

THIRD RESTATED BYLAWS'
OF THE
CAUGHLIN RANCH HOMEOWNERS'
ASSOCIATION

ARTICLE I
Offices

Section 1. **PRINCIPAL OFFICE.** The principal office for the transaction of the business of the Association is hereby fixed and located at 1070 Caughlin Crossing, Reno, Nevada, 89519. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in Washoe County.

Section 2. **OTHER OFFICES.** Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the Association is qualified to do business.

ARTICLE II
Definitions

Section 1. **ARTICLES.** "Articles" means the Articles of Incorporation of the Association.

Section 2. **ASSOCIATION.** "Association" means the Caughlin Ranch Homeowners' Association, a Nevada nonprofit corporation.

Section 3. **BOARD.** "Board" means the Board of Directors of the Association.

Section 4. **BYLAWS.** "Bylaws" mean the Bylaws of the Association.¹

Section 5. **DECLARATION.** "Declaration" is the Declaration of Protective Covenants covering the Development, recorded on August 8, 1984 as Document No. 942122, Official Records of Washoe County, Nevada, an amendment thereto recorded on August 29, 1984 as Document No. 946585, Official Records of Washoe County, Nevada, an amendment thereto dated December 28, 1984 recorded as Document No. 978124, Official Records of Washoe County, Nevada, an amendment thereto dated February 25, 1988 recorded as Document No. 1229040, Official Records of Washoe County, Nevada, an amendment thereto recorded June 10, 1988 as Document No. 1252480, Official Records of Washoe County, Nevada, an amendment thereto recorded in November 1994 as Document No. 1851932 in Book 4198, pg. 0740-0743, Official Records of Washoe County, Nevada, an amendment thereto recorded February 28, 1996 as Document No. 1971751, Official Records of Washoe County, Nevada, an amendment thereto recorded May 22, 1996 as Document No. 1997262, Official Records of Washoe County, Nevada, an amendment thereto recorded as November 20, 1998 as Document No. 2277352, Official Records of Washoe County, Nevada, and all additional amendments, supplemental declarations, or other recorded

¹ The original By-Laws of the Caughlin Ranch Homeowners' Association were adopted by the Board of Directors on July 16, 1984, and amended by the Board of Directors on August 16, 1993, November 23, 1998, August 9, 1999, and October 18, 1999. On May 5, 2008, the Board of Directors adopted the FIRST RESTATED BYLAWS OF THE CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION. On January 9, 2013, the Board of Directors adopted the SECOND RESTATED BYLAWS OF THE CAUGHLIN RANCH HOMEOWNERS ASSOCIATION. All references to any of the previously adopted bylaws shall be deemed to specifically refer to these Restated Bylaws.

documents intended by the Developer or any subsequent Declarant, as protective covenants covering the Development.

Section 6. **DEVELOPER.** "Developer" is any entity which develops a portion of the Development from time to time.

Section 7. **DEVELOPMENT.** "Development" is Caughlin Ranch, a planned unit development in Reno and Washoe County, Nevada, said development consisting of 2,534 single family Lots, together with common areas as shown on maps of the Development recorded from time to time, all in accordance with the Master Plan of Caughlin Ranch.

Section 8. **DIRECTOR.** "Director" means an elected or appointed member of the Board.

Section 9. **LOT.** "Lot" means any numbered single family lot shown on a recorded map of the Development or any living unit within a multiple family dwelling within the Development.

Section 10. **MAP.** "Map" means the maps of the Development as they are from time to time recorded.

Section 11. **MEMBERSHIPS.** "Memberships" are defined in Article Sixth of the Articles of Incorporation of this Association. There shall be one Membership for each Lot within the Development.

Section 12. **MEMBER.** "Member" means any Owner of a Lot within the Development.

Section 13. **NON-RESIDENTIAL LAND USE.** "Non-residential Land Use" means either a Lot or parcel that is used for any purpose other than residential use, be that either single family, multiple family or rental dwelling use. Examples of non-residential land use would be commercial, office building, day care centers, athletic clubs, restaurants and other like uses.

Section 14. **OWNER.** "Owner" means:

(a) Any person or legal entity that holds fee simple title to any Lot, unit, or parcel within the Development.

(b) Any person or legal entity who has contracted under a recorded contract of sale to purchase fee title to a Lot, in which case the seller under said agreement shall cease to be the Owner while said agreement is in effect.

Section 15. **PARCEL.** "Parcel" means any portion of the Development other than a Lot.

Section 16. **SINGLE FAMILY DWELLING.** "Single Family Dwelling" means a residential dwelling for the Owner and his immediate family, his casual guests and his domestic servants and domestic employees, which dwelling is constructed on a Lot designated in the Supplemental Declaration as a single family residential Lot.

ARTICLE III

Membership, Evidence and Transfer

Section 1. **MEMBERSHIP LEDGER.** The Association shall keep a ledger showing the Owner of each Lot within the Development and such Owner's Lot address and mailing address if different from the Lot address ("Membership Ledger"). The Membership Ledger shall be revised annually to reflect any changes to the Owner of any Lot within the Development.

Section 2. **TRANSFER.** Memberships in the Association are transferable only upon the conveyance of the Lot to which such Membership is appurtenant, and any other attempted transfer or assignment of such Membership shall be void. Transfers of record which occur by reason of the

conveyance of any Lot subsequent to the initial conveyance from the Developer, or a successor Developer, shall be subject to a fee of \$200.00 to be paid from escrow by seller and to the payment of all indebtedness to the Association of the Member whose Membership is transferred. In the event a contract of sale to purchase fee title to a Lot is in escrow pending full payment of the purchase price of the Lot, the transferor (seller) may deliver to the transferee (buyer) a proxy to vote on any matter as a Member of the Association.

ARTICLE IV **Meetings of Members**

Section 1. **PLACE OF MEETINGS.** All annual meetings of Members and all other meetings of Members shall be held either at the principal office or any other place within Washoe County, State of Nevada, which may be designated by the Board of Directors.

Section 2. **ANNUAL MEETINGS.** The annual meetings of Members shall be held at least once each year on any business day within a three (3) week period in November, after the first day of November, provided, however, that said day shall not fall upon a legal holiday and shall be held within 1 year of the last annual meeting.

Section 3. **SPECIAL MEETINGS.** Special meetings of the Members, for any purpose whatsoever, may be called at any time by the President, by a majority of the Board of Directors, or by a written petition signed by the Memberships constituting at least ten percent (10%) of the voting power of the Association and served on the Board of Directors or Community Manager for the Association. Notice of such special meetings shall be given in accordance with the requirements of the Nevada Revised Statutes, including NRS 116.3108. Notices of any special meeting shall specify in addition to the place, day, and hour of such meetings, the purpose or purposes for which the special meeting is called.

Section 4. **NOTICE OF MEETINGS.** Notice of all Member meetings must be given in accordance with the requirements of the Nevada Revised Statutes (NRS Chapter 116), provided that an action that may be taken at a regular or special meeting of Members may be taken without a meeting, provided the provisions of NRS 116.311(9) are satisfied. If a Member gives no different address to the Association in writing, notice shall be deemed to have been given to the Member if sent by mail addressed to the Lot within the Development to which such Membership is appurtenant. Written notice to a Member by electronic mail (e-mail), sent by the Association at the request of the Member to an electronic mail address designated in writing by the unit's Owner, shall be deemed the equivalent of written notice. Once an electronic mail address is provided by a Member in writing, the Association is authorized to use that electronic address for sending all future notices until notified in writing by the Member of a new address or request to discontinue notice by electronic mail.

Section 5. **MINUTES OF MEETINGS.** The Secretary or other officer specified in the bylaws shall cause minutes of the meetings to be recorded or otherwise taken at each meeting of the units' Owners. Not more than 30 days after each such meeting, the Secretary or other officer specified in the bylaws shall cause the minutes, or a summary of the minutes, of the meeting to be made available to the units' Owners. A copy of the minutes, or a summary of the minutes, must be provided to any unit's Owner upon request and, if required by the Executive Board, upon payment to the Association of the cost of providing the copy to the unit's Owner in accordance with Chapter 116 of the Nevada Revised Statutes. An electronic copy of the minutes or summary of the minutes shall be provided in electronic format, if available, at no cost to a unit's Owner.

Section 6. **QUORUM.** Except as provided in NRS 116.31034, a quorum is present throughout any meeting of the Members if persons entitled to cast twenty percent (20%) of the votes in the Association are present by any combination of in person, by proxy, absentee ballots or by a ballot vote without a meeting as set forth in NRS 116.311(9). The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. This provision

does not change the number of votes that are required under the NRS Chapter 116, the Articles, or the Declaration for taking action on any particular matter.

Section 7. **ADJOURNED MEETINGS, AND NOTICE THEREOF.** In the absence of a quorum, no business may be conducted by the Members at any meeting. Any Members' meeting, annual or special, when a quorum is present, may be adjourned from time to time by the vote of a majority of the Membership entitled to vote, the holders of which are either present in person or represented by proxy thereat when a proxy is allowed to conduct business. When any Members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the new date, time and place, of the adjourned meeting shall be given as in the case of an original meeting.

Section 8. **VOTING AT MEETINGS.** All voting at meetings of the Members shall be in accordance with the Nevada Revised Statutes. Every Member entitled to vote shall have the right to vote in person or by proxy the number of Memberships standing in his or her own name on the Membership Ledger of the Association.

Section 9. **PROXIES.** Proxies must comply with the provisions of NRS 116.311. Before a vote may be cast pursuant to a proxy, the proxy holder must comply with the provisions of NRS 116.311, including, without limitation, the proxy must be dated, not purport to be revocable without notice, must designate the meeting for which it is executed, and must designate the specific item on the agenda for which the Member has executed the proxy. For each specific item designated in the proxy, the proxy must state whether the holder of the proxy must cast a vote in the affirmative or the negative on behalf of the Member or no vote by proxy will be valid for that particular item. A proxy terminates immediately after the conclusion of the meeting, and any recessed sessions 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 the Association.

Section 10. **BALLOTS IN LIEU OF MEETING.** Any action that may be taken at a regular or special meeting of Members may be taken without a meeting, provided the provisions of NRS 116.311(9) are satisfied. In such a vote, the Association will notify the Members that the vote will be taken by ballot and deliver a paper or electronic ballot to each Member entitled to vote on the matter. The ballot must set forth each proposed action and provide an opportunity to vote for or against the action and indicate the number of responses needed to meet the quorum requirement and the votes necessary to approve each matter (other than election or removal of Directors). The Association will specify the time and date by which a ballot must be delivered to the Association to be counted which will at least be three (3) days after the date the Association delivers the ballot and inform the Members of the time and date which other Members wishing to deliver information regarding the subject of the vote may do so. Unless the Board determines reasonable cause exists otherwise, whenever a vote is conducted by ballot without a meeting, the Association shall cause a secret ballot and a return envelope to be sent to the mailing address of each Member entitled to vote on the matter. The return envelope will indicate the lot number and unit address to allow the Association to verify that the secret ballot is cast by the Member having the right to vote, however, the ballot will not have this identifying information. The Association will count the secret written ballots as they are returned. The Association may extend the time to receive ballots, with notice to the Members who have not yet cast a ballot, if the number of ballots received by the deadline to be counted, is insufficient to meet the quorum requirement, or the number of votes required by the Association's Declaration, if different than the quorum requirement.

Section 11. **ENTRY OF NOTICE.** Whenever any Member entitled to vote has been absent from any meeting of Members, whether annual or special, an entry in the minutes of that meeting, to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Member, as required by law and the Bylaws of the Association.

ARTICLE V
Directors and Elections

Section 1. **POWERS.** Subject to limitations of the Articles of Incorporation, the Bylaws, the provisions of applicable law and the provisions of the Declaration as to action to be authorized or approved by the Members, and subject to the duties of Directors as prescribed by the Bylaws and applicable laws, the business and affairs of the Association and all corporate powers shall be exercised by or under the authority and control of the Board of Directors. The Board may delegate the management of the activities of the Association to any person or persons, a management company, a general manager, or committees, however composed, or otherwise delegate any function of the Board, provided that the activities and affairs of the Association shall be managed, and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall, without limitation, have the following powers:

(A) To select and remove all officers, agents, and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the Bylaws, fix their compensation, and require from them security for faithful service.

(B) To conduct, manage and control the affairs and business of the Association, and to make such rules and regulations that are not inconsistent with law, with the Articles of Incorporation or the Bylaws, as they may deem appropriate.

(C) To change the principal office for the transaction of the business of the Association from one location to another within Washoe County; to fix and locate from time to time one or more subsidiary offices of the Association within or without the State of Nevada; and to designate any place in Washoe County, Nevada for the holding of any meeting.

(D) To cause Memberships to be reflected on the Membership Ledger from time to time, upon such terms as may be consistent with the Articles of Incorporation, the Declaration and these Bylaws.

(E) To borrow money and incur indebtedness for the purpose of the Association, and to cause to be executed and delivered, in the Association name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities.

(F) To appoint an executive committee and other committees, and to delegate to the executive committee any of the powers and authority of the Board in the management of the business and affairs of the Association, except the power to declare dividends and to adopt, amend or repeal Bylaws. The executive committee shall be composed of one or more Directors.

(G) To levy assessments and to do all things provided by and in the manner required by the Articles of Incorporation and the Declaration.

(H) To impose construction penalties pursuant to NRS 116.310305.

(I) To impose fines and other sanctions pursuant to NRS 116.31031.

(J) To enter grounds of a unit to conduct maintenance or remove or abate a public nuisance pursuant to NRS 116.310312.

(K) To take any other action or exercise any power granted to the Board in the Articles of Incorporation, the Declaration and the provisions of Nevada law, including, without limitation, those powers expressly set forth in NRS 116.3102 and the remainder of NRS Chapter 116.

Section 2. **NUMBER OF DIRECTORS AND QUALIFICATIONS.** The authorized number of Directors of the Association shall be seven (7) until changed by amendment of the Articles of Incorporation or by an Amendment of these Bylaws. All Directors must be Members in good standing of the Association and current on all assessments, fines and penalties. No reduction of the authorized number of Directors shall have the effect of removing any director prior to the expiration of the Director's term of office.

Section 3. **ELECTION OF BOARD MEMBERS.** The election of any Director of the Board must be conducted in accordance with the Nevada Revised Statutes 116.31034 in existence at the time of the election. The ballots will be mailed, and the election of the Directors will occur, so the results of the election will be announced at the annual meeting of Members unless the election was conducted pursuant to a special meeting of the Members. To comply with NRS 116.3106(1)(h), the procedure set

forth below is a summary of the election process set forth in NRS 116.31034 at the time these Third Restated Bylaws were adopted:

(a) Not less than 30 days before an election ballot is mailed, the Association shall cause notice to be given to each eligible unit Owner of the unit Owner's eligibility to serve as a Director on the Board ("Eligibility Notice").

(b) An eligible unit Owner may nominate himself or herself for membership on the Board by submitting a nomination to the Board within 30 days after the Eligibility Notice is mailed.

(c) The Eligibility Notice will provide that if at the expiration of 30 days after the mailing of the Eligibility Notice, the number of candidates nominated for membership on the Board is equal to or less than the number of Directors to be elected to the Board at the election, then the Association will not prepare or mail any ballots to Members and the nominated candidates shall be deemed to be duly elected to the Board at the meeting of the Members at which the ballots would have been counted.

(d) If at the expiration of 30 days after the mailing of the Eligibility Notice, the number of candidates nominated for membership on the Board is equal to the number of Directors to be elected to the Board at the election, then the nominated candidates shall be deemed to be duly elected to the Board at the meeting of the Members at which the ballots would have been counted.

(e) If at the expiration of 30 days after the mailing of the Eligibility Notice, the number of candidates nominated for membership on the Board is less than the number of Directors to be elected to the Board at the election, then the Board may fill the remaining vacancies by appointment by the Board at a meeting of the Board held after the candidates are elected pursuant to section 3(d) above. Any such Director appointed by the Board shall serve as a Director until the next regularly scheduled election of Directors. A Director elected to a previously appointed position which was temporarily filled by Board appointment may only be elected to fulfill the remainder of that term.

(f) If at the expiration of 30 days after the mailing of the Eligibility Notice, the number of candidates nominated is greater than the number of Directors to be elected to the Board, then the Association shall prepare and mail ballots to the units' Owners and conduct an election for membership on the Board pursuant to NRS 116.31034.

(g) The Secretary or other officer specified in the bylaws 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 Lot within the Development or to any other mailing address designated in writing by the unit's Owner and as shown on the Membership Ledger.

(h) 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 or the representative designated by the Association to receive and count the ballots ("Ballot Representative").

(i) A quorum is not required for the election of any Director of the Board.

(j) Each Member shall be entitled to one vote per Lot owned by such Member as shown on the Association's Membership Ledger at the time of the vote. There shall be no cumulative voting as defined in NRS 82.331.

(k) Only the secret written ballots that are returned to the Ballot Representative by the deadline set forth in the notice contained with the ballot will be counted to determine the outcome of the election.

(l) The secret written ballots must be opened and counted at the annual meeting of the Members held pursuant to NRS 116.3108(1) at the Association's office, the Ballot Representative's office, or any other location set forth in the Notice of Meeting. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(m) The incumbent Directors of the Board and each person whose name is placed on the ballot as a candidate for membership on 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 Ballot Representative before those secret written ballots have been opened and counted at a meeting of the Association.

(n) The new Board Directors will be elected based on the number of votes received by each candidate. The candidate receiving the most votes will fill the first vacancy. If additional vacancies exist, the candidate with the second highest number of votes will fill the second vacancy and the candidate with the next highest number of votes will fill any additional

vacancies so that all vacancies are filled by the candidates receiving the most votes for that vacancy. The results of the election will be announced at each annual meeting of the Members.

Section 4. **TERMS AND STAGGERED TERMS.** The Board of Directors shall serve in two-year terms. There is no limitation on the number of terms a Director may serve on the Board of Directors. The terms shall be staggered in such a manner that, to the extent possible, an equal number of Directors of the Board of Directors are elected at each election. The terms of each Director of the Board of Directors will commence and expire on the date of the "Organization Meeting" in accordance with Article V, Section 8 of these Bylaws after the number of years of that Board Director's term.

Section 5. **REMOVAL.** Any Director may be removed from the Board, with or without cause, if a removal election is conducted in accordance with the Nevada Revised Statutes 116.31036. A removal election may be called if a written petition is received by the Association, signed by Lot Owners constituting at least ten percent (10%) of the total number of Lots in the Association, which is mailed, return receipt requested, or served by a process server to the Board or the Community Manager for the Association. If a valid petition calling for the removal of a Director, is received, the following steps will occur:

- (a) The Secretary or other officer specified in the bylaws 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 Member shown on the Membership Ledger
- (b) At least 15 days must be provided to return the secret written ballot to the Association or the representative designated by the Association to receive and count the ballots ("Removal Representative").
- (c) Only the secret written ballots that are timely returned to the Removal Representative may be counted to determine the outcome of the recall.
- (d) The secret written ballots must be opened and counted at a meeting of the Association which may be noticed to be held at the Association, or the Removal Representative's office, or any other location set forth in the Notice of Meeting. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.
- (e) The incumbent Directors of the Board, including, without limitation, the Director 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 Removal Representative before those secret written ballots have been opened and counted at a meeting of the Association.
- (f) The Board shall set the date for the special meeting to count the votes of the removal election so that the special meeting is held not less than 15 days or more than 90 days after the date on which the petition is received.
- (g) A Director will be removed from the Board if such removal election is held pursuant to the Nevada Revised Statutes and the number of votes cast in favor of removal constitutes:
 1. At least 35 percent of the total number of voting Members of the Association; and
 2. At least a majority of all votes cast in that removal election.
- (h) In addition to the Membership's power to remove a Director of the Board, the Board may declare vacant and remove a Director on the Board who has been declared of unsound mind by a final order of court, convicted of a felony after election as a Director, or been found by a final order or judgment of any court after election as a Director to have breached any fiduciary duty arising under the law, or the Board Director has failed to attend four consecutive Board meetings without being excused by the Board.

Section 6. **VACANCIES.**

(a) A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of a director, if the Director is not in good standing as a Member of the Association, or if the Members fail at any annual or special meeting of Members at which any Director or Directors are elected to elect the full authorized number of Directors to be voted for at that meeting due to a lack of candidates submitting their name to be elected as a Director, or the number of Director's is increased by an amendment to the

Bylaw.

(b) Any Director may resign effective upon giving written notice to the President or the Secretary, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be appointed by the Board before such time to take office when the resignation becomes effective.

(c) Vacancies in the Board may, at the discretion of the Board, be filled by appointment by majority vote of the Board. Such vacancies may be filled as they occur and not on an annual basis. Each Director so appointed shall hold office until the expiration of the term of the replaced Director, or until the next regularly scheduled election of Directors is held, whichever is sooner. A Director elected to a position which was temporarily filled by Board appointment, may only be elected to fulfill the remainder of that term.

(d) During the period of a vacancy, the Board shall retain all powers to act, notwithstanding the fact that the Board during that period may not have the required number of Directors.

Section 7. **PLACE OF MEETING.** Regular meetings of the Board of Directors shall be held at any place within Washoe County which has been designated in the notice of such meeting, by resolution of the Board or by written consent of all Directors of the Board. In the absence of such designation regular meetings shall be held at the principal office of the Association.

Section 8. **ORGANIZATION MEETING.** Within sixty (60) days following each annual meeting of Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other Association business.

Section 9. **REGULAR MEETINGS.** Regular meetings of the Board shall be held at such times as may be determined by the Board, which shall not be less often than once every one hundred (100) days and must be held at a time other than during standard business hours at least twice annually. At least once every quarter, and not less than once every one hundred (100) days, the Board will review the financial information required to be reviewed by NRS 116.31083(6).

Section 10. **SPECIAL MEETINGS.** Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President, or, if he is absent or unable or refuses to act, by any three Directors. Written notice of the time and place of special meetings shall be delivered personally to the Directors or sent to each Director by mail or other form of written communication, charges prepaid, addressed to him or her at his or her address as it is shown upon the records of the Association, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. In case such notice is transmitted in writing, it shall be deposited in the United States mail in the place in which the principal office of the Association is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such transmission as above provided shall be due, legal and personal notice to such Director.

Whenever any Director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such Director, as required by law and the Bylaws of the Association. Notice of the special meeting must be given in accordance with NRS 116.31083.

Section 11. **ALTERNATIVE MEANS FOR PARTICIPATING AT MEETING.** Directors of the Board, or any members of a committee designated by the Board, may participate in a meeting through electronic communications, videoconferencing, teleconferencing or other available technology which allows the participants to communicate simultaneously or sequentially and constitutes presence in person at the meeting.

Section 12. **PROCEDURAL RULES OF MEETINGS.** Meeting of the Board must be conducted in accordance with the requirements of Nevada Revised Statutes Chapter 116 but shall not be required to be conducted in accordance with *Robert's Rules of Order* or any other meeting procedural

requirements not expressly set forth in Nevada Revised Statutes Chapter 116. Any irregularity of any meeting may subsequently be ratified and approved as set forth in NRS 82.281.

Section 13. **UNANIMOUS CONSENT IN LIEU OF MEETING.** Any action required or permitted to be taken at any meeting of the Board of Directors, may be taken without a meeting if, before or after the action, a written consent thereto is signed by all of the Directors of the Board. Such consent in lieu of meeting shall be as valid and as effective in all respects as if passed by the Board in a meeting. The unanimous consent in lieu of meeting shall be filed with the corporate records and made part of the minutes of the meetings.

Section 14. **QUORUM.** A majority of the Directors in office at the time a vote is taken shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles of Incorporation.

Section 15. **ADJOURNMENT.** A majority of the Directors may adjourn any Board or executive session meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular or special meeting of the Board. Notice of the time and place of continuing an adjourned meeting need not be given if the time and place was fixed at the initial meeting before it was adjourned.

Section 16. **FEES AND COMPENSATION.** Directors shall not receive any stated salary for their services as Directors, but Directors of the Board may be reimbursed for all expenses incurred in attending to the Association's affairs. Nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity as an officer, agent, employee or otherwise, and receiving the compensation therefore.

Section 17. **INDEMNIFICATION.** If a Director is named as a respondent or sued for liability for actions undertaken in his or her role as a Director, the Association shall indemnify the Director for his or her losses or claims, and undertake all costs of defense, unless it is proven that the Director acted with willful or wanton misfeasance or with gross negligence. After such proof, the Association is no longer liable for the cost of defense and may recover costs already expended from the Director who so acted. Nothing herein shall limit any right to defense or indemnification a Director serving on the Board, or as an Officer of the Board, may have under law, or under any other document related to the Association, including, without limitation any right to defense and indemnification provided in the Articles of Incorporation and any amendment thereto.

ARTICLE VI

Officers

Section 1. **OFFICERS.** The officers of the Association shall be a President, a Secretary and a Treasurer. The Association may also have, at the discretion of the Board of Directors, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of this Article. Officers must be Directors. One person may hold two or more offices.

Section 2. **ELECTION.** The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article, shall be appointed by a majority of the Board of Directors on an annual basis at the Organizational Meeting and each shall hold office until a replacement is appointed.

Section 3. **SUBORDINATE OFFICERS, ETC.** The Board of Directors may appoint such other officers as the business of the Association 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 determine.

Section 4. **REMOVAL AND RESIGNATION.** Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or to the Secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. **VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by a majority vote of the Board of Directors as the vacancy occurs and not on an annual basis.

Section 6. **PRESIDENT.** The President shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. He or she shall preside at all meetings of the Members at which votes on Association business are to be taken and at all meetings of the Board of Directors. He or she shall be ex-officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of an Association, and shall have such other powers and duties as may be prescribed by the Board of Directors or by the Bylaws. The President may prepare, execute, certify and record validly adopted amendments to the Declaration on behalf of the Association.

Section 7. **VICE PRESIDENT.** In the absence or disability of the President, the Vice Presidents 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 the 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.

Section 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 the meetings, whether regular or special, and if special, how authorized, the notice given, the names of those present at Directors' meetings, the number of shares present or represented at Members' meetings and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office, a Membership Register. The Secretary shall give, or cause to be given, notice of all the meetings of the Members and of the Board of Directors required by the Bylaws or by law to be given and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

Section 9. **TREASURER.** The Treasurer shall keep and maintain or cause the Association to keep and maintain, adequate and correct accounts of the properties and business transactions of the Association as required by NRS Chapter 116, including accounts of its assets, liabilities, receipts, disbursements, gains and losses and all financial information necessary for the Association to comply with NRS 116.4109. The books of account shall at reasonable times be open to inspection by any Director or Association Member. The Treasurer shall deposit, or caused to be deposited, all monies and other valuables in the name and to the credit of the Association with such depositaries as may be designated by the Board of Directors. He or she shall disburse, or cause to be disbursed, the funds of the Association as may be ordered by the Board of Directors; shall render to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

Section 10. **INDEMNIFICATION.** The Association, to the maximum extent permitted by the Law, may indemnify its officers, directors and other agents against expenses, judgments, fines,

settlements and other amounts incurred in connection with any proceeding arising by reason of the fact that any such person is or was an officer, Director or agent of the Association and shall have the power to advance to such persons expenses incurred in defending any such proceedings. Nothing herein shall limit any right to defense or indemnification an officer of the Board may have under law, or under any other document related to the Association, including, without limitation any right to defense and indemnification provided in the Articles of Incorporation and any amendment thereto.

ARTICLE VII **Assessments**

Section 1. **GENERAL.** The Association shall have the power to levy annual, special and reserve assessments as herein set forth. All such assessments shall be uniform within each class except as otherwise provided herein or in the Declaration by virtue of the location of the Lot or Lots to which the Membership is appurtenant. There shall be no assessments by the Association for maintenance and/or repair to improvements within the common areas owned or controlled exclusively by Owners of multiple family Lots.

Section 2. **ANNUAL ASSESSMENTS.** Within ninety (90) days prior to the commencement of each calendar year, the Board shall consider the current and future needs of the Association and in light of those needs shall fix by resolution the amount of annual assessment for purposes other than capital improvements or major acquisitions to be levied against each Lot in the Development, which amount shall be a debt of the Owner thereof at the time such charge is made except as set forth in Section 6 below respecting new units. Annual assessments may be paid quarterly in January, April, July, and October on the first day of each of said months or monthly, as determined by the Board.

Section 3. **SPECIAL ASSESSMENTS.** Special assessments may be made by the Board upon an affirmative vote of a majority of the Members of the Association whose Lots are to be so assessed, upon a determination by the Board that such assessment is necessary for capital improvement to Association property or for purposes related to the health, safety and/or welfare of such Lot Owners or for the acquisition of additional Association property or for the benefit of the Association Members. No such special assessment shall be levied without first having a hearing of the Members affected thereby on at least twenty (20) days written notice to such Members. Special assessments may be made by the Board without notice or hearing against any Lot to secure the liability of the Owner thereof to the Association for any breach of the provisions of the Declaration by such Owner, which breach shall require the expenditure of funds by the Association by virtue of such breach. The amount of any special assessment levied by the Association shall be paid to it on or before the date fixed by resolution of the Board.

Section 4. **RESERVE ASSESSMENT.** Pursuant to NRS 116.3115(2)(b), the Board, without seeking or obtaining the approval of the Members of the Association, may impose any necessary and reasonable assessments against each Lot and Owner to establish adequate reserves for the repair, replacement and restoration of the major components of the Development which the Association is obligated to maintain, repair, replace or restore or to establish or to carry out or establish a funding plan for such repair, replacement and restoration.

Section 5. **NOTICE.** The Secretary of the Association shall mail or caused to be mailed to each Owner whose Lot is assessed written notice of each annual, special or reserve assessment and the time and manner for payment thereof at least two (2) weeks prior to the time that such assessment or any installment thereof is due and payable to the Association.

Section 6. **NEW UNITS.** The Lots in new units created by the recordation of a map in the office of the Washoe County Recorder showing such units shall be subject to pay the next installment of the previously established annual, special or reserve assessment due after first sale of a single family Lot by the Developer thereof.

Section 7. **COLLECTION AND LIEN.** The Association has a lien on a unit as allowed by law, including without limitation, for the following:

1. Any construction penalty that is imposed against the unit's Owner pursuant to NRS 116.31035;
2. Any assessment, including, without limitation, annual, special or reserve assessments, levied against that unit;
3. Any fine imposed against the unit's Owner;
4. Any penalties, fees, charges, late charges, fines and interest charged pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of NRS 116.3102.

Section 8. **PRIORITY OF LIEN.** Conveyance of any Lot shall not affect any lien or assessments provided herein. Such lien shall be prior to all other liens and encumbrances on a unit except as expressly set forth in NRS 116.3116(2).

Section 9. **ENFORCEMENT.** The lien provided for herein may be enforced pursuant to the applicable provisions of Nevada Revised Statutes Chapter 107 and 116, including without limitation, NRS 107.090 and NRS 116.3116 through NRS 116.31168.

Section 10. **PROOF OF PAYMENT.** Upon request by an Owner, the Association shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.

Section 11. **SUSPENSION.** The Association shall not be required to transfer Memberships on its books or to allow the exercise of any rights or privileges of Membership on account thereof, including voting rights, to any Owner or to any person claiming under them unless and until all assessments and charges to which they are subject have been brought current.

Section 12. **ATTORNEY'S FEES AND COSTS OF COLLECTION.** The Association is entitled to collect attorney's fees and fees to cover the cost of collecting any past due obligation as provided in these Bylaws, the Declaration and as provided by law, including, without limitation, NRS 116.310313, NRS 116.3116 thru 116.31168 and any statute adopted prior to or subsequent to these Bylaws.

Section 13. **CONSEQUENCES OF DELINQUENCY.** A Member whose assessments are delinquent shall not be in good standing and shall not be qualified to vote, to be a candidate as a member of the Board, to be an officer of the Board, or to participate in business meetings of the Association, and shall not be entitled to rights and privileges of Members until the assessments are fully paid.

Section 14. **FISCAL YEAR.** The Board may adopt a fiscal year other than the calendar year.

ARTICLE VIII

Miscellaneous

Section 1. **RECORD DATE AND CLOSING MEMBERSHIP BOOKS.** The Board of Directors may fix a time, in the future, not exceeding twenty (20) days preceding the date of any meeting of Members or election of Directors, as a record date for the determination of the Members entitled to notice of and to vote at any such meeting or in such election, and in such case only Members of record who are not delinquent on the payment of assessments, fines or penalties on the date so fixed shall be entitled to notice of and to vote at such meetings or election, notwithstanding any transfer of any Membership on the books of the Association after any record date fixed as aforesaid. The Board of Directors may close the books of the Association against transfers of Memberships during the whole or any part of any such period.

Section 2. **INSPECTION OF CORPORATE RECORDS.** Upon written request of a Member, the Association, within 21 days after receiving the written request, shall make available the books, records and other papers of the Association for review by the Member at the Association's

business office in accordance with NRS 116.31175. The records will be provided in electronic format at no charge to the Member if the Association keeps the records in electronic format, or for the actual cost of preparing a copy if the records are not kept electronically at the rates set forth in NRS 116.31175. Nothing herein shall require the Association to allow inspection of the personnel records of the employees of the Association, the records of the Association relating to another unit's Owner, or any documents, including, without limitation, minutes of a Board meeting, a reserve study or budget, if the minutes or document is in the process of being developed for final consideration by the Board, and has not been placed on an agenda for final approval by the Board.

Section 3. **CHECKS, DRAFTS, ETC.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors and as set forth in these Bylaws, the Declaration or the Articles of Incorporation.

Section 4. **ANNUAL REPORT AND ACCOUNT.** Not less than 30 days or more than 60 days before the beginning of the fiscal year of the Association, the Board shall cause to be prepared and distributed to each unit's Owner, a copy of the budget for the daily operation of the Association and for required reserves, or a summary of those budgets with a notice that the budgets are available for review and copying at the business office of the Association. In addition, the Association shall

Section 5. **CONTRACT, ETC. 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, deed or lease or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit to render it liable for any purpose or to any amount.

Section 6. **AMENDMENTS AND INSPECTION OF BYLAWS.** The Bylaws may be amended by a majority vote of the Directors, or by the affirmative vote of a majority of the Membership. The Association shall keep in its principal office for the transaction of business the original or a copy of these Restated Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

Section 7. **RULES AND REGULATIONS AND ENFORCEMENT THEREOF.** The Board shall from time to time adopt such rules and regulations as it may deem advisable to govern the use of the Development by its Members and others. The Board shall establish methods of enforcing such rules and regulations and may include in designated methods the imposition of established penalties, fines or suspension of Membership privileges during the period of violation. The Association may impose and enforce a construction penalty against a unit's Owner who fails to adhere to a schedule as required by the Association for the commencement, completion or issuance of a permit for the construction of a unit or an improvement to the unit. Failure to pay any penalty or fine shall be deemed to be a continuing violation of the rules and regulations of the Association. Fines may be collected in like manner as delinquent assessments and, until paid, shall constitute a lien on the property of the offender in like manner as a delinquent assessment, and may be enforceable as such in accordance with the provisions of the Declaration, these Bylaws and the Nevada Revised Statutes. No fine may be imposed nor, shall Membership privileges be suspended for violation of Rules and Regulations of the Association unless, within a reasonable time after the discovery of the violation, the person against whom the fine will be imposed has been provided with:

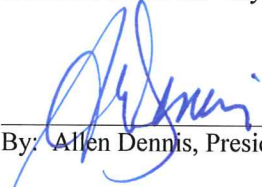
(a) Written notice specifying the details of the violation, the amount of the fine, and the date, time and location for a hearing on the violation, sent to the unit's address within the Development or to such other address as may appear on the Membership Ledger of the Association;

(b) A reasonable opportunity to contest the violation at hearing conducted by the Board, or a committee with not less than three members, appointed by the Board to conduct hearings on violations and to impose fines, unless the Member executes a written waiver of the right to the hearing;

(c) A finding by a majority of the Board, or the committee appointed by the Board, that a violation occurred. Hearings shall be conducted by the Board or the committee appointed by the Board on an informal basis which shall not be bound by formal rules of evidence. The Board may adopt such reasonable rules as it deems advisable covering the conduct of such hearings. The Board may establish a schedule of fines for violation of rules and regulations which schedule shall be available to the Membership. No fines shall be imposed in the absence of an established schedule of fines prior to the alleged violation.


KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the President and the Vice President of CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION, a Nevada nonprofit corporation, does hereby certify that the foregoing Third Restated Bylaws were duly adopted as the Third Restated Bylaws of said Association by the Board of Directors on the 28th day of March, 2018.


By: Allen Dennis, President

STATE OF NEVADA)
 : ss.
COUNTY OF WASHOE)

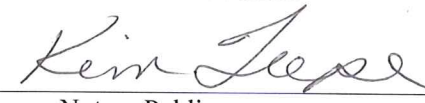
This instrument was acknowledged before me on the 17th day of April 2018 by Allen Dennis as President of the Caughlin Ranch Homeowners Association.


Notary Public


By: Michele Attaway, Vice President

STATE OF NEVADA)
 : ss
COUNTY OF WASHOE)

This instrument was acknowledged before me on the 16th day of April 2018, by Michele Attaway as Vice President of the Caughlin Ranch Homeowners Association.


Notary Public

