

**FILED**  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA

JUL 3 1 1984

NOTARY PUBLIC SECRETARY OF STATE

*[Signature]*  
No. 5227-84

ARTICLES OF INCORPORATION

OF

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION

31 10 20 8 05

*[Signature]*

FIRST: NAME. The name of this corporation shall be CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION (sometimes hereinafter referred to as the "Association").

SECOND: PRINCIPAL OFFICE. The principal office of this Association shall be 201 West Liberty Street, Reno, Nevada. The Board of Directors of the Association may designate other offices from time to time and may change the location of the office.

THIRD: PURPOSES AND POWERS.

1. PURPOSES. The purposes of the Association shall be to further and promote the common interest and welfare of its members within the Caughlin Ranch (the "development"), a planned unit development within Washoe County, Nevada, wherein various entities will from time to time be the Developers ("Developers").

2. POWERS. The Association shall do whatever is necessary or advisable to accomplish and promote its purposes and in connection therewith shall have, but not by way of limitation, the following powers:

- (a) To acquire real or personal property by gift, purchase, or other means;

(b) To own, hold, enjoy, lease, operate, maintain, convey, sell, assign, transfer, mortgage or otherwise encumber or dedicate for public use any real or personal property owned by it;

(c) To exercise the powers and functions and to undertake and carry out the duties granted to it in the recorded Declaration of Protective Covenants affecting the real property within the Development;

(d) To own, construct, acquire, maintain and operate common areas and recreational facilities of all kinds within the Development and contract for the maintenance, operation and management thereof; to prescribe the use thereof and to formulate and adopt rules and regulations governing the use thereof and prescribe methods of enforcement of such rules, including the imposition of fines and penalties for failure to observe such rules and regulations;

(e) To care for vacant, unimproved or unkept lots within the development;

(f) To maintain, rebuild, repair, beautify and otherwise care for all common areas within the development, not subject to maintenance by the governmental authorities;

(g) To pay taxes and assessments, if any, levied by any governmental authority on the property owned by

the Association;

(h) To enforce charges, assessments, restrictions, covenants, conditions and agreements existing upon or created for the benefit of the real property located within the Development;

(i) To appoint such committees as may be necessary to or convenient in the discharge of any of its obligations or powers;

(j) To levy annual and special assessments upon its members and to declare the same a lien against the property subject thereto in accordance with the recorded Declaration of Protective Covenants relating to the Development;

(k) To prescribe and enforce motor vehicle rules and regulations governing the use of all motor and other vehicles within the Development;

(l) To enforce collection of all delinquent assessment liens by whatever means possible including, but not limited to, exercising the power of sale as set forth in said Declaration of Protective Covenants;

(m) To borrow money, contract debts and issue bonds, notes and debentures and to secure the payment or performance of its obligations;

(n) To expend its monies for the payment and discharge of all proper costs, expenses and obligations

incurred in carrying out all, or any of these powers or in carrying out the duties set forth in the Declaration of Protective Covenants covering the Development and such as may be incurred in the furtherance of this Association's purposes;

(o) To contract and pay premiums for fire, casualty, liability and any other insurance, including indemnity and other bonds;

(p) To contract and pay for maintenance, gardening, utilities, materials, supplies and services relating to property or facilities owned or operated by it and to employ personnel reasonably necessary for the administration of its affairs, including legal counsel and accountants;

(q) To do all other acts and engage in any lawful activity whatsoever in the State of Nevada or elsewhere, and to have, enjoy and exercise all the rights, powers and privileges which are now or which may hereafter be conferred upon nonprofit corporations by the State of Nevada, including the right to do any and all of the things hereinabove set forth as principal and agent to the same extent as natural persons might or could do.

FOURTH: ENABLING LAW. This corporation is organized pursuant to Nevada Revised Statutes 81.410 to 81.540 inclusive.

FIFTH: PLACE OF BUSINESS. The place where the principal business will be transacted will be Washoe County, Nevada.

SIXTH: MEMBERSHIPS.

1. CREATION OF MEMBERSHIPS. There shall be one class of memberships in the Association. Memberships shall come into being as maps are recorded showing either multiple family dwelling units or single family lots. On such recordation there shall become outstanding one membership for each multiple family dwelling unit and one membership for each single family lot. Memberships shall be appurtenant to each multiple family dwelling unit or each single family lot as the case may be. Prior to the recordation of any such maps, Sam S. Jaksick and Alan G. Means, or the survivor of them, are hereby authorized to execute any and all documents requiring execution by "members" of the Association.

2. NUMBER. There shall be one membership for each living unit within the Development shown on a recorded map. It is anticipated that there eventually will be 3,102 memberships outstanding when the proposed Development is completed. Such total number shall be increased or decreased in accordance with the actual number of living units within the Development shown on recorded maps which may be more or less than 3,102. No membership shall be held by persons who are not owners of either one or more single family lots or

one or more multiple family dwelling units within the Development.

3. VOTING RIGHTS. Subject to (a.) the rights of Sam S. Jaksick or Alan G. Means, or the survivor of them and their successors as set forth in paragraph V.B. of the Declaration of Protective Covenants, with respect to voting of memberships, and (b.) limitations on voting rights, all as set forth in the Declaration of Protective Covenants, each membership shall be entitled to one vote on all matters properly coming before the membership of the Association.

4. PRIVILEGES. Memberships shall be entitled to use and enjoy all facilities owned and operated by or for the benefit of the Association. Corporate, partnership or Association members shall designate the name of the person who, together with his family, shall have the right to use the recreational facilities of the Association.

5. ASSESSMENTS. Memberships shall be subject to annual and special assessments in accordance with the provisions of the Declaration of Protective Covenants, these Articles and the By-Laws of the Association.

6. MULTIPLE MEMBERSHIPS. Ownership of more than one Membership shall entitle the owner thereof to all of the rights and privileges of the membership appurtenant to each living unit owned by such person and shall subject such owner to all of the liabilities and duties thereof that are

attendant to the ownership of each such living unit separately, provided, however, that such multiple ownership shall be treated as a single ownership for purposes of use of the recreational facilities.

SEVENTH: ASSESSMENTS. Subject to the Declaration of Protective Covenants, memberships shall be subject to such annual assessments as may be levied from time to time by the Board of Directors of this Association and to such special assessments for capital improvements, acquisitions or for purposes related to health, safety and/or general welfare or for the benefit of the Association members as may be levied from time to time by the Board of Directors of this Association with the affirmative vote of the memberships affected thereby entitled to exercise at least a majority of the voting power of such memberships, such assessments to be in such amounts as may be reasonably necessary and in furtherance of the objects of this corporation with the manner of levying and enforcing such assessments to be in accordance with the provisions of the Declaration of Protective Covenants covering the development and the By-Laws.

EIGHTH: CORPORATION NOT FORMED FOR PROFIT. This corporation shall have no capital stock and is not formed for profit. It is a corporation which does not contemplate the distribution of accumulations, gains, profits or dividends to

the members thereof, and as a corporation, no part of any accumulations, gains or profits shall be paid or inure to the benefit of any private person, member or individual, and no part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise to influence legislation.

All of the assets and property of this corporation are irrevocably dedicated to the community and civic welfare and interest of its members and in the event of the dissolution, liquidation or abandonment of this corporation, none of its assets or property shall inure to the benefit of any private person, but shall be distributed to a fund or funds, foundation or foundations, or corporation or corporations organized and operated for the purpose of aiding and developing civic welfare; provided, however, that in the absence of a specific designation or designations by the person or persons or board having the authority to so do, then the same shall be distributed to the County of Washoe, State of Nevada, for park and recreational purposes; provided, however, the property may be conveyed to a nonprofit corporation with similar purposes and membership to this corporation.

NINTH: INCORPORATORS. The original incorporators, all of whom are residents of the State of Nevada, and their addresses are as follows:



<u>INCORPORATORS</u>	<u>POST OFFICE ADDRESS</u>
Robert W. Marshall	P. O. Box 281 Reno, Nevada 89504
Sam S. Jaksick	P. O. Box 860 Reno, Nevada 89504
Alan G. Means	4229 Christy Way Reno, Nevada 89509

TENTH: DIRECTORS. The number of Directors of this corporation shall not be less than three with the first Board consisting of five which shall constitute the authorized number of Directors until changed by an amendment to these Articles of Incorporation or by a By-Law duly adopted by the members of this corporation in accordance with the provisions of Nevada Revised Statutes 81.470 and who shall serve until the first annual meeting of the membership and until their successors are elected and assume office. Directors need not be members of the Association. Directors shall be elected at a meeting at which a quorum is present. The names and post office addresses of the persons first appointed to act as Directors are:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
Robert W. Marshall	P. O. Box 281 Reno, Nevada 89504
Sam S. Jaksick	P. O. Box 860 Reno, Nevada 89504
Alan G. Means	4229 Christy Way Reno, Nevada 89509

D. Donald Lonie, Jr.

P. O. Box 10837  
Reno, Nevada 89510

Greg A. McKenzie

P. O. Box 1209  
Reno, Nevada 89504

ELEVENTH: TERM OF CORPORATE EXISTENCE. The term of the corporate existence of this corporation is fifty years.

TWELFTH: ADOPTION AND AMENDMENT OF BY-LAWS.

Subsequent to adoption of the initial code of By-Laws for this corporation as required by Nevada Revised Statutes 81.470(1), the Board of Directors of this corporation may adopt additional By-Laws or alter the By-Laws previously adopted as required by Section 81.470(1). The authority conferred on the Directors herein shall not diminish the authority in the membership to alter, amend or adopt additional By-Laws by the affirmative vote of a majority of the membership. The By-Laws shall not be amended in any respect inconsistent with the provisions of the Declaration of Protective Covenants covering the development.

THIRTEENTH: INDEMNIFICATION OF DIRECTORS. Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the corporation or is or was serving at the request of the

corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any by-law, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article.

Without limiting the application of the foregoing, the Board of Directors may adopt By-Laws from time to time with respect to indemnification to provide at all times the fullest indemnification permitted by laws of the State of Nevada and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of

another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

FOURTEENTH: There shall be no preemptive rights with respect to any membership issued from time to time by this corporation.

IN WITNESS WHEREOF, we have hereunto set our hands this 3<sup>rd</sup> day of July, 1984, hereby declaring and certifying that the facts stated hereinabove are true.

*Robert W. Marshall*  
ROBERT W. MARSHALL

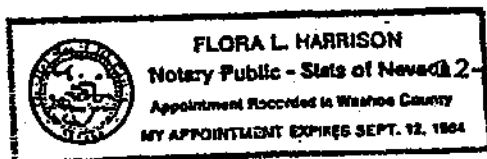
*Sam S. Jaksick*  
SAM S. JAKSICK

*Alan G. Means*  
ALAN G. MEANS

STATE OF NEVADA, )  
                                          ) : SS.  
COUNTY OF WASHOE. )

On this 3<sup>rd</sup> day of July, 1984,  
personally appeared before me, a Notary Public, ROBERT W. MARSHALL, SAM S. JAKSICK and ALAN G. MEANS, who acknowledged to me that they executed the foregoing instrument.

*Flora L. Harrison*  
Notary Public



# State of Nevada



# Department of State

I, WM. D. SWACKHAMER, Secretary of State of the State of Nevada, do hereby certify that

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION

did on the THIRTY-FIRST day of JULY, 19 84, file in this office

the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the statements of facts required by the law of said State of Nevada.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office in Carson City, Nevada, this

THIRTY-FIRST day of JULY, A. D. 19 84.

By *Wm D Swackhamer* Secretary of State  
*John C. Scherer* Deputy

VARGAS & BARTLETT  
201 WEST LIBERTY STREET  
SUITE 300  
PO BOX 281  
RENO, NEVADA 89504

Make checks payable to Wm. D. Swackhamer, Secretary of State  
CARSON CITY, NEVADA 89710

5227-84

To THE STATE OF NEVADA, Dr.

RECEIVED  
AUG - 3 1984  
361  
FOR  
VARGAS & BARTLETT

FILING FEE:  
2 CERTIFIED COPIES

\$15.00  
10.00

\$25.00

JE

RE: CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION  
(NON-PROFIT)

PAID  
JUL 31 1984

SECRETARY OF STATE

SECRETARY OF STATE  
RECEIPT FOR FILING  
ARTICLES OF INCORPORATION

**WASHOE COUNTY CLERK**

WASHOE COUNTY - P.O. BOX 11130

RENO, NEVADA 89520-0027

DATE 7-17 1981

RECEIVED FROM Wanda H. H.

FOR 1 month (30) fee

CHECK # 9272 CASH

	\$	
NOTARY	\$	
POWER OF ATTORNEY	\$	
CERTIFICATION	\$	
COPIES	\$	
ARTICLES <u>2 records</u>	\$	<u>5.00</u>
B.A.N.	\$	
OTHER (EXPLAIN)	\$	
<u>700</u>	\$	
<u>500</u>	\$	
<u>2000 charges</u>	\$	
<u>0</u>	\$	

RECEIPT NO.

**Clerk** 102546

TOTAL

\$ 5.00

RECEIVED BY

[Signature]

DEPUTY

C 66997

STATE OF NEVADA

VARGAS & BARTLETT  
201 WEST LIBERTY # 300 P.O. BOX 231  
RENO, NV 89504

PAID

RECEIPT

JUN 23 1987

FRANKIE SUE DEL PAPA, Secretary of State • Capitol Complex • Carson City, Nevada 89710

Corp. No. 522784 Check \$ 25.00 Check No. 2178 Cash \$

RE: CAUGHLIN RANCH HOMEOWNERS ASSOCIATION

INCORPORATION: Domestic  Non Profit  Foreign

AMENDMENT: Dissolution  Withdrawal  Merger  Other

CERTIFICATE: Good Standing (Short) \_\_\_\_\_ (Long) \_\_\_\_\_ Misc. \_\_\_\_\_

COPIES: @ \$1.00 @ \$5.00

CERTIFIED 3 @ \$5.00

LIST OF OFFICERS: Annual \_\_\_\_\_ Sixty Day \_\_\_\_\_ Non Profit \_\_\_\_\_ Amended \_\_\_\_\_ Late Fee \_\_\_\_\_

REINSTATEMENT \_\_\_\_\_

RESOLUTION: Address Change \_\_\_\_\_ Resident Agent Change \_\_\_\_\_

OTHER: CLERK  
CLERK  
CLERK

\$10.00  
15.00  
\$25.00

By \_\_\_\_\_ YELLOW, Customer PINK, Accounting: BLUE, Department.

1700



**WASHOE COUNTY CLERK**

WASHOE COUNTY - P.O. BOX 11130  
RENO, NEVADA 89520-0027

DATE                                  19    

RECEIVED FROM                                 

FOR                                 

CHECK # <u>17114</u>	CASH
NOTARY	\$
POWER OF ATTORNEY	\$
CERTIFICATION	\$
COPIES	\$
ARTICLES	\$ <u>100</u>
B.A.N.	\$
OTHER (EXPLAIN)	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>TOTAL</b>	\$ <u>100</u>

RECEIPT NO.  
**C 77046**  
C-425 (Rev. 8/81)

RECEIVED BY                                  DEPUTY

**WASHOE COUNTY CLERK  
RECEIPT FOR FILING  
ARTICLES OF INCORPORATION**

FILED  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA

JUN 23 1987

FRANKIE TUI DEL PAPA SECRETARY OF S

*Frankie Tui Del Papa*  
o. 5227-84

FILED

CERTIFICATE OF AMENDMENT OF <sup>87</sup> JUL 17 AM:16

ARTICLES OF INCORPORATION

OF

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION, a Nevada non-profit corporation, by and through its President and Secretary, does hereby certify as follows:

I. That Caughlin Ranch Homeowners Association was formed as a non-profit corporation under the laws of the State of Nevada on the 3rd day of July, 1984, by filing its Articles of Incorporation with the Secretary of State of the State of Nevada.

II. That on the 22 day of June, 1987, the Board of Directors of Caughlin Ranch Homeowners Association, being five (5) in number, unanimously consented in writing to the adoption of the following resolutions:

RESOLVED that it is advisable and in the best interests of this corporation to amend its Articles of Incorporation as follows:

I. Adding to Article THIRTEENTH, Indemnification of Directors, a new and additional paragraph to read as follows:

WHEREAS expenses of directors and officers incurred in defending a civil or criminal action, suit or proceedings by reason of any act or omission of such director or officer acting as a director or officer shall be paid by the Corporation as they are incurred in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the Corporation. Any repeal or modification of this Article by the memberships of the Corporation shall be prospective only,

and shall not adversely effect (i) any limitation on the personal liability of a director or officer of the Corporation existing at the time of such repeal or modification or (ii) the duty of the Corporation under this Article to advance expenses of directors and officers incurred in defending a civil or criminal action, suit or proceedings, if such action, suit or proceeding is based upon any act or omission of any director or officer occurring before the time of such repeal or modification.

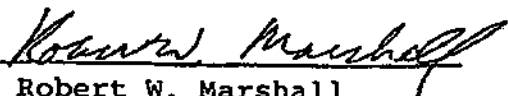
III. That on the 22 day of June, 1987, all of the outstanding memberships of said corporation, entitled to vote, consented in writing to the adoption of the above and foregoing resolutions.

IV. That pursuant to the foregoing resolution of the Board of Directors, as consented by all of the memberships of said corporation, the Article of Incorporation are hereby amended as follows:

FIFTEENTH: Limitation On Directors and Officers Liability  
No action may be brought against an officer or director of this corporation based on any act or omission arising from failure in his legal capacity to exercise due care regarding the management or operation of this Corporation unless the act or omission involves intentional misconduct, fraud, or a knowing violation of the law.

IN WITNESS WHEREOF, the company has caused this Certificate to be executed by its duly authorized officers this 22nd day of June, 1987.

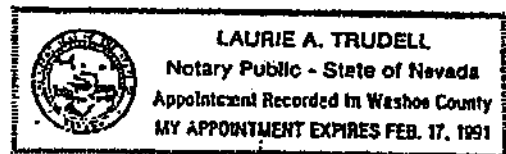
  
\_\_\_\_\_  
Alan G. Means

  
\_\_\_\_\_  
Robert W. Marshall

STATE OF NEVADA )  
COUNTY OF WASHOE )

On this 22<sup>nd</sup> day of June, 1987, personally appeared ALAN G. MEANS and ROBERT W. MARSHALL, known to me to be the President and Secretary of Caughlin Ranch Homeowners Association, who acknowledged to me that they executed the same for and on behalf of the aforesaid corporation.

*Laurie A. Trudell*  
Notary Public



FILED  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA

FILED

DEC 3 1 1987

RANKEE SUE DE PAPA SECRETARY OF STATE

*James Lee DePapa*

*5-27-88*

'88 JAN 13 AIO:49

CERTIFICATE OF AMENDMENT OF

ARTICLES OF INCORPORATION

*James Lee DePapa*  
DEPUTY

OF

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION, a Nevada non-profit corporation, by and through its President and Secretary, does hereby certify as follows:

I. That CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION was formed as a non-profit corporation under Sections 81.410 to 81.540 Nevada Revised Statutes of the State of Nevada on the 31st day of July, 1984, by filing its Articles of Incorporation with the Secretary of State of the State of Nevada.

II. That on the 30th day of November, 1987, the Board of Directors of CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION, duly passed the following resolutions:

BE IT HEREBY RESOLVED that the Board of Directors hereby declare it advisable and in the best interest of this corporation to amend Article SIXTH, paragraphs 1, 2 and 3 of the Articles of Incorporation in the following particulars:

SIXTH: MEMBERSHIPS.

1. CREATION OF MEMBERSHIPS. Except as set forth below as to rental dwelling units, there shall be one class of membership in the Association. Memberships shall come into being as maps are recorded showing either multiple family dwelling units or single family lots. On such recordation there shall become outstanding one membership for each multiple family dwelling unit and one membership for each single family lot. Memberships shall be appurtenant to each multiple family dwelling or each single family lot as the case may be. Prior to the recordation of any such maps, Sam S. Jaksick and Alan G. Means, or the survivor of them, are hereby authorized to execute any and all documents

requiring execution by "members" of the Association.

The Board of Directors is authorized to establish a special class of memberships for the owners of each parcel of land on which is located rental dwelling units within the Caughlin Ranch with such terms and conditions with respect to such memberships as may be determined by the Board provided (a) that such membership class may be voting or non-voting, and (b) such membership class may be assessed in accordance with the provisions of these Articles of Incorporation and the Declaration of Protective Covenants of the Caughlin Ranch.

2. NUMBER. Except for rental dwelling units, there shall be one membership for each living unit within the Development shown on a recorded map. It is anticipated that there eventually will be 3,102 memberships outstanding when the proposed Development is completed. Such total number shall be increased or decreased in accordance with the actual number of living units within the Development shown on recorded maps which may be more or less than 3,102. No membership shall be held by persons who are not owners of either one or more single family lots or one or more multiple family dwelling units or who are the owners of parcels on which rental dwelling units are located within the Development.

3. VOTING RIGHTS. Subject to (a) the rights of Sam S. Jaksick or Alan G. Means, or the survivor of them and their successors as set forth in paragraph V.B. of the Declaration of Protective Covenants, with respect to voting of memberships, and (b) limitations on voting rights, all as set forth in the Declaration of Protective Covenants or as set forth above in subparagraph 1. with respect to owners of rental dwelling units, each membership shall be entitled to one vote on all matters properly coming before the membership of the Association.

BE IT FURTHER RESOLVED that the foregoing resolution shall be submitted to the membership of this corporation for a vote thereon, and

BE IT FURTHER RESOLVED that on approval by a majority of the membership the officers of this corporation are hereby authorized and directed to cause a Certificate of Amendment to be filed with the Nevada Secretary of State in accordance with law to effect such change.

III. That on the 7th day of December, 1987, all the memberships of said corporation entitled to vote, unanimously adopted the above and foregoing resolutions at the annual membership meeting.

IV. That pursuant to the foregoing resolution of the Board of Directors, as approved by all of the members of said corporation, as aforesaid, Article SIXTH, paragraphs 1, 2 and 3 of the Articles of Incorporation of CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION and the same hereby is, amended to read as follows:

SIXTH: MEMBERSHIPS.

1. CREATION OF MEMBERSHIPS. Except as set forth below as to rental dwelling units, there shall be one class of membership in the Association. Memberships shall come into being as maps are recorded showing either multiple family dwelling units or single family lots. On such recordation there shall become outstanding one membership for each multiple family dwelling unit and one membership for each single family lot. Memberships shall be appurtenant to each multiple family dwelling or each single family lot as the case may be. Prior to the recordation of any such maps, Sam S. Jaksick and Alan G. Means, or the survivor of them, are hereby authorized to execute any and all documents requiring execution by "members" of the Association.

The Board of Directors is authorized to establish a special class of memberships for the owners of each parcel of land on which is located rental dwelling units within the Caughlin Ranch with such terms and conditions with respect to such memberships as may be determined by the Board provided (a) that such membership class may be voting or non-voting, and (b) such membership class may be assessed in accordance with the provisions of these Articles of Incorporation and the Declaration of Protective Covenants of the Caughlin Ranch.

2. NUMBER. Except for rental dwelling units, there shall be one membership for each living unit within the Development shown on a recorded map. It is anticipated that there eventually will be 3,102 memberships outstanding when the proposed Development is completed. Such total number shall be increased or decreased in accordance with the actual number of living units

within the Development shown on recorded maps which may be more or less than 3,102. No membership shall be held by persons who are not owners of either one or more single family lots or one or more multiple family dwelling units or who are the owners of parcels on which rental dwelling units are located within the Development.

3. VOTING RIGHTS: Subject to (a) the rights of Sam S. Jaksick or Alan G. Means, or the survivor of them and their successors as set forth in paragraph V.B. of the Declaration of Protective Covenants, with respect to voting of memberships, and (b) limitations on voting rights, all as set forth in the Declaration of Protective Covenants or as set forth above in subparagraph 1. with respect to owners of rental dwelling units, each membership shall be entitled to one vote on all matters properly coming before the membership of the Association.

IN WITNESS WHEREOF, said corporation has caused this Certificate to be executed by its duly authorized officers this 8<sup>th</sup> day of December, 1987.

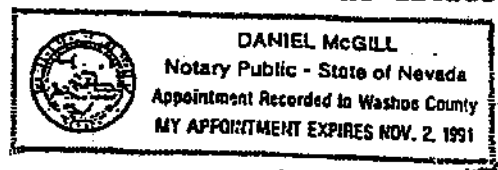
CAUGHLIN RANCH HOMEOWNERS' ASSOCIATIO

By *Alan Means*  
ALAN MEANS - President

By *Robert Marshall*  
ROBERT MARSHALL - Secretary

STATE OF NEVADA )  
                          ) ss.  
COUNTY OF WASHOE )

On this 8<sup>th</sup> day of December, 1987, personally appeared ALAN MEANS and ROBERT MARSHALL, known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same for and on behalf of the aforesaid corporation.



*Daniel McGill*  
Notary Public



**FILED**  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA

JUN 27 1988

FRANCE SUE DEL PAPA SECRETARY OF STATE

*France Sue Del Papa*

No.

5227-84

CERTIFICATE OF AMENDMENT OF

ARTICLES OF INCORPORATION

OF

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION, a Nevada non-profit corporation, by and through its President and Secretary, does hereby certify as follows:

I. That Caughlin Ranch Homeowners Association was formed as a non-profit corporation under the laws of the State of Nevada on the 31st day of July, 1984, by filing its Articles of Incorporation with the Secretary of State of the State of Nevada.

II. That on the 22 day of June, 1987, the Board of Directors of Caughlin Ranch Homeowners Association, being five (5) in number, unanimously consented in writing to the adoption of the following resolutions:

RESOLVED that it is advisable and in the best interests of this corporation to amend its Articles of Incorporation as follows:

I. Adding to Article THIRTEENTH, Indemnification of Directors, a new and additional paragraph to read as follows:

The expenses of directors and officers incurred in defending a civil or criminal action, suit or proceedings by reason of any act or omission of such director or officer acting as a director or officer shall be paid by the Corporation as they are incurred in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to

be indemnified by the Corporation. Any repeal or modification of this Article by the memberships of the Corporation shall be prospective only, and shall not adversely effect (i) any limitation on the personal liability of a director or officer of the Corporation existing at the time of such repeal or modification or (ii) the duty of the Corporation under this Article to advance expenses of directors and officers incurred in defending a civil or criminal action, suit or proceedings, if such action, suit or proceeding is based upon any act or omission of any director or officer occurring before the time of such repeal or modification.

II. Adding a new Article FIFTEENTH to the Articles of Incorporation of the Association to read as follows:

FIFTEENTH: Limitation on Directors and Officers Liability

No action may be brought against an officer or director of this corporation based on any act or omission arising from failure in his legal capacity to exercise due care regarding the management or operation of this Corporation unless the act or omission involves intentional misconduct, fraud, or a knowing violation of the law.

III. That on the 22 day of June, 1987, all of the outstanding memberships of said corporation, entitled to vote, consented in writing to the adoption of the above and foregoing resolutions.

IV. That pursuant to the foregoing resolution of the Board of Directors, as consented by all of the memberships of said corporation, the Article of Incorporation are hereby amended as follows:

I. Adding to Article THIRTEENTH, Indemnification of Directors, a new and additional paragraph to read as follows:

The expenses of directors and officers incurred in defending a civil or criminal action, suit or proceedings by reason of any act or omission of such

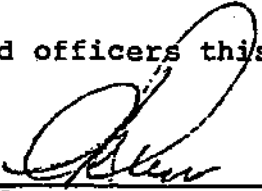
director or officer acting as a director or officer shall be paid by the Corporation as they are incurred in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the Corporation. Any repeal or modification of this Article by the memberships of the Corporation shall be prospective only, and shall not adversely effect (i) any limitation on the personal liability of a director or officer of the Corporation existing at the time of such repeal or modification or (ii) the duty of the Corporation under this Article to advance expenses of directors and officers incurred in defending a civil or criminal action, suit or proceedings, if such action, suit or proceeding is based upon any act or omission of any director or officer occurring before the time of such repeal or modification.

II. Adding a new Article FIFTEENTH to the Articles of Incorporation of the Association to read as follows:

FIFTEENTH: Limitation on Directors and Officers Liability

No action may be brought against an officer or director of this corporation based on any act or omission arising from failure in his legal capacity to exercise due care regarding the management or operation of this Corporation unless the act or omission involves intentional misconduct, fraud, or a knowing violation of the law.

IN WITNESS WHEREOF, the company has caused this Certificate to be executed by its duly authorized officers this 22nd day of June, 1988.

  
\_\_\_\_\_  
Alan Means, President

  
\_\_\_\_\_  
Robert W. Marshall, Secretary

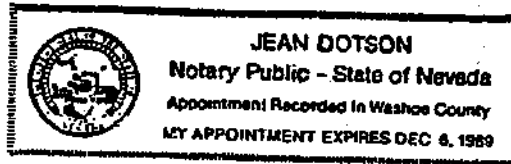
STATE OF NEVADA )

COUNTY OF WASHOE )

On this 22nd day of June, 1988, personally appeared ALAN G. MEANS and ROBERT W. MARSHALL, known to me to be the President and Secretary of Caughlin Ranch Homeowners Association, who acknowledged to me that they executed the same for and on behalf of the aforesaid corporation.

*Jean Dotson*

Notary Public



**FILED**  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA

**JAN 28 1994**

CHERYL A. LAU SECRETARY OF STATE

No. 5227-84

**CERTIFICATE OF AMENDMENT OF  
ARTICLES OF INCORPORATION**

**OF**

**CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION**

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CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION, a Nevada non-profit corporation, by and through its President and Secretary, does hereby certify as follows:

I. That CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION was formed as a non-profit corporation under Sections 81.410 to 81.540 Nevada Revised Statutes of the State of Nevada on the 31st day of July, 1984, by filing its Articles of Incorporation with the Secretary of State of the State of Nevada.

II. That on the 16th day of August, 1993, the Board of Directors of CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION duly passed the following resolutions:

BE IT HEREBY RESOLVED that the Board of Directors hereby declare it advisable and in the best interest of this corporation to amend Article SIXTH, paragraphs 1, 2 and 3 of the Articles of Incorporation in the following particulars:

**SIXTH: MEMBERSHIPS**

1. CREATION OF MEMBERSHIPS. Except as set forth below as to rental dwelling units and non-residential land uses, there shall be one class of membership in the Association. Memberships shall come into being as maps are recorded showing either multiple family dwelling units or single family lots. On such recordation there shall become outstanding one membership for each multiple family dwelling unit and one membership for each single family lot. Memberships shall be appurtenant to each multiple family dwelling or each single family lot, as the case may

be. Prior to recordation of any such maps, Sam S. Jaksick and Alan G. Means, or the survivor of them, are hereby authorized to execute any and all documents requiring execution by "members" of the Association.

The Board of Directors is authorized to establish a special class of memberships for the owners of each parcel of land on which is located either rental dwelling units or non-residential land uses within the Caughlin Ranch with such terms and conditions with respect to such memberships as may be determined by the Board provided (a) that such membership class may be voting or non-voting, and (b) such membership class may be assessed in accordance with the provisions of these Articles of Incorporation and the Declaration of Protective Covenants of the Caughlin Ranch.

2. NUMBER. Except for rental dwelling units and non-residential land uses, there shall be one membership for each living unit within the Development shown on a recorded map. No membership shall be held by persons who are not owners of either one or more single family lots, one or more multiple family dwelling units or owners of parcels on which rental dwelling units or non-residential land uses are located within the Development.

3. VOTING RIGHTS. Subject to (a) the rights of Sam S. Jaksick or Alan G. Means, or the survivor of them and their successors as set forth in paragraph V.B. of the Declaration of Protective Covenants, with respect to voting of memberships, and (b) limitations on voting rights, all as set forth in the Declaration of Protective Covenants or as set forth above in subparagraph 1 with respect to owners of parcels on which rental dwelling units or non-residential land uses are located, each membership shall be entitled to one vote on all matters properly coming before the membership of the Association, and (a) with respect to membership rights of owners of non-residential land use parcels, such owner shall be entitled to one (1) vote for each 10,000 square feet of building area, or fraction thereof, of property owned by such owner; and (b) with respect to owners of rental dwelling units, such owner shall be entitled to one (1) vote for each ten (10)

rental units owned by such owner.

BE IT FURTHER RESOLVED that the foregoing resolution shall be submitted to the membership of this corporation for a vote thereon, and

BE IT FURTHER RESOLVED that on approval by a majority of the membership the officers of this corporation are hereby authorized and directed to cause a Certificate of Amendment to be filed with the Nevada Secretary of State in accordance with law to effect such change.

III. That on the 16th day of August, 1993, all the memberships of said corporation entitled to vote, unanimously adopted the above and foregoing resolutions.

IV. That pursuant to the foregoing resolution of the Board of Directors, as approved by all of the members of said corporation, as aforesaid, Article SIXTH, paragraphs 1, 2 and 3 of the Articles of Incorporation of CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION and the same hereby is, amended to read as follows:

SIXTH: MEMBERSHIPS.

1. CREATION OF MEMBERSHIPS. Except as set forth below as to rental dwelling units and non-residential land uses, there shall be one class of membership in the Association. Memberships shall come into being as maps are recorded showing either multiple family dwelling units or single family lots. On such recordation there shall become outstanding one membership for each multiple family dwelling unit and one membership for each single family lot. Memberships shall be appurtenant to each multiple family dwelling or each single family lot, as the case may be. Prior to recordation of any such maps, Sam S. Jaksick and Alan G. Means, or the survivor of them, are hereby authorized to execute any and all documents requiring execution by "members" of the Association.

The Board of Directors is authorized to establish a special class of memberships for

the owners of each parcel of land on which is located either rental dwelling units or non-residential land uses within the Caughlin Ranch with such terms and conditions with respect to such memberships as may be determined by the Board provided (a) that such membership class may be voting or non-voting, and (b) such membership class may be assessed in accordance with the provisions of these Articles of Incorporation and the Declaration of Protective Covenants of the Caughlin Ranch.

2. NUMBER. Except for rental dwelling units and non-residential land uses, there shall be one membership for each living unit within the Development shown on a recorded map. No membership shall be held by persons who are not owners of either one or more single family lots, one or more multiple family dwelling units or owners of parcels on which rental dwelling units or non-residential land uses are located within the Development.

3. VOTING RIGHTS. Subject to (a) the rights of Sam S. Jaksick or Alan G. Means, or the survivor of them and their successors as set forth in paragraph V.B. of the Declaration of Protective Covenants, with respect to voting of memberships, and (b) limitations on voting rights, all as set forth in the Declaration of Protective Covenants or as set forth above in subparagraph 1 with respect to owners of parcels on which rental dwelling units or non-residential land uses are located, each membership shall be entitled to one vote on all matters properly coming before the membership of the Association, and (a) with respect to membership rights of owners of non-residential land use parcels, such owner shall be entitled to one (1) vote for each 10,000 square feet of building area, or fraction thereof, of property owned by such owner; and (b) with respect to owners of rental dwelling units, such owner shall be entitled to one (1) vote for each ten (10) rental units owned by such owner.

IN WITNESS WHEREOF, said corporation has caused this Certificate to be executed by its duly authorized officers this



5<sup>th</sup> day of November, 1993.

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION

BY: *Jeffrey A. Codega*  
JEFFREY A. CODEGA - President

BY: *Frank Partlow*  
FRANK PARTLOW - Secretary

STATE OF NEVADA     )  
                              :    ss.  
COUNTY OF WASHOE   )

On this 5<sup>th</sup> day of November, 1993, before me, a Notary Public in and for the County and State aforesaid, personally appeared JEFFREY A. CODEGA and FRANK PARTLOW, known to me to be the persons described in and who executed the foregoing instrument, and who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

*Dianne M. Stover*  
NOTARY PUBLIC

