

**FIRST STATUTORILY MANDATED AMENDMENT
TO THE BY-LAWS OF THE CALVADA AERO PARK ASSOCIATION**

REVISED
BYLAWS

AMENDMENT TO THE BY-LAWS

TABLE OF CONTENTS

ARTICLE II

MEMBERS	1
Section 2.3 Meetings: Quorum	1
Section 2.3A Notice of Membership Meetings	2
Section 2.3B Agenda for Membership Meetings	2
Section 2.3C Minutes of Membership Meetings	3
Section 2.4(D) Proxies	3
Section 2.5 Notice of Meeting to Consider Assessment for Capital Improvement ...	4
Section 2.6 Notice of Meeting for Certain Civil Actions	4

ARTICLE III

BOARD OF DIRECTORS	4
Section 3.2A Time of Election	4
Section 3.2B Notice of Election and Ability to Serve on Board of Directors	5
Section 3.2C Ability to Serve on Board of Directors	5
Section 3.2D Election Procedure & Certification	5
Section 3.2E Qualifications and Election	6
Section 3.3 Frequency of Board Meetings	6
Section 3.3A Notice of Board Meetings	6
Section 3.3B Agenda for Board Meetings	7
Section 3.3C Board Actions Required	7
Section 3.3D Minutes of Board Meetings	7
Section 3.3E Right to Speak at Meetings of the Board	8
Section 3.3F Executive Session	8

ARTICLE V

MISCELLANEOUS	9
Section 5.6 Budgets	9
Section 5.7 Reserve Studies	9
Section 5.8 Reserve Fund Withdrawals	10
Section 5.9 Review of Association Records and Papers	10
Section 5.10 Notice Requirement for Amendments	11
Section 5.11 Inconsistent Provisions	11

FIRST STATUTORILY MANDATED AMENDMENT TO THE BY-LAWS OF THE
CALVADA AERO PARK ASSOCIATION

THIS AMENDMENT TO THE BY-LAWS is made on this 19 day of August, 2002 by the CALVADA AERO PARK ASSOCIATION, a Nevada non-profit corporation (the "Association").

RECITALS

WHEREAS, the By-Laws for the CALVADA AERO PARK ASSOCIATION (The "By-Laws") created the CALVADA AERO PARK ASSOCIATION (the "Association") a Nevada non-profit corporation and vested the Board of Directors (the "Board") with the power to govern and control the Calvada Aero Park Community (the "Community"); and

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

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

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

MEMBERS

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

Section 2.3 Meetings: Quorum

1. Frequency: A meeting of the Members must be held at least once each year. If the governing documents do not designate an annual meeting date of the Members, a meeting of the Members must be held 1 year after the date of the last meeting. If the Members have not held a meeting for 1 year, a meeting of the Members must be held consistent with the governing documents and the Act.
2. Meeting Place: The meeting of the Members will be held at such place, within Nye County, Nevada, as the Board of Directors may determine.

3. Special Meetings: Special meetings of the Members may be called by the President, a majority of the Board, or by Owners having 10 percent, or any lower percentage specified in the By-Laws, of the votes in the Association.
4. Quorum: For the purposes of determining whether a quorum is present for the election of any Director, only the persons present and the secret written ballots that are returned to the Association may be counted.

MEMBERS

Article II Section 2.3A is hereby added to read as follows:

Section 2.3A Notice of Membership Meetings

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

MEMBERS

Article II Section 2.3B is hereby added to read as follows:

Section 2.3B Agenda for Membership Meetings

1. Contents: The agenda for a meeting of the Members must consist of:
 - a. A clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Declaration or By-Laws, any fees or assessments to be imposed or increased by the Association, any budgetary changes and any proposal to remove an Officer or Director.

- b. A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. Only in an Emergency, the Members may take action on an item which is not listed on the agenda as an item on which action may be taken.
- c. A period devoted to comments by Members and discussion of those comments. Except in Emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph b.

MEMBERS

Article II Section 2.3C is hereby added to read as follows:

Section 2.3C Minutes of Membership Meetings

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

MEMBERS

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

Section 2.4(D) Proxies

1. Except as otherwise provided in the Act, votes allocated to a unit may be cast pursuant to a proxy executed by a Member. The use of proxies is subject to the following requirements:
 - a. Eligibility: A Member may give a proxy only to a member of his immediate family, a tenant of the Member who resides in the Association or another Member who resides in the Association.
 - b. Directed Proxies: A proxy is void if it is not dated or purports to be revocable without notice or if it does not designate the votes that must be cast on behalf of the Member who executed the proxy.
 - c. Term: A proxy terminates immediately after the conclusion of the meeting for which it was executed. If a meeting cannot be held because a quorum is not present and the meeting is adjourned, then the proxy is valid at the reconvened meeting.
 - d. Quorum: A proxy may not be used to establish a quorum for the election of Directors. For the purposes of determining if a quorum is present for the election of Directors, only the persons present and the secret written ballots returned to the Association may be counted.

- e. Use: A proxy may not be used for the election of any Director.
- f. Disclosure: A proxy is void if the holder of the proxy does not disclose at the beginning of the meeting for which the proxy is executed, the number of proxies for which he will be casting votes and the voting instructions received for each proxy.
- g. Multiple Owners: If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through an executed proxy.
- h. Revocation: A Member may revoke a proxy only by actual notice of revocation to the person presiding over a meeting of the Association.

MEMBERS

Article II Section 2.5 is hereby added to read as follows:

Section 2.5 Notice of Meeting to Consider Assessment for Capital Improvement

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

MEMBERS

Article II Section 2.6 is hereby added to read as follows:

Section 2.6 Notice of Meeting for Certain Civil Actions

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

BOARD OF DIRECTORS

Article III Section 3.2A is hereby added to read as follows:

Section 3.2A Time of Election

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

BOARD OF DIRECTORS

Article III Section 3.2B is hereby added to read as follows:

Section 3.2B Notice of Election and Ability to Serve on Board of Directors

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

BOARD OF DIRECTORS

Article III Section 3.2C is hereby added to read as follows:

Section 3.2C Ability to Serve on Board of Directors

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

BOARD OF DIRECTORS

Article III Section 3.2D is hereby added to read as follows:

Section 3.2D Election Procedure & Certification

1. Secret Ballot The election of any member of the Board must be conducted by secret written ballot. The Board or any officer or agent acting under the direction of the Board shall cause a secret ballot and a return envelope to be sent prepaid by United States mail to the mailing address of each unit within the Association or to any other mailing address designated in writing by the Member.
2. Certification Each Director shall, within 30 days after his or her appointment or election, certify in writing that he or she has read and understands the governing documents of the Association and applicable provisions of the Act to the best of his or her ability.

BOARD OF DIRECTORS

Article III Section 3.2E is hereby added to read as follows:

Section 3.2E Qualifications and Election

Except as otherwise provided in the Act, upon termination of any period of Declarant's control, the units' owners shall elect an Board of at least 3 members, a majority of which must be Members of the Association. The Board shall elect the Officers. The Members and Officers of the Board shall take office upon election.

BOARD OF DIRECTORS

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

Section 3.3 Frequency of Board Meetings

A meeting of the Board must be held at least once every 90 days, with notice.

BOARD OF DIRECTORS

Article III Section 3.3A is hereby added to read as follows:

Section 3.3A Notice of Board Meetings

1. Time Period Except in an Emergency, the Association shall, not less than 10 days before the date of a meeting of the Board, cause notice of the meeting to be given to the Members.
2. Method of Delivery Notice of the Board meeting must be sent prepaid by United States mail to the mailing address of each unit within the Association or to any other mailing address designated in writing by the Member; or published in a newsletter or other similar publication that is circulated to each Member.
3. Method of Delivery for Emergency Meetings In an Emergency, the Association shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each unit within the Association. If delivery of the notice in this manner is impracticable, the notice must be hand-delivered to each unit within the Association or posted in a prominent place or places within Common Elements of the Association.
4. Contents The notice must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the Members of the Association. The

notice must also include notice of the right of a Member to have a copy or a summary of the minutes distributed upon request and, if required, upon payment to the Association of the cost of making the distribution and the right to speak to the Association or the Board, unless the Board is meeting in an executive session.

BOARD OF DIRECTORS

Article III Section 3.3B is hereby added to read as follows:

Section 3.3B Agenda for Board Meetings

The agenda of the meeting of the Board must comply with the provisions of the Act. The period required to be devoted to comments by Members and discussion of those comments must be scheduled for the beginning of each meeting. Only in an Emergency, the Board may take action on an item which is not listed on the agenda as an item on which action may be taken.

BOARD OF DIRECTORS

Article III Section 3.3C is hereby added to read as follows:

Section 3.3C Board Actions Required

1. At least once every 90 days, the Board shall review at one of its meetings:
 - a. A current reconciliation of the operating account of the Association;
 - b. A current reconciliation of the reserve account of the Association;
 - c. The actual revenues and expenses for the reserve account, compared to the budget for that account for the current year;
 - d. The latest account statements prepared by the financial institutions in which the accounts of the Association are maintained;
 - e. An income and expense statement, prepared on at least a quarterly basis, for the operating and reserve accounts of the Association; and
 - f. The current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

BOARD OF DIRECTORS

Article III Section 3.3D is hereby added to read as follows:

Section 3.3D Minutes of Board Meetings

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

BOARD OF DIRECTORS

Article III Section 3.3E is hereby added to read as follows:

Section 3.3E Right to Speak at Meetings of the Board

Subject to the provisions of Section 3.3F, a Member may attend and speak at any meeting of the Board. Except for the executive session of the Board, Members may participate in the Board meeting by addressing the Board during the Member comment section of the agenda, which must be held at the beginning of the Board meeting. However, the Board may set reasonable limitations on the comments including limiting the time a Member may speak.

BOARD OF DIRECTORS

Article III Section 3.3F is hereby added to read as follows:

Section 3.3F Executive Session

1. Purpose. The Board may meet in executive session to:
 - a. Consult with the attorney for the Association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privileges allowed by law; or
 - b. Discuss matters relating to personnel; or
 - c. Discuss a violation of the governing documents alleged to have been committed by a Member or any other occupant, family member, guest, or invitee occupying or visiting a Lot; and
 - d. For any other reason consistent with and permitted by Nevada law.
2. Members' Right to Attend Except as otherwise provided in subsection 3, below, a Member is not entitled to attend or speak at a meeting of the Board held in executive session.
3. Hearings Held in Executive Session Any Member who has alleged to have committed a violation shall be given an opportunity to be heard in writing or in a hearing before the Board. The Member may be excluded from any other portion of the hearing, including, without limitation, the deliberations of the Board. The Member who allegedly committed the violation may request, in writing, that the opportunity to be heard be offered at an open meeting.
4. Minutes Except as otherwise provided in this subsection, any matter discussed in executive session must be generally noted in the minutes of the Board meeting. The Board shall maintain minutes of any decision made in executive session and, upon request, provide a copy of the decision to the Member who was the subject of the hearing or to his or her designated representative.

MISCELLANEOUS

Article V Section 5.6 is hereby added to read as follows:

Section 5.6 Budgets

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

MISCELLANEOUS

Article V Section 5.7 is hereby added to read as follows:

Section 5.7 Reserve Studies

1. Period and Purpose The Board of the Association shall cause to be conducted at least once every 5 years, a study of the reserves required to repair, replace, and restore the major components of Common Elements. The Board shall review the results of the study annually to determine if the reserves are sufficient and make any adjustments it deems necessary to maintain the required reserves.
2. Qualifications The person conducting the reserve study including a member of the Board, a Member, or the property manager of the Association shall meet the qualifications of training and experience, which shall be adopted by regulation by the Administrator.
3. Contents The study must include, without limitation:
 - a. A summary of an inspection of the major components of Common Elements the Association is obligated to repair, replace, or restore;
 - b. An identification of the major components of Common Elements that the Association is obligated to repair, replace, or restore which have a remaining useful life of less than 30 years;

- c. An estimate of the remaining useful life of each major component identified pursuant to subparagraph b;
- d. An estimate of the cost of repair, replacement, or restoration of each major component identified pursuant to subparagraph b during and at the end of its useful life; and
- e. An estimate of the total annual assessment that may be required to cover the cost of repair, replacement, or restoration of the major components identified pursuant to paragraph b, after subtracting the reserves of the Association as of the date of the study.

MISCELLANEOUS

Article V Section 5.8 is hereby added to read as follows:

Section 5.8 Reserve Fund Withdrawals

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

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Article V Section 5.9 is hereby added to read as follows:

Section 5.9 Review of Association Records and Papers

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

MISCELLANEOUS

Article V Section 5.10 is hereby added to read as follows:

Section 5.10 Notice Requirement for Amendments

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

MISCELLANEOUS

Article V Section 5.11 is hereby added to read as follows:

Section 5.11 Inconsistent Provisions

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

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

By:


President

By:


Director