

✓ ELK Point Country Club
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BYLAWS
OF
ELK POINT COUNTRY CLUB, INC.

COPY

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TABLE OF CONTENTS

Preamble 1

ARTICLE I MEETINGS OF UNIT OWNERS 1

ARTICLE II EXECUTIVE BOARD 7

ARTICLE III POWERS OF EXECUTIVE BOARD 10

ARTICLE IV LIMITATIONS OF POWERS 11

ARTICLE V DUTIES OF EXECUTIVE BOARD 12

ARTICLE VI OFFICERS 14

ARTICLE VII PRESIDENT 14

ARTICLE VIII VICE PRESIDENT 15

ARTICLE IX SECRETARY 15

ARTICLE X TREASURER 16

ARTICLE XI VACANCIES 17

ARTICLE XII VALIDATION OF INFORMAL ACTS 17

ARTICLE XIII CORPORATE SEAL 18

ARTICLE XIV DEPOSIT AND DISPOSITION OF FUNDS 18

ARTICLE XV UNIT OWNERS 18

ARTICLE XVI PROPERTY RIGHT OF UNIT OWNERS..... 22

ARTICLE XVII ANNUAL ASSESSMENTS 23

ARTICLE XVIII LIENS UPON UNIT OWNERSHIP 26

ARTICLE XIX TERMINATION OF UNIT OWNERSHIP 28

ARTICLE XX PENALTIES	29
ARTICLE XXI PROPERTY RIGHTS ON UNIT OWNER DEATH	29
ARTICLE XXII DISSOLUTION	30
ARTICLE XXIII FISCAL YEAR	31
ARTICLE XXIV AMENDMENTS	31
ARTICLE XXV CARETAKER	31
ARTICLE XXVI EFFECTIVE DATE OF BYLAWS	32

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BYLAWS OF ELK POINT COUNTRY CLUB, INCORPORATED

Preamble

The Elk Point Country Club, Inc., is a common-interest development operating as a Nevada non-profit corporation, hereinafter called EPCC, and in operating compliance with Nevada law. Its primary purpose is hereby affirmed to be to provide its Unit Owners the pleasure of fellowship and recreation, and its corporate functioning shall be designed to civilly achieve in highest measure such purpose. It shall not operate its properties or facilities with the view of providing profit to its Unit Owners but rather such properties and facilities shall be held, operated, and made available for the use and enjoyment of its Unit Owners upon payment of such assessments and charges as will fairly meet its cost of operation and provide a reasonable accumulation of funds for repairs, replacements and additions.

ARTICLE I

MEETINGS OF UNIT OWNERS

Section 1. All meetings of the Unit Owners shall be held on the property of Elk Point Country Club, Inc., Lake Tahoe, Nevada.

Section 2. A majority of the Unit Owners certificates issued and outstanding represented by the holders thereof either in person or by proxy shall constitute a quorum for the transaction of business at all meetings of Unit Owners.

Section 3.

a) The annual meeting of the Unit Owners shall be held at Elk Point Country Club, Inc. on the first Saturday of July of each year at the hour of 1:00 p.m. thereof. A meeting of the Executive Board must be held at least once every 90 days. Special Meetings of the Association may be called by the President, a majority of the Executive Board or by the Unit Owners having 10 percent of the votes of the Association. NRS 116.3108.

b) At such annual meeting each holder of a "Certificate of Unit Ownership" in the Corporation, which said Certificates of Unit Ownership were registered in the name of the Unit Owner on the 90th day preceding the meeting, exclusive of the day of such meeting, shall be entitled to one vote in person or by proxy. A Certificate of Unit Ownership represents one unit, and one vote.

In the event that the Unit Owner creates partial ownerships within a unit, the Certificate of Unit Ownership shall represent one vote. NRS 116.3108; NRS 116.31083.

c) At such meetings the Unit Owners shall elect by a majority of the quorum present by secret written ballot the Executive Board from among the qualified and not suspended Unit Owners as defined by the Articles of Incorporation and the Bylaws.

The written ballots will be counted in public by three Unit Owners appointed by the Executive Board. These appointees cannot be Unit Owners of the Current Executive Board, on the ballot, or EPCC Employees. NRS 116.3109.

d) Not less than 30 days before the preparation of the ballot for the election of the Executive Board, the secretary or other officer designated by the Board shall cause notice to be given to each Unit Owner of eligibility to serve on the Executive Board. Each Unit Owner who is qualified to serve as a member of the Executive Board may have his name placed on the ballot along with the names selected by the nominating committee and the names selected by the existing Board.

e) The election of any member of the Executive Board must be conducted by secret written ballot. The secretary or other officer designated by the Board shall cause to be sent to each Unit Owner at the mailing address designated in writing by the Unit Owner or the mailing address of each unit in a prepaid envelope by U.S. mail, a secret ballot and a return envelope.

f) The returned votes for the election of the Executive Board are counted for a quorum for the Executive Board election and at least 50% of the Unit Owners secret written ballots are required for the vote to be valid. No proxy voting or in person voting is allowed for this election.

g) A majority of a quorum of the Association's Unit Owners present in person or by proxy may vote for any other matter to be decided at a Unit Ownership meeting.

NRS 116.31034; NRS 116.3109; NRS 116.311

Section 4.

a) Notice of the annual meeting of the Unit Owners shall be given by depositing the notice in the U.S. mail addressed to each Unit Owner at the address of the Unit Owner as the Unit Owner's name appears upon the records of the

Corporation, not less than 10 or more than 60 days prior to the meeting, exclusive of the day of mailing. The notice shall state the date, time and place of the meeting and include the agenda for the Unit Owners meeting which must consist of without limitation, proposed Bylaw amendments, fees or assessments to be levied, budgetary changes, or any proposals to remove an officer or member of the Executive Board. The agenda shall also include time for member comments. Also to be included will be a proxy as discussed in Article I, Section 9 to be completed if the Unit Owners will be unable to attend and it is known that voting of the Unit Ownership will be required. The mailing shall also include a synopsis of the Pros/Cons of the matters to be voted upon by the Unit Ownership and supporting rationale of the Executive Board on each matter. No more than 30 days after any meeting, the Secretary shall transmit minutes to all Unit Owners. NRS 116.3108.

Section 5.

- a) At any meeting of the Unit Owners, a quorum is 51% of the Unit Owners in good standing as described in Article XX, present in person or by proxy.
- b) A majority of the Unit Owners present in person or by proxy at any meeting representing a quorum can conduct Association business.
- c) If a quorum is not present, then the Unit Owners present shall have the power to adjourn to a day certain, and notice of the meeting to the adjourned day shall be given to the Unit Owners by depositing the notice in the U.S. mail addressed to each Unit Owner at the address of the Unit Owner as the same appears upon the records of the Corporation, at least 10 calendar days prior to such adjourned meeting, exclusive of the mailing date.

Section 6. Notice of special meetings shall be given by depositing the notice in the U.S. mail addressed to each Unit Owner at the address of the Unit Owner as the same appears upon the records of the Corporation, at least 10 calendar days prior to such adjourned meeting, exclusive of the mailing date.

Section 7. Personal notice shall be equivalent to the notice by U.S. mail in all cases wherein notice by mail is authorized by these Bylaws.

Section 8. At all meetings of the members, the order of business shall be as follows:

- (a) Calling of roll;
- (b) Proof of notice of meeting;
- (c) Approving of Minutes of previous meeting;
- (d) Right of Unit Owners to speak;
- (e) Reports of Directors and Officers;
- (f) Election of Directors;
- (g) Miscellaneous Business.

NRS 116. 3108; NRS 116.31083.

Section 9.

a) Except as otherwise provided in this section, a Unit Owner may attend any Association Unit Owners meeting, or Executive Board meeting and speak at any such meeting. At either meeting, the Unit Owners or Board may set reasonable time limitations for the owner to speak.

b) The Executive Board may meet in executive session to:

1) Consult with the Association's Counsel on matters relating to pending litigation if the contents were governed by the privilege set forth in NRS 49.035 to 49.115, inclusive.

2) Discuss matters relating to Association personnel.

3) Discuss a violation of the Association's Bylaws and Rules by a unit owner unless the unit owner requests in writing that the hearing be held in an open meeting. If the discussion is held in executive session, the violator may attend the hearing, but may be excluded by the Board from any portion of the hearing or deliberations.

c) Any matter discussed in executive session must be generally noted in the Executive Board minutes. The Executive Board shall maintain minutes of any decision made pursuant to section (c) and, upon request, provide a copy of the decision to the unit's owner who was the subject of the hearing or his designated representative.

d) Except as provided in section 3, a unit's owner is not entitled to attend or speak at a meeting of the Executive Board held in executive session.

NRS 116.31085.

Section 10.

If a Unit Owner is unable to be present at a meeting of the Association in which matters of business are to be voted upon, he or she may do so through a proxy. The proxy will be valid if assigned to either a member of the Unit Owner's immediate family or to another Unit Owner in good standing who resides in the Association. The proxy must be dated, designate the individual who will vote on behalf of the Unit

Owner, and instruct the holder of the proxy how the Unit Owner wishes the vote to be cast on the matters to be voted. No proxy voting for elections to the Executive Board is allowed. NRS 116.311

ARTICLE II

EXECUTIVE BOARD

Section 1. The Executive Board shall constitute the ruling and governing body of the Corporation. It shall apply all rules regulating the affairs and conduct of the Corporation, subject in each case to the provisions of these Bylaws the Articles of Incorporation and subject to the laws of the State of Nevada.

Section 2. Qualification for Executive Board Members: An Executive Board Member must be a Unit Owner of the Corporation in good standing for two years prior to election to office. If any Executive Board member shall cease to be a Unit Owner or fail to continue to be a Unit Owner in good standing, the office of that Executive Board member shall be deemed to be vacant.

Section 3. To avoid conflicts of interest, the Executive Board shall consist of five persons who are unrelated by blood or marriage and do not share a common ownership interest in a unit. They shall fill the terms of office as follows: Beginning with the elections scheduled in July 1991 and thereafter, three (3) Executive Board members shall be elected on even numbered years for two (2) year terms each, and two (2) Executive Board members shall be elected on odd numbered years for two (2) year terms each.

Section 4. The Executive Board shall meet at such time at the office of the Corporation, or at such other convenient place upon the Corporation property. A

meeting of the Board shall be held the last Sunday in June, and again immediately succeeding every annual meeting of the Unit Owners of the Corporation.

Section 5. Special meetings of the Executive Board shall be held when called by the President, or when requested by a majority of the Board Directors. Notice of special meetings of the Board shall be given to each Executive Board member by depositing the notice in the U.S. mail addressed to the Executive Board member at the address of the Executive Board member as the same appears upon the records of the Corporation, or shall be given personal notification, at least ten calendar days prior to the meeting exclusive of the day of the mailing or giving personal notification. The fact of notice and the time and method thereof shall be entered upon the minutes of the meeting. Upon request, any Unit Owner shall receive notice of special meetings after payment of a reasonable fee for such service. The fee shall be paid to the Treasurer. The amount of the fee shall be established annually by the Board.

Section 6.

a) The Executive Board may have an office on the premises of the Corporation and shall keep the books of the Corporation as the laws of the State of Nevada require to be kept within the State of Nevada. Other books of the Corporation shall be kept at such place or places as the Executive Board may from time to time determine.

b) The Association shall keep financial records in sufficient detail to comply with Nevada law. All financial records and supporting documentation must be reasonably available to any Unit Owner and his authorized agents to inspect, photocopy and audit.

c) Access to the records discussed shall be allowed upon ten (10) days written notice, during normal business hours. All costs associated with making the records available and photocopying will be charged to the unit owner exercising his or her rights. Access to such records shall require the Unit Owner to execute an Affidavit that such inspection, extracts or audit is not desired for any purpose not related to his or her interest in the Corporation. If access is for the purpose of an agent of the Unit Owner then a power of attorney authorizing the agent shall be required.

NRS 116.31175; NRS 116.31177; NRS 82.181; NRS 82.186.

Section 7. A quorum shall be deemed present throughout any Executive Board meeting if persons entitled to cast 50% of the votes on that Board are present throughout the meeting. NRS 116.3109.

Section 8. Any act of a majority of the Executive Board, although not taken or done at a regular or special meeting of the Board, if such action and the record thereof is assented to in writing by all members of the Board, shall be as valid and effective as if taken or done by the Board at a regularly called meeting.

Section 9. Any notice required to be given by this Article may be waived by the party to whom such notice is required to be given, provided such waiver is in writing, duly signed either before, at, or after the meeting. The waiver shall be filed with the Secretary of the Corporation.

Section 10. The Executive Board of the Association shall designate an Executive Board member nominating committee for the following year's Board election at their second meeting. The Committee shall be made up of three Unit Owners in

good standing. The Committee will be charged with the responsibility of identifying, confirming interest, and placing in nomination a list of recommended Director nominees. The Committee will present the nominees to the Executive Board for information. No Committee member may be an Executive Board member.

ARTICLE III

POWERS OF EXECUTIVE BOARD

Section 1. The Executive Board shall have power to appoint and remove at pleasure, all officers, agents and employees of the Corporation, prescribe their duties, fix their compensation and require from them security for faithful services.

Section 2. The Executive Board shall have power to conduct, manage and control the affairs and business of the Corporation and to make rules and regulations not inconsistent with the laws of the State of Nevada, the Articles of Incorporation and the Bylaws of the Corporation.

Section 3. The Executive Board shall have power to incur indebtedness, except as limited by Article IV of these Bylaws, the terms and amounts of which shall be entered upon the Minutes of the Executive Board meeting, and the note or writing given for the same shall be signed officially by the Officer or Officers authorized by the Board.

Section 4. The Executive Board may not increase or decrease the number of members of the Board.

ARTICLE IV

LIMITATIONS OF POWERS

Section 1. The enumeration of the powers and duties of the Executive Board in these Bylaws shall not be construed to exclude all or any of the powers and duties, except insofar as the same are expressly prohibited or restricted by the provisions of these Bylaws or Articles of Incorporation, and the Board shall have and exercise all other powers and perform all such duties as may be granted by the laws of the State of Nevada and do not conflict with the provisions of these Bylaws and the Articles of Incorporation.

Section 2. The Executive Board shall not borrow money or incur any indebtedness in excess of the annual budget amounts approved by a majority vote of the Unit Owners first had at a regularly called annual or special meeting of the Unit Owners.

Section 3. The Executive Board shall not enter into any contract, the performance of which would require over twelve (12) months, nor any contract for personal services for a period exceeding twelve (12) months.

Section 4. The Executive Board shall not sell, convey, or encumber any of the real property of the Corporation without the unanimous consent of the total Unit Owners first obtained.

(Note: Amendment of this section is restricted. See Article XXIV, Section 1.)

Section 5. The compensation of all employees and of all Officers of the Corporation, other than the Board, shall be fixed and determined by the Board as herein provided.

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Section 6.

a) Notwithstanding any provision of the declaration or Bylaws to the contrary, the Unit Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the units' owners at which a quorum is present, may remove any member of the Executive Board with or without cause.

b) If a member of the Board is sued for liability for actions undertaken in his role as a member of the Board, the Association shall indemnify him or her for losses or claims, and undertake all costs of defense, unless it is proven that he or she acted with willful or wanton misfeasance or with gross negligence. If the Association proves such conduct, it is no longer liable for the cost of defense, and may recover costs already expended from the Board member. Members of the Executive Board shall not be personally liable to the victims of crimes occurring on EPCC property. Punitive damages may not be recovered against the Association, but may be recovered from persons whose activity gave rise to the damages. NRS 116.31036.

ARTICLE V

DUTIES OF EXECUTIVE BOARD

Section 1. It shall be the duty of the Executive Board:

a) To cause to be kept a complete record of all the accounts and the proceedings of the Unit Owners and to present a full statement thereof at the annual meeting of the Unit Owners, showing in detail the receipt and disbursements and the assets and liabilities of the Corporation, and generally the condition of its affairs, a similar statement shall be presented at any other meeting of the Unit Owners when thereby required by persons holding at least one-third of the issued and outstanding Unit Owners certificates.

(b) To supervise all officers, agents, the caretaker and employees and see that their duties are properly performed.

(c) To cause to be issued the Certificates of Unit Owner upon admission to the Association.

(d) To approve the employment of a caretaker, to reside on the premises throughout the year.

(e) To issue to the caretaker each month, or following each meeting of the Executive Board, orders setting forth a monthly schedule of work to be performed by the caretaker in the ensuing month.

(f) To appoint a committee of three Unit Owners of the Corporation, none of whom shall be incumbent Executive Board members, to make an independent annual audit of the financial condition of the Corporation and submit the same to the Executive Board at the meeting of the Executive Board held the last Sunday of June.

(g) To adopt annually, rules for the conduct and government of the Unit Owners, their guests and tenants, in connection with the exercise of their privileges as Unit Owners, tenants and guests and their use of the Corporation property, and cause the same to be published and mailed to each Unit Owner at the address of the Unit Owner as the same appears upon the records of the Corporation.

The rules shall be consistent with NRS 116.31065, or any amendments thereto. It shall be each Unit Owner's responsibility to require guests and tenants to obey said rules. NRS 116.31065.

ARTICLE VI

OFFICERS

Section 1. The Officers of the Corporation shall be a President, Vice President, Secretary and Treasurer. No Offices shall be consolidated. The Executive Board shall, at their first regular meeting, elect from its members a President, Vice President, a Secretary and a Treasurer.

Section 2. No Executive Board member may act in the capacity of more than one officer position for any transaction or series or related transactions.

Section 3. The Treasurer and any other Officers with authority to disburse funds of the Corporation shall be bonded for an amount determined by the Executive Board. Each such bond shall be not less than \$2,000.00.

ARTICLE VII

PRESIDENT

Section 1. The President shall be the chief officer of the Corporation and shall, subject to the control of the Executive Board, have general supervision, direction and control of the business and officers of the Corporation. If at any time the President shall be unable to act, the Vice President shall take the place of the President and perform such duties, and, in case of the inability of the Vice President to act, the Executive Board shall appoint a member of the Board to do so, and such member shall be vested for the interim period with all powers and shall discharge and perform all duties and functions of the office.

Section 2. The duties of the President shall be:

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a) To preside over all meetings of the Unit Owners and Executive Board.

b) To sign, as President, all Certificates of Unit Ownership and all contracts and other instruments in writing which have been approved first by the Executive Board.

c) To call the Executive Board together whenever the President shall deem it necessary; and to have, subject to the advice of the Executive Board, charge of all affairs of the Corporation, and generally to discharge such other duties as may be required of the President by the Bylaws of the Corporation.

ARTICLE VIII

VICE PRESIDENT

Section 1. The Vice President shall be vested with the powers and shall perform all of the duties of the President in the absence of the President and at other times shall have authority and shall perform such duties as the Executive Board may prescribe.

ARTICLE IX

SECRETARY

Section 1. The Secretary shall give all required notice of all meetings of the Unit Owners and meetings of the Executive Board, keep minutes of all the meetings of Unit Owners and the Executive Board, register and countersign all Certificates of Unit Ownership, countersign contracts, and other instruments in writing requiring the signature of the President, be custodian of the seal and attach the same to all

documents and instruments requiring the seal, and in general, perform all acts incident to the office of Secretary.

Section 2. The Secretary shall mail to each Unit Owner a copy of the Minutes of Executive Board meetings, and all Unit Owners meetings, within five (5) calendar days after any such meeting, whether the said Minutes have been approved or not.

ARTICLE X

TREASURER

Section 1. The Treasurer shall receive all monies and funds of the Corporation and shall deposit the same in such depository or depositories as from time to time may be selected by the Executive Board.

Section 2. The Treasurer shall perform all other duties respecting monies, funds, securities and property of the Corporation which the Treasurer may receive, or which may be confided to the care of the Treasurer as the Executive Board may from time to time prescribe or direct.

Section 3. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Executive Board or by an authorized Officer of the Corporation, only upon proper vouchers for such disbursements and as required by Article XIV of these Bylaws.

Section 4. The Treasurer shall render to the President and Executive Board at regular meetings of the Board, or whenever they may require it, an account of all actions as Treasurer, and of the financial condition of the Corporation.

Section 5. The Treasurer shall submit to the Executive Board an annual statement showing in detail all receipts and disbursements at the meeting of the Executive Board which shall be held on the last Sunday of June of each year.

ARTICLE XI

VACANCIES

Section 1. If the office of any Executive Board member or of any appointed official of the Corporation shall become vacant for any cause, the remaining Executive Board members, if more than a quorum, may elect a successor or successors who shall hold office for the unexpired term, and in the event there is less than a quorum, the remaining Executive Board members shall call a special meeting of the Unit Owners to fill the vacancies.

ARTICLE XII

VALIDATION OF INFORMAL ACTS

Section 1. Any act of a majority of the Executive Board, although not had at a regularly called meeting, and the records thereof, if attested to in writing by all the other members of the Board, shall be as valid and effective in all respects as if passed by the Board in regular meeting.

Section 2. Whenever all Unit Owners entitled to vote at any meeting, whether of Executive Board or of Unit Owners, consent either by writing signed on the records of the meeting, or filed with the Secretary, or by presence at such meeting, and oral consent entered on the Minutes, or by taking part in the deliberations at such meeting without objections, all acts of such meeting shall be as valid as if had at a meeting regularly called and noticed and at such meeting any business may be transacted which is not excepted from the written consent, or to the consideration of which no objection for want of notice is made at the time, and if any meeting is irregular for want of notice, or of such consent, and a quorum is present at such meeting, the proceedings of such meeting may be ratified and approved and rendered valid, and

the irregularity or defect waived by a written consent by all members having a right to vote at such meeting, or by a majority vote at any subsequent legally convened meeting, and such consent or approval of Unit Owners may be by proxy or by power of attorney, in writing.

ARTICLE XIII

CORPORATE SEAL

Section 1. The Corporation shall have a seal upon which shall appear the Corporate name and date when incorporated, which date shall be the date of the issuance of the original certificate of the Secretary of State, and such other designs as the Executive Board may determine.

ARTICLE XIV

DEPOSIT AND DISPOSITION OF FUNDS

Section 1. The Executive Board is authorized to select such depositories as it shall deem proper for the needs of the Corporation. All checks and drafts against such deposited funds shall be signed by the Treasurer and countersigned by one of the following Officers: President, Vice President or Secretary.

ARTICLE XV

UNIT OWNERS

Section 1. No person shall be eligible to Unit Ownership in this Corporation whose application for membership has not been submitted to the Executive Board and favorably passed upon by a majority vote of Executive Board at any regular or special meeting thereof.

Section 2. No person shall be entitled to any property rights or interest therein or derived by a Unit Owner of the Corporation from whom any such person may obtain consenting to such assignment of transfer and to the acceptance of the assignee or transferee as a Unit Owner of the Corporation.

Section 3. Any person may apply for Unit Ownership in the Corporation by application to the Executive Board on a form to be made available by the Board. If a Unit Owner desires to transfer the Unit Ownership and all property of the Unit Owner to any such applicant, such Unit Owner shall join in the application and request that the Unit Ownership be so transferred to such applicant. If such Unit Owner desires to sell to such applicant only one or more of several lots owned by the Unit Owner, but would still retain one or more lots, then such Unit Owner shall join in the application and request permission to transfer such lot or lots proposed to be sold. A copy of the proposed deed or deeds shall be annexed to each application.

Section 4. If an applicant is elected to Unit Ownership by the Executive Board, upon transfer of Unit Ownership, all property rights of the prospective grantor and assignor of the Certificate of Unit Ownership of the Corporation shall terminate upon the execution and valid delivery of the deed or deeds to the grantee and execution of the assignment of the Certificate of Unit Ownership.

Section 5. The initiation fee for all new Unit Owners shall be \$10,000 which said sum shall accompany all applications for Unit Ownership. In the event the application is rejected, the initiation fee shall be returned to the applicant.

Section 6. Any Unit Owner of a Certificate of Unit Ownership, who on the 22nd day of August, 1948, owned a lot or lots in his or her name, having a spouse, adult or adults, child, or children, or parent or parents, or brother or sisters, may,

upon surrender of such certificate, apply to the Executive Board to issue a Certificate of Unit Ownership in joint tenancy to such Unit Owner and to the spouse, or adult or adults, child or children, or parent child, or children, or parent or parents, or brother or sisters, may, upon surrender of such certificate, apply to the Executive Board to issue a Certificate of Unit Ownership in joint tenancy to such Unit Owner and to the spouse, or adult or adults, child or children, or parent or parents, or brother or sister of the Unit Owner, and the Executive Board shall forthwith issue to such Unit Owner and spouse, adult or adults, or child or children, or parent or parents, or brother or sister, a new Certificate of Unit Ownership in joint tenancy to such persons.

Section 7. No initiation fee shall be required upon the issuance of a new Certificate of Unit Ownership as provided in Section 6.

Section 8. When any Certificate of Unit Ownership or Unit Ownership is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit Ownership, however, if more than one of them are present at such meeting in person or by proxy, no vote shall be received in respect of such shared Unit Ownership, unless the persons present join in or assent to such vote. In case of the death, bankruptcy, or mental incapacity of any fractional owner of a Unit Ownership certificate, the person entitled to such fractional membership shall be entitled to vote in respect of such fractional membership as set forth above.

Section 9. There shall be one class of membership, limited to natural persons.

Section 10.

a) A Unit Owner shall furnish the following to a potential buyer before execution of any contract for sale of a unit, or otherwise before conveyance:

1) A copy of the governing documents, including any required declaration, EPCC Bylaws, EPCC rules and regulations, and any other information required by law.

2) A statement setting forth the amount of the monthly assessment for common expenses and any unpaid assessment of any kind currently due from the selling Unit's Owner;

3) The current operating budget of the Association and a financial statement for the Association; and

4) A statement setting out any unsatisfied judgments or pending legal actions against the Association and the status of any pending legal actions relating to the common-interest community elements of the Association of which the Unit Owner has actual knowledge.

5) Provide a copy of NRS 116.41095 to the new Unit Owner and return a copy with the Buyer's signature to the Executive Board.

b) The association, within 10 days after a request by a Unit Owner, shall furnish a certificate containing the information necessary to enable the Unit Owner to comply with this section. A Unit Owner providing a certificate shall not be liable to the purchaser for any erroneous information provided by the Association and included in the Certificate.

c) Neither a purchaser nor the purchaser's interest in a unit is liable for any unpaid assessment or fee greater than the amount set forth in the certificate prepared by the Association. If the Association fails to furnish the certificate within the 10 days allowed by subsection b, the seller is not liable for the delinquent assessment.

NRS 116.41095.

ARTICLE XVI

PROPERTY RIGHT OF UNIT OWNERS

Section 1. No Unit Owner or owner of a lot or lots, or any Unit Owner having only an equity in a lot or lots, shall sell or convey or otherwise dispose of any part or portion thereof without the prior consent of a majority of the Executive Board by appropriate resolution at any general or special meeting thereof.

Section 2. The property of Unit Owners shall be used for single family residential purposes only.

Section 3. No structure of any kind shall be erected or permitted upon the premises of any Unit Owner, unless the plans and specifications shall have first been submitted to and approved by the Executive Board. No tent, house trailer, motor home, camper, or similar housing, permanent or temporary, shall be permitted within the premises and real property of the Corporation at any time under any circumstances, except for loading and unloading.

Section 4. No Unit Owner shall own more than three (3) lots at the same time.

Section 5. The grantee or grantees of any property and premises, and the property and the premises within the tract of the Corporation, shall be subject at all times to the Articles of Incorporation, Bylaws, rules and regulations of the Corporation which shall in turn bind every subsequent grantee, the executors, administrators, successors and or assigns of such grantee.

ANNUAL ASSESSMENTS

Section 1.

Except as otherwise provided in Section 2 and unless the declaration of a common-interest community imposes more stringent standards, the Executive Board of the Association 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 Unit Owner 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.

Section 2.

The budget to maintain the reserve required by Section 1 must include, without limitation:

- a) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements;
- b) 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;
- c) A statement as to whether the Executive 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

d) A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to subparagraph (e) including, without limitation, the qualifications of the person responsible for the preparation of the study required by Section 3.

e) Reserves may only be used for the repair, replacement and restoration of common elements and are not to be used for daily maintenance.

Section 3. The Executive Board of the Association shall:

a) Cause to be conducted at least once every five years, a study of the reserves required to repair, replace and restore the major components of the common elements;

b) Review the results of the study at least annually to determine if those reserves are sufficient;

c) Make any adjustments it deems necessary to maintain the required reserves.

d) The study required by subsection (a) must be conducted by a person qualified by training and experience to conduct such a study, including a member of the Executive Board, a Unit Owner or the Property Manager of the Association who is so qualified. The study must include, without limitation:

1) A summary of the inspection of the major components of the common elements the Association is obligated to repair, replace or restore;

2) An identification of the major components of the common elements that the Association is obligated to repair, replace or restore which have a remaining useful life of less than 30 years;

3) An estimate of the remaining useful life of each major component identified pursuant to subparagraph (2);

4) An estimate of the cost of repair, replacement, or restoration of each major component identified pursuant to subparagraph (2); and

5) An estimate of the total annual assessment that may be required to cover the cost of repairing, replacement or restoration of the major components identified pursuant to subparagraph (2), after subtracting the reserves of the Association as of the date of the study.

Section 4. The Association shall provide written notice to the Unit Owners of a meeting, at which an assessment for a capital improvement or the commencement of a civil action is to be considered or action is to be taken on an assessment, at least 21 calendar days before the meeting. Except as provided below, the Association may commence a civil action only upon a vote of a majority of the Unit Owners. This does not apply to civil actions commenced:

- a) To enforce payment of an assessment;
- b) To enforce the governing documents;
- c) To proceed on a Counterclaim; or
- d) To protect the health, safety and welfare of the Unit Owners.

Section 5. Assessments shall be made against each Unit Owner. A Unit Owner is defined as the Owner of a lot as shown on the Elks Subdivision Map plat recorded in the Douglas County Assessor's Map Book originally on May 5, 1927, at Book 1 of Maps, as amended, a copy of which is attached to the Bylaws and noted on the Unit Ownership list. [NRS 116.2104, 116.2105 and 116.11039].

Assessments shall be made against each Unit Owner equally. No Unit Owner shall own more than three (3) lots at the same time.

Section 6. Maintenance, repair, restoration or replacement of limited common use elements that are used by less than all the Unit Owners, will be assessed against only those Unit Owners benefitting from their usage.

Section 7. The annual assessment shall cover a period of time extending from July 1st to June 30th of the following year and shall be due and payable on August 10th of each year and shall become delinquent on November 10th of that particular year.

Section 8. Special Assessments covering unforeseen emergencies which affect the health, safety and welfare of the Association, and occur between annual budgets, can be authorized by the Executive Board. One or more Special Assessments cannot exceed \$100 per Unit Owner, per year (not to exceed \$10,000 aggregate to the Association). All special assessments to the Unit Owners shall be on a per Unit Ownership (per lot) basis.

NRS 116.3115; NRS 116.110393.

ARTICLE XVIII

LIENS UPON UNIT OWNERS

Section 1.

Any unpaid Unit Ownership fees, assessments, fines, charges, late fees, and interest shall be enforceable as assessments and shall be a lien upon the debtors Unit Ownership, Certificate of Unit Ownership, and all lots, including the improvements thereon, at Elk Point Country Club, Nevada, owned by the Unit Owner or in which the Unit Owner has an interest. If an assessment is payable in installments, the full

amount of the assessment is a lien from the time the first installment thereof becomes due. In any suit to foreclose such lien the court may award reasonable attorney's fees, which together with cost of suit, for foreclosure and sale, and any taxes paid by the Corporation, shall also be a lien upon said properties of the debtor.

Section 2. A lien under this section is prior to all other liens and encumbrances on a unit except:

a) Liens and encumbrances recorded before the recordation of the original subdivision map.

b) A first security interest on the unit recorded before the date on which the assessment sought to be enforced became delinquent.

c) Liens for real estate taxes and other governmental assessments or charges against the unit.

The lien is also prior to all security interests described in subparagraph (b) to the extent of the assessments for common expenses based on the periodic budget adopted by the Association which would have become due in the absence of acceleration during the 6 months immediately preceding institution of an action to enforce the lien.

Section 3. If two or more associations have liens for assessments created at any time on the same property, those liens have equal priority.

Section 4. Recording of the subdivision map constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this section is required.

Section 5. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within 3 years after the full amount of the assessments becomes due.

Section 6. This section does not prohibit actions to recover sums for which subsection 1 creates a lien or prohibit an association from taking a deed in lieu of foreclosure.

Section 7. A judgment or decree in any action brought under this section must include costs and reasonable attorney's fees for the prevailing party.

Section 8. The Association upon written request shall furnish to a Unit Owner a statement setting forth the amount of unpaid assessments against the unit. If the interest of the Unit Owner is real estate, the statement must be in recordable form. The statement must be furnished within 10 business days after receipt of the request and is binding on the Association, the Executive Board and every Unit Owner.

NRS 116.3116.

ARTICLE XIX

TERMINATION OF UNIT OWNERSHIP

Section 1. Unit Ownership shall be terminated by transfer of the same, or be transfer of the last lot owned by a Unit Owner. No such transfer shall be effective except upon the consent of the Board of Directors as set forth in these Bylaws. Unit Ownership obligations shall continue against the personal representatives, heirs, assigns and devisees of the former Unit Owner and shall continue to be a lien upon said lot or lots. A former Unit Owner whose membership has been terminated as provided in these Bylaws, immediately forfeits all rights of Unit Ownership and all interest in the property and assets of the Corporation.

ARTICLE XX

PENALTIES

Section 1. By action of the Executive Board, the Unit Owner's rights shall be suspended for any of the following causes:

a) Violation of or failure by any Unit Owner or the tenant or guests, of the Unit Owner to comply with any Corporation Bylaw, Article of Incorporation, or any of the rules and regulations promulgated by the Executive Board, after due notice and hearing by the Executive Board.

(b) Failure, for three months, to pay assessments owing the Corporation.

Section 2. During the period of suspension, the suspended Unit Owner shall not be entitled to any services from the Corporation nor from its caretaker, and the water supply to the property of such member may be shut off after due notice. Voting privileges shall also be denied and assessments shall continue during the suspension.

Section 3. Any Unit Owner so suspended may be reinstated, by a majority vote of the Executive Board, after completion of remedy imposed by the Board.

ARTICLE XXI

PROPERTY RIGHTS ON UNIT OWNER DEATH

Section 1. Upon the death of a Unit Owner, all provisions of these Bylaws shall apply to the heirs, devisees and personal representatives of the deceased Unit Owner. Should title to any lot or lots of the deceased Unit Owner vest in any heir or heirs, devisee or devisees, of said Unit Owner either by operation of law or decree of distribution, then such heir or heirs, devisee or devisees shall be admitted to this

Corporation upon application to and approval by the Executive Board and no initiation fee shall be charged the heir, devisee or personal representatives of any deceased member, and the title of such heir or heirs, devisee or devisees, to the lot or lots of said deceased member shall be recognized by this Corporation; upon the condition, however, that said heir or heirs, devisee or devisees, shall in all respects be bound by and shall adhere to the Bylaws, rules and regulations of this Corporation, including those pertaining to any sale of said lot or lots. Any sale of said lot or lots by any personal representative of a deceased Unit Owner shall not be valid until the purchaser or contemplated purchaser shall be approved by the Executive Board of this Corporation as provided in these Bylaws.

ARTICLE XXII

DISSOLUTION

Section 1. Upon the termination of the life of the Corporation, or upon its sooner dissolution for any cause, all restrictions, regulations and limitations as to the sale and conveyance, possession, occupancy and enjoyment of any lot or lots owned by the Unit Owners shall terminate. All assets of whatever kind, character or nature shall be converted into cash and the net thereof divided among the Unit Owners proportionately to the number of lots owned by each. Nothing herein contained shall be construed to prevent a renewal of the charter of the Corporation in the manner provided by law thereby extending the life of the Corporation.

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ARTICLE XXIII

FISCAL YEAR

Section 1. The fiscal year of the Corporation shall begin with the first day of July and extend to the 30th day of June, both days, inclusive, unless otherwise provided by the resolution of the Executive Board.

ARTICLE XXIV

AMENDMENTS

Section 1. These Bylaws may be amended except as otherwise provided, by a two-thirds majority vote of all the Unit Owners present in person or by proxy at any regularly called meeting of Unit Owners, provided, however, that written notice of the proposed changes shall have been given to each Unit Owner in the same manner and for the same time as notice for the meeting is required by these Bylaws. Neither Article XXIV nor Article IV Section 4 shall be amended without the unanimous consent of all Unit Owners.

ARTICLE XXV

CARETAKER

Section 1. A caretaker shall be employed by the Executive Board upon terms and conditions to be fixed and approved by the Executive Board. Said caretaker shall be directly responsible to the Executive Board. No caretaker shall be retained by a contract for services in excess of one year.

Section 2. Each Unit Owner shall notify the Caretaker of the name of any renter, tenant or guest and the dates of tenancy.

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ARTICLE XXVI

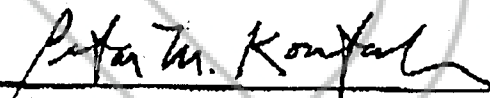
EFFECTIVE DATE OF BYLAWS

Section 1: These Bylaws shall be effective upon approval by a two-thirds vote of all Unit Owners present, at its Annual Membership Meeting to be held on the First Saturday in July, and shall supersede all other Bylaws of Elk Point Country Club, Inc., and said Bylaws shall be filed by the Secretary of the Corporation, with the County Clerk of Douglas County, Nevada, within thirty (30) days from the effective date of the approval of these Bylaws by a two-thirds vote of all Unit Owners as provided in these Bylaws.

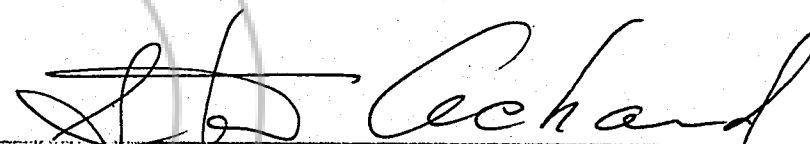
The above Bylaws were adopted on July 1, 2000.

Attested this 28th day of July, 2000.

Amendments effective as amended July 1, 2000.



Secretary
Elk Point Country Club, Inc.



Vice President - STEVE ACHARD
Elk Point Country Club, Inc.

REQUESTED BY
Elk Point Country Club
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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LINDA SLATER
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