

**RESTATED BYLAWS
OF
CRYSTAL SHORES WEST ASSOCIATION**

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**RESTATED BYLAWS
OF
CRYSTAL SHORES WEST ASSOCIATION**

ARTICLE I.

DEFINITIONS

Unless the context clearly indicates a different meaning therefore, the following words, phrases or terms as hereinafter used in these Bylaws (regardless of the tense or person in which the same may be used) shall be deemed to mean and shall be defined as hereinafter in this Article I set forth:

1.1. Articles of Incorporation.

The Articles of Incorporation of this corporation as the same may be amended from time to time.

1.2. Association.

The CRYSTAL SHORES WEST ASSOCIATION, a non-profit corporation.

1.3. Bylaws.

These Bylaws, as the same may be amended from time to time.

1.4. Charges and Assessments.

All charges and assessments, general and special, to which the property under the jurisdiction of this corporation is or may be subject under and pursuant to Article VII of the Declaration hereinafter defined.

1.5. County.

County shall mean the County of Washoe, Nevada.

1.6. Declaration.

The specific Declaration of Covenants, Conditions, Restrictions and Easements referred to in Article IX hereof as such may be amended, modified, changed or extended from time to time, and shall not mean nor include any other Declaration.

1.7. Jurisdiction.

All of the rights, duties, obligations, and authority of this corporation in connection with real property and the improvements thereon now or hereafter subject to such Declaration

1.8. Member or Membership.

A member of or membership in this corporation.

1.9. Person.

A natural person, a partnership, an association or a corporation.

1.10. Planning Commission.

Planning Commission shall mean the Regional Planning Commission of the County of Washoe, Nevada.

1.11. Recorded, Recording and of Record.

Recorded, recording or of record where an instrument has been or is duly acknowledged and filed for recording and has actually been recorded as a public record in the Office of the County Recorder of Washoe County, Nevada.

ARTICLE II.

MEMBERSHIP

2.1. Qualifications.

Qualifications for membership and number and classes of members shall be as are set forth in Article X of the Articles of Incorporation of the Corporation.

2.2. Joint and Common Tenancy.

With regard to any interest held by a husband and wife in joint tenancy or as tenants in common, the husband shall be deemed to be the member, and shall remain such until both such husband and wife shall advise this corporation in writing that the wife shall be the member, whereupon the wife shall be deemed to be the member. With regard to any interest held by more than one person (other than a husband and wife) as joint tenants or as tenants in common, the member shall be such one of such joint tenants or tenants in common as all of such joint tenants or tenants in common shall advise this corporation in writing, and until this corporation receives such advice, the member shall be the one of such joint tenants or tenants in common who shall be designated by the Board of Directors.

2.3. Termination of Membership.

At such time as a person is no longer shown of record to be the owner of an interest as would qualify him for membership in this corporation his membership shall cease and terminate.

2.4. Death of a Member.

Membership in this corporation shall not terminate upon the death of a member but all of the rights of such member shall be vested in the personal representative of such deceased member; provided, however, that if the interest held by such deceased member which entitled such member to membership was held jointly or in common with another or others who survive such member, then upon the death of such deceased member the membership of such member shall terminate, and such other or one of such other joint or common owners shall become the member.

2.5. Membership Certificates.

No membership certificates shall be issued by this corporation. Membership shall be and is limited to such person or persons as are set forth and defined in these Bylaws and the Articles of Incorporation.

2.6. Fees, Dues, and Assessments.

Fees, dues, and assessments shall be levied and collected as provided in Article XII of the Articles of Incorporation of the Corporation.

ARTICLE III.

VOTING RIGHTS AND MEMBERS' MEETINGS

3.1. Voting Rights.

Voting rights of members shall be as set forth in Article XI of the Articles of Incorporation of this Corporation as set forth in the succeeding sections of this Article III. Each member shall have the right to cumulate his vote or votes. All voting rights shall be exercised by ballot at a meeting duly assembled, provided that written consent may be given by members as to matters and in the manner authorized by law, and provided further, that members may vote in person or by proxy, except as otherwise provided herein.

3.2. Proxies.

A unit's owner may give a proxy only to a member of his immediate family, a tenant of the unit's owner who resides in the common-interest community, or another unit's owner who resides in the common-interest community. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through an executed proxy. A unit's owner may revoke a proxy given pursuant to this

section only by actual notice of revocation to the person presiding over a meeting of the Association.

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

The holder of the proxy must disclose at the beginning of the meeting for which the proxy is executed the number of proxies pursuant to which the holder will be casting votes. A proxy terminates immediately after the conclusion of the meeting for which it is executed. A vote may not be cast pursuant to a proxy for the election or removal of a member of the Board of an Association. The holder of a proxy may not cast a vote on behalf of the unit's owner who executed the proxy in a manner that is contrary to the proxy. A proxy is void if the proxy or the holder of the proxy violates any provision herein.

3.3. Place of Meetings.

Annual meetings and special meetings of the members shall be held at the principal office of the corporation, provided that the Board of Directors may designate a place upon or in the immediate vicinity of the property subject to the jurisdiction of this corporation or some convenient place within a distance of not more than five (5) miles from said principal office of the corporation as a place at which any annual or special meeting of the members may be held. The Board of Directors may fix the time and place of any such special meeting by resolution, which time and place shall be stated in the notice. In the absence of any designated of another place by the Board of Directors special meetings shall be held at the principal office.

3.4. Annual Meetings.

Annual meetings of the members shall be held on the first Sunday of July at 10:00 o'clock A.M., or at such other date and time as may be fixed by the Directors, for the purpose of electing Directors and for transaction of such other business as may be properly brought before the meeting.

3.5. Special Meetings.

A special meeting of the Members shall be called at the request or direction of the Association President, by a majority of the Board, or upon written request by Members having ten percent (10%) of the voting power of the Association.

3.6. Notice of Members' Meetings.

The secretary shall cause notice of a Members' meeting to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit's owner not less than 10 nor more than 60 days in advance of any Members' meeting. The notice of the meeting shall state the time and place of the meeting and include a copy of the agenda for the meeting. The notice shall also state the right of a Member to: (a) have a copy or summary of the minutes of the meeting distributed to him upon request and upon payment to the Association of the cost of making the distribution, and (b) speak to the Association or Board, unless the Board is meeting in executive session.

3.7. Agenda for Members' Meetings.

The agenda for a Members' meeting must include: (a) a clear and complete statement of the topics to be considered during the meeting; (b) a list describing the items on which action may be taken; and (c) a period devoted to Members' comments and discussion of those comments. Members may only take action on an item that is listed on the agenda; provided, however, that in an emergency Members may take action on an item that is not listed on the agenda. As used in this section, "emergency" means any occurrence or combination of occurrences that: (a) could not have been reasonably foreseen; (b) affects the health, welfare and safety of the Members of the Association; (c) requires the immediate attention of, and possible action by, the Board; and (d) makes it impracticable to provide notice as required herein.

3.8. Quorum.

Members representing a majority of the voting power of this corporation, present in person, or by proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by law. If, however, members representing said majority of voting power shall not be present or represented at any duly called or annual meeting of such members, the holders of a majority of the voting power present in person, or by proxy, shall have the power to adjourn the meeting from time to time, until members representing the requisite voting power are present, and such adjournment and the reasons therefor shall be recorded in the minutes of the proceedings. Members representing a majority of the voting power present in person, or by proxy, shall have the power of adjournment even though a quorum is present. The members present at duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of voting power to leave less than a quorum.

If any meeting cannot be held because a quorum is not present at the beginning of the meeting, the Members present, either in person or by proxy, may, may adjourn the meeting to a time that is not less than 48 hours or more than 30 days from the date of the meeting. At the subsequent meeting: (a) A quorum shall be deemed to be present if the number of members of

the Association who are present in person or by proxy at the beginning of the subsequent meeting equals or exceeds 20 percent of the total number of voting members of the Association; and (b) If such a quorum is deemed to be present but the actual number of members who are present in person or by proxy at the beginning of the subsequent meeting is less than the number of members who are required for a quorum under the governing documents, the members who are present in person or by proxy at the subsequent meeting may take action only on those matters that were included as items on the agenda of the original meeting. The provisions of this section do not change the actual number of votes that are required under the governing documents for taking action on any particular matter.

3.9. Qualification Dates.

The Board of Directors may fix a time not exceeding thirty (30) days preceding the date of any meeting of members as a record date for the determination of the members entitled to notice of and to vote at any such meeting and in such case only members of record on the date so fixed shall be entitled to notice of and to vote at such meeting. In the event no such record date is fixed by the Board of Directors the record date for the determination of members entitled to notice of and to vote at any such meeting shall be the tenth day preceding the date of such meeting as of 8:00 o'clock A.M. of said day.

3.10. Address of Members.

It shall be the duty of each member to keep the corporation advised as to his correct address from time to time. Absent written notice to the contrary, the address of each member shall be the address of his condominium.

ARTICLE IV.

BOARD OF DIRECTORS

4.1. Powers.

The powers of the corporation shall be exercised by or under the authority of, and all of the affairs of the corporation shall be controlled by the Board of Directors, subject, however, to the rights of members provided for herein, in the Articles of Incorporation, and Bylaws, and subject also to all of the restrictions, provisions and limitations contained in the Declaration.

4.2. Number of Directors.

The Board of Directors shall consist of five (5) directors until changed by amendment of the Articles of Incorporation or until an amendment of this Article of these Bylaws adopted by the vote or written consent of a majority of the members of this Corporation; provided, however, the number of authorized directors shall never be less than three (3).

4.3. Election and Term of Office.

The Directors may be elected (and appointed as provided for in this Article IV) at each annual meeting of the members, or Directors may be elected (and appointed as provided for in this Article IV) at a special meeting of the members called for that purpose, and each Director shall be elected (or appointed as the case may be) to serve until the next annual meeting and until his successor has been elected (or appointed) and qualified.

4.4. Nomination of Directors.

Each Member who is qualified to serve as a member of the Board may have his name placed on the ballot. Not less than 30 days before the preparation of a ballot for the election of members of the Board, the Secretary of the Association shall cause notice to be given to each Member of his eligibility to serve as a member of the Board.

4.5. Voting for Directors.

The election of Board members shall be conducted by secret written ballot. The secretary of the Association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the Association or to any other mailing address designated in writing by the unit's owner. Each unit's owner must be provided with at least fifteen (15) days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the Association.

4.6. Counting Ballots.

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

4.7. Quorum for Election of Directors.

A quorum is not required for the election of any member of the Board.

4.8. Vacancies.

All vacancies on the Board of Directors, including vacancies caused by an increase in the number of the Board or by death or removal of a Director, may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining director. Each Director so appointed shall hold office thenceforth for the remainder of the unexpired term and until the election of his successor.

4.9. Removal of Board Members.

The units' owners, by a two-thirds vote of all persons entitled to vote at any meeting of the units' owners at which a quorum is present, may remove any member of the Board with or without cause.

4.10. Secret Ballots for Removal of Board Members.

The removal of any member of the Board must be conducted by secret written ballot. The secretary 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 unit's owner. Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the Association. Only the secret written ballots that are returned to the Association may be counted to determine the outcome.

4.11. Counting Secret Ballots for Removal of Board Members.

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

4.12. Board Member Disclosure.

Each person whose name is placed on the ballot as a candidate for a member of the Board must make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a member of the Board.

4.13. Board Member Certification.

Each member of the Board shall, within ninety (90) days after his appointment or election, certify in writing to the Association, on a form prescribed by the Administrator, as defined in NRS 116, that he has read and understands the governing documents of the Association and the provisions of NRS chapter 116 to the best of his ability.

4.14. Representative of Owner as Board Member.

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 member or manager of a limited-liability company that owns a unit, and a fiduciary of an estate that owns a unit may be an officer of the Association or a member of the Board. In all events where the person serving or offering to serve as an officer of the Association or a member of the Board is not the record owner, he shall file proof in the records of the Association that (a) he is

associated with the corporate owner, trust, partnership, limited-liability company or estate; and (b) identifies the unit or units owned by the corporate owner, trust, partnership, limited-liability company or estate.

4.15. Place of Meetings.

Subject to the provisions of this Article IV, any and all meetings of the Board of Directors may be held at the principal office of the corporation or at such convenient place as may be designated anywhere within or without the State of Nevada from time to time for any or all such meetings by resolution of the Board of Directors at any regular or special meeting prior thereto. If the resolution of the Board designating the place for meetings so provides, any meeting may be held either at such place or at the principal office, as determined by the call and notice for the particular meeting. All meetings shall be held at the designated place, or in the absence of such designation, at the principal office.

4.16. Organization Meeting.

Immediately after the annual meeting of the members and immediately after any meeting of members at which Directors shall have been elected (or appointed as provided for in this Article IV), The Directors shall meet without notice for the election of officers and the transaction of any other business. Pending such meeting all officers shall hold over, except any officer required by law or by these Bylaws to be a Director and who was not re-elected to the Board of Directors.

4.17. Regular Meetings.

Regular meetings of the Board of Directors shall be held at such time as the Board may fix by resolution from time to time and if any day so fixed shall fall upon a legal holiday, then upon the next succeeding business day at the same hour. The Board shall meet at least once every ninety (90) days.

4.18. Emergency Board Meetings.

The Board may hold emergency meetings. As used in this section, “emergency” means any occurrence or combination of occurrences that: (a) could not have been reasonably foreseen; (b) affects the health, welfare and safety of the Members of the Association; (c) requires the immediate attention of, and possible action by, the Board; and (d) makes it impracticable to provide notice as required herein.

4.19. Notice Of Regular Board Meetings.

Except in an emergency or unless the Bylaws of an Association require a longer period of notice, the secretary 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 units’ owners. Such notice must be: (a) Sent prepaid by United States mail to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit’s owner; (b) If the Association offers to send notice by electronic mail, sent by electronic mail at the request of the unit’s owner to an electronic mail address designated in writing by the unit’s owner; or (c) Published in a

newsletter or other similar publication that is circulated to each unit's owner. The notice of a meeting of the Board 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 include notification of the right of a Member to: (a) have a copy or summary of the minutes of the meeting distributed to him upon request and, if required by the Board, upon payment to the Association of the cost of making the distribution, and (b) speak to the Association or Board, unless the Board is meeting in executive session.

4.20. Notice of Emergency Board Meetings.

In an emergency, the secretary of the Association shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each 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 the common elements of the Association.

4.21. Agenda for Board Meetings.

The agenda of a Board meeting must consist of: (a) a clear and complete statement of the topics to be considered during the meeting; (b) a list describing the items on which action may be taken; and (c) a period devoted to comments by Members and discussion of those comments. In an emergency, the Board may take action on an item that is not listed on the agenda as an item on which action may be taken.

4.22. Executive Session.

Except as otherwise provided below, a unit's owner is not entitled to attend or speak at a meeting of the Board held in executive session. The Board may meet in executive session only 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 privilege set forth in NRS 49.035 to 49.115, inclusive, or to enter into, renew, modify, terminate or take any other action regarding a contract between the Association and the attorney; (b) Discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the Association; and (c) Except as otherwise provided below, to discuss a violation of the governing documents, including, without limitation, the failure to pay an assessment; (d) Discuss the alleged failure of a unit's owner to adhere to a construction schedule required pursuant to NRS Chapter 116 of this act if the alleged failure may subject the unit's owner to a construction penalty. The Board shall meet in executive session to hold a hearing on an alleged violation of the governing documents unless the person who may be sanctioned for the alleged violation requests in writing that the hearing be conducted by the Board at an open meeting. The person who may be sanctioned for the alleged violation is entitled to attend the hearing and testify concerning the alleged violation, but the person may be excluded by the Board from any other portion of the hearing, including, without limitation, the deliberations of the Board. A Board may not meet in executive session to enter into, renew, modify, terminate or take any other action regarding a contract, unless it is a contract between the Association and an attorney.

4.23. Recording of Board Meeting.

A unit's owner may record on audiotape or any other means of sound reproduction a meeting of the Board, unless the Board is meeting in executive session, if the unit's owner, before recording the meeting, provides notice of his intent to record the meeting to the members of the Board and the other units' owners who are in attendance at the meeting.

4.24. Quorum.

Subject to the provisions of this Article IV and the provisions of Article V of these Bylaws, at all meetings of the Board a majority of the number of Directors fixed by the Articles or Bylaws shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. A majority of the Directors present at any meeting of the Board, whether a quorum shall be present or not, may adjourn the meeting from time to time, provided that no such adjourned meeting shall be held unless and until notice has been given as provided for special meetings in this Article IV, and provided further that the time so fixed shall not extend beyond the time for the next regular meeting of the Board.

4.25. Compensation Of Directors.

Directors as such shall not receive any salary or compensation for their services as Directors.

4.26. Qualifications.

Each Director shall be a natural living person twenty-one (21) years of age or older; and a Director may, but need not be, a member of the corporation.

4.27. Indemnification.

The Directors do not assume any liability for any act or omission of the Directors' agents. The Association hereby releases the Directors and agrees to indemnify them and hold them harmless from any and all claims, suits or liability for any act or omission of the Directors including any expense and attorney fees which the Directors may incur in defending any such claim.

ARTICLE V.

OFFICERS

5.1. Officers.

The officers of the corporation shall be a President, and a Vice-President, a Secretary and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, one or more additional Vice-Presidents, one or more Assistant Secretaries, one or more Assistant

Treasurers, and such officers as may be appointed in accordance with the provisions of this Article V. Officers other than the President need not be Directors. One person may hold two or more offices except that of the President and Secretary. The salaries or other compensation of all officers of the corporation, if any, shall be fixed from time to time by the Board of Directors.

5.2. Election.

The officers of the corporation, except as such officers may be appointed in accordance with the provisions of this Article V hereinafter stated shall be chosen annually by the Board of Directors, immediately after the regular annual meeting of the membership, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

5.3. Subordinate Officers.

The Board of Directors may elect or authorize the appointment of such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time authorize or determine.

5.4. Removal and Resignation.

Any officer may be removed, either with or without cause, by a majority of the Directors at any regular or special meeting of the Board, or except in case of any officer chosen by the Board of Directors, by an officer upon whom such power or removal may be conferred by the Board of Directors.

5.5. Vacancies.

Vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner provided or authorized herein for regular elections or appointments to such office.

5.6. President.

The President shall be the chief executive officer of the corporation and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and other officers of the corporation. He shall preside at all meetings of the members and at all meetings of the Board of Directors and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors and the Bylaws subject, however, to any limitations contained in the Declaration.

5.7. Vice President.

In the absence or disability of the President, the Vice President, or, if more than one, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so

acting shall have all the powers of, and be subject to all restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them, respectively, by the Board of Directors or the Bylaws.

5.8. Secretary.

The Secretary shall keep or cause to be kept a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of Directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of memberships and votes present or represented at members' meetings and all the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the members and of the Board of Directors required by the Bylaws or by law to be given, and shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws. The Secretary shall also issue such certificates to title insurers as are provided in the Declaration.

5.9. Treasurer.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The Treasurer shall also maintain or cause to be maintained, complete records of all assessments and charges levied and the liens securing same under and pursuant to the provisions of the Declaration, the amounts thereof, the properties and interests against which the same have been assessed, the dates upon which the same are due, and upon which the same are delinquent, and a record of the payments thereof, as well as record of Notice of Delinquency which have been recorded pursuant to the Declaration. The Treasurer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

5.10. Insurance.

All officers, jointly and severally, shall be charged with the duty to maintain in force the insurance coverage as provided in the Declaration including, without limitation, fidelity coverage and errors and omissions coverage relating to their own acts and duties as officers.

5.11. Indemnification.

The officers of the corporation do not assume any liability for any act or omission of the officers nor for any act or omission of the officers' agents. The Association hereby releases the officers of the corporation and agrees to indemnify them and hold them harmless from any and all claims, suits or liability for any act or omission of the officers including any expense and attorney fees which the officers may incur in defending any such claim.

ARTICLE VI.

CONTRACTS AND COMMITTEES

6.1. Contracts.

The Board of Directors may enter into, make, perform and carry out contracts of every kind and character for any lawful purpose, consistent with the status of a non-profit corporation, with any person or persons, partnership, firm, association, corporation, private, public or municipal, and body politic, any state, territory or municipality of the United States, or with the government of the United States or any department, branch, board, commission or contracting authority thereof or with any foreign government, including the right to make agreements with municipal, county, township, state, national or other public officials or with any political subdivision or any corporation or individual for and on behalf of the owners of the property covered by the Declaration and other property owned or subject to the jurisdiction of the Association for division of the work or the doing of the work on the streets, roads, ways, walks, drives, driveways, parks or other portions of or serving said property or for any other work to be done or utilities to be furnished as will enable the Association to cooperate with said officials, corporation or individuals to secure the benefits for the said property referred to or portions thereof that can be derived from the prorata share of any municipal, county, state, national, or other funds that may be available for use thereon, or in connection therewith or which might otherwise benefit the subject property. The Board of Directors may specifically contract and pay for all water, sewer and refuse collection serving the subject property and such electrical, gas and telephone services and use as shall be applicable to the Association.

6.2. Contracts With Members.

Except as otherwise provided herein, the Board of Directors may enter into agreements, contracts, and arrangements with any member for construction or repair work, planting or replanting, care, cleaning, protecting, maintaining or the rendering of maid, telephone, laundry, cleaning and any kind and all other special services generally in connection with such member's condominium; provided the foregoing shall be paid for directly by such member and shall not be paid from funds derived from the charges and/or assessments provided for in the Declaration.

6.3. Compensation of Board Members.

A member of the Board or an officer shall not (i) enter into a contract or renew a contract with the Association to provide goods or services to the Association; or (ii) accept any commission, personal profit or compensation of any kind from the Association for providing goods or services to the Association.

6.4. Committee.

The Board of Directors may maintain and operate such departments, boards and committees as may be provided for in these Bylaws or as it may be provided by resolution, with such powers and authority as may be conferred, and to make funds of the Association available

for the use of such departments, boards and committees. The Board of Directors may employ a manager, secretaries, engineers, auditors, legal counsel, technical consultants or any other employees or assistants provided for by these Bylaws or authorized by the Board of Directors and may pay all expenses necessary or incidental to the conduct and carrying on of the business of the Association.

ARTICLE VII.

CHARGES, ASSESSMENTS AND BUDGETS

7.1. Estimate of Cash Requirements.

Prior to the beginning of each calendar year, at a regular or special meeting of the Board of Directors in no event held later than the last business day of the month of November of such preceding year, the President or other officer designated by the Board of Directors shall estimate or cause to be estimated and submit to the Board of Directors the net cash requirements for the ensuing year necessary for the Association to operate and to maintain the property subject to its jurisdiction in accordance with its duties.

7.2. Fixing of Charges and Assessments.

The annual general assessment estimate in accordance with the above paragraph and all special charges and assessments provided for in the Declaration shall be final, and established and levied by the Board of Directors in the manner provided for in the Declaration.

7.3. Notices of Delinquency and Enforcement of Liens.

Notices of Delinquency may be recorded as provided in said Declaration and the liens established by any such Notice or Notices of Delinquency may be enforced, compromised or foreclosed at such time or times as the Board of Directors shall determine.

7.4. Annual Report to Members.

The Board of Directors shall present at each annual meeting of the members a statement of the business affairs and financial condition of the corporation as of the end of the previous calendar year.

7.5. Review of Financial Records.

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.

7.6. Reserve Fund.

The Association shall establish an adequate reserve, funded on a reasonable basis, for the repair, replacement and restoration of the major components of the common elements. The reserve may be used only for those purposes, including, without limitation, repairing, replacing and restoring roofs, roads and sidewalks, and must not be used for daily maintenance. Funds in the Association's Reserve Account may not be withdrawn without the signatures of at least two members of the Board or the signatures of at least one member of the Board and one officer of the Association who is not a member of the Board.

7.7. Reserve Study.

The Board shall (i) 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 the common elements; (ii) review the results of that study at least annually to determine if those reserves are sufficient; and (iii) make any adjustments it deems necessary to maintain the required reserves.

7.8. Budget.

The Board shall, not less than 30 days or more than 60 days before the beginning of the fiscal year of the Association, prepare and distribute to each Member a copy of (i) the budget for the daily operation of the Association, and (ii) the budget to maintain the reserve required by State law. The budget must include, without limitation, (a) the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve account of the Association; (b) the current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements; (c) as of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the common elements; (d) a statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major component of the common elements or to provide adequate reserves for that purpose; and (e) a general statement describing the procedures used for the estimation and accumulation of cash reserves, including, without limitation, the qualifications of the person responsible for the preparation of the reserve study.

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 upon request.

7.9. Budget Ratification.

Within thirty days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all the Members and shall set a date for a meeting of the Members to consider ratification of the budget not less than 14 nor more than 30 days after

mailing of the summary. Unless at that meeting a majority of all Members reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Members must be continued until such time as the Members ratify a subsequent budget proposed by the Board.

ARTICLE VIII.

MISCELLANEOUS PROVISIONS

8.1. Checks, Drafts, and Notes.

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued on the name of or payable to the corporation, and any and all securities owned or held by the corporation requiring signature for transfer, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

8.2. Contracts; How Executed.

The Board of Directors, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless authorized by the Board of Directors, no officer, except the President, and no agent or employee shall have any power or authority to bind the corporation to any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

8.3. Inspection of Corporate Records.

The books of account and the minutes of proceedings of the members and Directors and other corporate records shall be open to inspection by any Director upon demand at any reasonable time and to inspection by any member upon the written demand of any such member at any reasonable time for a purpose reasonably related to his interest as a member and shall be exhibited at any time when required by the demand of twenty-five (25) percent of the voting power of the members represented at any members' meeting. Such inspection may be made in person or by an agent or attorney and shall include the right to make extracts. Demand of inspection by any member other than at a members' meeting shall be made in writing upon the President, Secretary or Assistant Secretary of the corporation. Every such demand, unless granted, shall be referred by such officer to the Board of Directors. The corporation shall keep in its principal office for the transaction of business the original or true copy of the Articles of Incorporation of this corporation, as amended, each of which documents shall be open to inspection by the members during reasonable business hours.

8.4. Notices.

Whenever, under the provisions of these Bylaws, notice is required to be given to any Director or member, it shall not be constructed to mean personal notice, but such notice, if not given by any other method authorized by these Bylaws, may be given in writing by mail, be depositing the same in the United States Post Office or in a post box in the State of Nevada, in a postage paid envelope, addressed to such member or Director, at the address of such person as appears on the books of the corporation, or in the absence of such address, to such Director or member at the General Post Office in the place where the principal office of the corporation is situated, and such notice shall be deemed to have been given at the time the same shall be thus mailed. Whenever any member entitled to vote has been absent from any meeting of the members and whenever any Director has been absent from any meeting of the Board of Directors, an entry in the minutes of the meeting to the effect that notice has been duly given shall be prima facie evidence that due notice of such meeting was given to such absentee as required by law and by these Bylaws.

8.5. Defective Notices.

Any mistake, inadvertence or excusable neglect in giving any notice required by these Bylaws, shall not affect the validity of any meeting called thereby, or of any proceedings had at such meeting.

8.6. Headings And Titles.

All headings and titles used in these Bylaws, including those of Articles, Sections and Subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them, affect that which is set forth in such Article, nor any of the terms or provisions of these Bylaws nor the meaning thereof.

8.7. Ground Rules.

Subject to the limitations contained in the Declarations, the Board of Directors may from time to time make, publish and enforce ground rules, and establish and collect fines for violations thereof, governing the use of the common areas as the same are defined in such Declarations, and in the conduct of the users thereof in the manner set forth in such Declarations. In addition, the said ground rules may include a charge, in an amount to be set by the Board of Directors, upon a member who rents his unit, in an amount sufficient to repay the Association the expenses to the Association arising out of such rental (for example, expenses for extra maintenance to clean up the common area, for extra security to patrol the common area, for extra trash pickups, etc.). The Board of Directors shall prescribe the rules for disclosure by a member of such rentals and rental terms and the payment and collection of the charges due the Association by the renting member. A current record of all ground rules, as amended from time to time, and a record of the amount of the fines (if any) established for the violation thereof, and of the charges paid to the Association by a renting member (if any), shall be kept by the Secretary of the corporation and shall be available to any member at any reasonable time.

8.8. Fines and Hearings on Violations.

Violations of the Association's governing documents may be enforced by the assessment of a fine only if: (a) Not less than 30 days before the violation, the person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the violation; and (b) Within a reasonable time after the discovery of the violation, the person against whom the fine will be imposed has been provided with: (i) Written notice specifying the details of the violation, the amount of the fine, and the date, time and location for a hearing on the violation; and (ii) A reasonable opportunity to contest the violation at the hearing. The Board must schedule the date, time and location for the hearing on the violation so that the person against whom the fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing. The Board must hold a hearing before it may impose the fine, unless the person against whom the fine will be imposed: (a) Pays the fine; (b) Executes a written waiver of the right to the hearing; or (c) Fails to appear at the hearing after being provided with proper notice of the hearing.

8.9. Adoption of Fine Policies and Amount of Fines.

When the Association adopts a policy imposing fines for any violations of the governing documents of the Association, the secretary or other officer specified in the Bylaws shall prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit's owner, a schedule of the fines that may be imposed for those violations. Any fine must be commensurate with the severity of the violation, but must not exceed \$100 for each violation or a total amount of \$500, whichever is less. The limitations on the amount of the fine do not apply to any interest, charges or costs that may be collected by the Association if the fine becomes past due.

8.10. Continuing Violations.

If a violation is not cured within 14 days, or within any longer period that may be established by the Board, the violation shall be deemed a continuing violation. Thereafter, the Board may impose an additional fine for the violation for each seven (7) day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard.

8.11. Interest and Costs to Collect Fines.

Any past due fine (a) bears interest at the rate established by the Association and (b) may include any costs of collecting the past due fine at a rate established by the Association, but shall not exceed the amounts allowed under NRS Chapter 116, and (c) may include any costs incurred by the Association during a civil action to enforce the payment of the past due fine.

ARTICLE IX.

JURISDICTION OF THE CORPORATION

9.1. Source of Jurisdiction.

Article IV of the Articles of Incorporation of this corporation sets forth that the property over which this corporation has jurisdiction shall be that certain property in the County of Washoe, State of Nevada, which is or may hereafter be subject to a recorded Declaration of Covenants, Conditions, Restrictions, Restrictions and Easements declared and established by UNITED STATES PLYWOOD CORPORATION, a New York corporation. The Declaration referred to in said Article IV and in these Bylaws is CRYSTAL SHORES WEST, A Condominium, Declaration of Covenants, Conditions, Restrictions and Easements as and when the same shall be recorded.

9.2. Property over Which Corporation Has Jurisdiction.

The property which this corporation shall initially have jurisdiction is particularly described in said CRYSTAL SHORES WEST, A Condominium, Declaration of Covenants, Conditions, Restrictions and Easements, and is that certain real property in the County of Washoe, State of Nevada, described and shown on that certain Subdivision Map, entitled:

“Official Plat, CRYSTAL SHORES WEST, a condominium, being within portions of Lot 2 and Lot 3 of Section 17, T.16 N., R.18 E., M.D.B.&M., Washoe County, Nevada,”

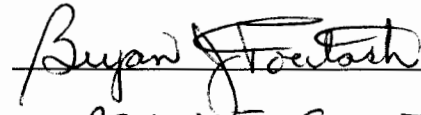
and filed in the Office of the Recorder of Washoe County, State of Nevada, on the 16th day of July 1964, Recorder’s file No. 1379.

ARTICLE X.

AMENDMENTS OF BYLAWS

These Bylaws, and part thereof, may be amended or repealed and new Bylaws may be adopted by the vote or written assent of members entitled to exercise a majority of the voting power and, subject to such right of the members, by the Board of Directors; provided, however, that no Bylaws or amendment thereof changing the authorized number of Directors may be adopted, amended or repealed by the Board. Any amendment or repealer of any of these Bylaws shall be forwarded by the Secretary of the corporation to the Planning Commission.

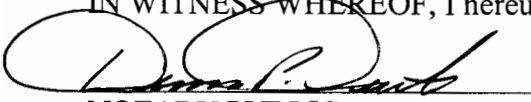
IN WITNESS WHEREOF, the undersigned, being the President of the Board of Directors of the Crystal Shores West Association, has executed this Restated Bylaws on the 9th day of OCTOBER, 2004

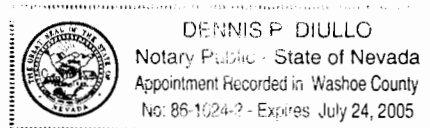

By: BRYAN J. FOERTSCH
(print name)
Its: PRESIDENT

STATE OF NEVADA)
)
COUNTY OF WASHOE) ss:

On this 9th day of October, 2004, before me, the undersigned Notary Public in and for said County and State, personally appeared BRYAN J. FOERTSCH who acknowledged herself/himself to be the President of Crystal Shores West Association and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself/himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


NOTARY PUBLIC




CERTIFICATION

I, the undersigned, do hereby certify as follows:

1. That I am the Secretary of the Crystal Shores West Association, a Nevada non-profit corporation;
2. That the foregoing Restated Bylaws was adopted to comply with the provisions of Nevada Revised Statutes Chapter 116; and
3. That the foregoing Bylaws of the Association were adopted by the Board at a meeting of the Board of Directors held on the 9th day of OCTOBER, 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 9th day of OCTOBER, 2004



By: BRIAN CUNEO
(print name)

Its: SECRETARY

STATE OF NEVADA)
): ss
COUNTY OF WASHOE)

This instrument was acknowledged before me on the 9th day of OCTOBER, 2004,

by BRIAN CUNEO
(print name of Secretary)


NOTARY PUBLIC

