Member may attend and speak at any meeting of the Board. Except for the executive session of the Board, Members may participate in the Board meeting by addressing the Board during the Member comment section of the agenda, which must be held at the beginning of the Board meeting. However, the Board may set reasonable limitations on the comments including limiting the time a Member may speak.

BOARD OF DIRECTORS

Article IV Section 4.17 is hereby added to read as follows:

Section 4.17 Executive Session

1. Purpose. The Board may meet in executive session to:
 - a. 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 privileges allowed by law; or
 - b. Discuss matters relating to personnel; or
 - c. Discuss a violation of the governing documents alleged to have been committed by a Member or any other occupant, family member, guest, or invitee occupying or visiting a Lot; and
 - d. For any other reason consistent with and permitted by Nevada law.
2. Members' Right to Attend Except as otherwise provided in subsection 3, below, a Member is not entitled to attend or speak at a meeting of the Board held in executive session.
3. Hearings Held in Executive Session Any Member who has alleged to have committed a violation shall be given an opportunity to be heard in writing or in a hearing before the Board. The Member may be excluded from any other portion of the hearing, including, without limitation, the deliberations of the Board. The Member who allegedly committed the violation may request, in writing, that the opportunity to be heard be offered at an open meeting.

4. Minutes Except as otherwise provided in this subsection, any matter discussed in executive session must be generally noted in the minutes of the Board meeting. The Board shall maintain minutes of any decision made in executive session and, upon request, provide a copy of the decision to the Member who was the subject of the hearing or to his or her designated representative.

AMENDMENTS TO BYLAWS

Article VII is hereby amended to include the following:

If any change is made to the governing documents of the Association, the Association or its duly authorized agent shall, within 30 days after the change is made, prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the Member, a copy of the change that was made.

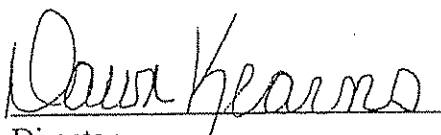
CONFLICTING PROVISIONS

Article IX is hereby amended to include the following:

In the event that any provision of the By-Laws shall be inconsistent with any provision adopted pursuant to Senate Bill 451 or any subsequent provision of the Act, the provision adopted pursuant to Senate Bill 451 or the provision of the Act shall control unless stated otherwise in the provision or the Act.

IN WITNESS WHEREOF, this First Statutorily Mandated Amendment has been executed by the Association as of the date first above written. The undersigned hereby certify that this First Statutorily Mandated Amendment has been adopted and approved in accordance with the Act.

By: 
President

By: 
Director

Amendment to the By-Laws of the Estates at Seven Hills Owners Association

THIS AMMENDMENT TO THE BY-LAWS is made on this 30th day of November, 2011 by the Estates at Seven Hills Owners Association, a Nevada non-profit corporation (the "Association").

RECITALS

WHEREAS, the By-Laws for the Estates at Seven Hills Owners Association (the "By-Laws") created the Estates at Seven Hills Owners Association (the "Association") a Nevada non-profit corporation and vested the Board of Directors (the "Board") with the power to govern and control the Estates at Seven Hills Community (the "Community"); and

WHEREAS, the current mailing address as shown in Article XII, Section 12.2 is no longer the correct mailing address for the association,

NOW, THEREFORE, the following section of the By-Laws of the Association are hereby amended as follows:

NOTICE AND HARING PROCEDURE

Article XII, Section 12.2 is hereby amended to the following:

Section 12.2 Written Complaint

A hearing to determine whether a right of privileges of the respondent under the declaration of these by-laws should be suspended or conditioned, or whether a Special Assessment should be levied, shall be initiated by the filing of a written complaint by any member or by any officer or member if the Board of Directors with the President of the Association or other presiding member if the Board. The Board of Directors and its agents or employees shall a Complaint constituting a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, and a reference to the specific provisions of the Declaration, these bylaws of the Rules and Regulations of the Association which the respondent is alleged to have violated. A copy of the Complaint prepared by the Board of Directors or its agents or employees shall be delivered to the respondent in accordance with the notice procedures set forth in the Declaration, together with a statement which shall be substantially in the following form:

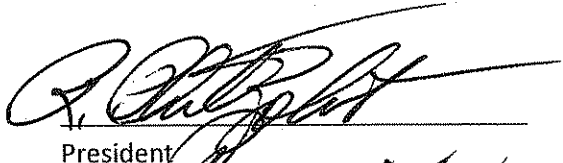
"Unless a written request for a hearing signed by or on behalf of the person named as a respondent in the accompanying Compliant is delivered or mailed to the Board of Directors within fifteen (15) days after the Complaint, the Board of Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled Notice of Defense to the Board of Directors at the mailing address of the current management company.

You may not, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings or items on file in connections with this matter in the possession, custody or control of the board of directors, you may contact the current management company at their mailing address."

The respondent shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board of Directors. The respondent may file a separate statement by way of mitigation, even if he does not file a Notice of Defense.

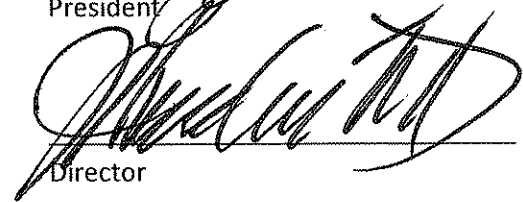
IN WITNESS WHEREOF, this Amendment has been executed by the Association as of the date first above written. The undersigned hereby certify that this Amendment has been adopted and approved in accordance with the Act.

By:



President

By:



Director