HAVASU MOBILE ESTATES ASSOCIATION
A California Nonprofit Mutual Benefit Corporation

Resolution of Members Repealing and Amending Bylaws Section 4.2 of the Bylaws of Havasu Mobile Estates Association

WHEREAS, Section 16.1 of the Bylaws of Havasu Mobile Estates Association provides that new bylaws may be adopted or the existing bylaws may be amended or repealed by an instrument in writing signed by seventy-five percent (75%) of the voting power of the membership; and,

WHEREAS, the Members deem it in the best interest of Havasu Mobile Estates Association to amend Section 4.2 of the Bylaws of Havasu Mobile Estates Association;

NOW; THEREFORE, IT IS RESOLVED that Section 4.2 of the Bylaws of Havasu Mobile Estates Association is hereby amended to read as follows:

Prior Section 4.2 Term of Office:

"An in-term Board of Directors consisting of five [5] Members shall hold office until the Association's first annual meeting at which the Members shall elect five Board Members for the following terms.

Three {3} directors for a term of three [3] years; two directors for a term of [2] year. Thereafter, directors shall be elected at each annual meeting of the Members to fill the vacancies of those directors whose term then expires and the term of each such director so elected shall be for a term of three [3] years. If any annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of the Members held for that purpose.

All directors shall hold office until their successors are elected.

In addition to above requirements, the Board of Directors shall consist of three [3] full time residence of the Association. [A full time residence is defined as a Member who lives on the property eight [8] months out of twelve [12] months. In the event that no full time Member runs for Director, the Board may allow a non full time Member be nominated for Director."

Section 4.2 Term of Office is amended to read as follows:

"Section 4.2 Term of Office: "An in-term Board of Directors consisting of five [5] Members shall hold office until the Association's first annual meeting at which time the Members shall elect five Board Members for the following terms.

Three [3] directors for a term of three [3] years, two directors for a term of [2] years. Thereafter, directors shall be elected at each annual meeting of the Members to fill the vacancies of those directors whose term then expires and the term of each such director so elected shall be for a term of three [3] years. If any annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of the Members held for that purpose.

All directors shall hold office until their successors are elected.

Whether each Board of Director shall be a full-time or part-time resident shall be left up to the voting Members. A full-time Member is defined as a Member who lives on the property eight [8] months out of twelve [12] months of a calendar year. In the event that no full-time Member runs for Director, the Board may allow a non full-time Member to be nominated for Director."

RESOLVED FURTHER, that only after seventy-five percent (75%) of the voting power of the membership of Havasu Mobile Estates Association approves this Resolution shall the Secretary of Havasu Mobile Estates Association be authorized and directed to file with the corporate books and records that Section 4.2 of the Bylaws of Havasu Mobile Estates Association has been so amended. Upon the proper amendment of Section 4.2 of the Bylaws of Havasu Mobile Estates Association, the Secretary shall place a copy of all records indicating approval of such Amended Bylaws in the corporate minute book and another copy at the corporation's principal executive office where it shall be opened to inspection by the Members at all reasonable times during regular office hours.

DATED: August 8, 2003

SIGNATURES OF MEMBERS:

Gary Chamberlain #127
[Signature]

GARY CHAMBERLAIN
(Print Name)

Judith K. Bryant
[Signature]

JUDITH K. BRYANT
(Print Name)

BY-LAWS

OF

HAVASU MOBILE ESTATES ASSOCIATION

A California Nonprofit Mutual Benefit Corporation

TABLE OF CONTENTS

ARTICLE I	NAME AND LOCATION	PAGE 1
ARTICLE II	DEFINITIONS	1
Section 2.1	Articles	1
Section 2.2	Association	1
Section 2.3	Board	1
Section 2.4	By-Laws	1
Section 2.5	Common Area	1
Section 2.6	Declaration	1
Section 2.7	Eligible Insurer or Guarantor	1
Section 2.8	Eligible Mortgage Holder	1
Section 2.9	FHA	1
Section 2.10	Lot	2
Section 2.11	Member	2
Section 2.12	Mortgage	2
Section 2.13	Mortgagee	2
Section 2.14	Owner	2
Section 2.15	Properties	2
Section 2.16	VA	2
		2
ARTICLE III	MEMBERS, MEETING AND MEMBERSHIP	2
Section 3.1	Place of Meeting	2
Section 3.2	Annual Meetings of Members	2
Section 3.3	Special Meeting	2
Section 3.4	Notice of Annual Meeting	2
Section 3.5	Notice of Special Meeting	3
Section 3.6	Quorum	3
Section 3.7	Proxies	3
Section 3.8	Action Without Meeting	3
Section 3.9	Adjourned Meeting and Notice Thereof	3
Section 3.10	Membership Rights and Privilege.	4
Section 3.11	Discipline of Members.	4
Section 3.12	Membership.	5
Section 3.13	Fees, Dues and Assessments.	5
Section 3.14	Voting.	6
ARTICLES IV	DIRECTORS SELECTION AND OFFICE TERM ..	6
Section 4.1	Number and Qualification of Directors.	6
Section 4.2	Term of Office.	6
Section 4.3	Removal from Office..	7
Section 4.4	Vacancies.	7
Section 4.5	Compensation.	7

ARTICLE V	NOMINATION AND ELECTION OF DIRECTORS .	7
Section 5.1	Nomination.	7
Section 5.2	Election .	7
		7
ARTICLE VI	MEETINGS OF DIRECTORS .	7
Section 6.1	Regular Meetings.	7
Section 6.2	Special Meetings.	8
Section 6.3	Attendance at Meetings and Executive Sessions.	8
Section 6.4	Quorum .	8
Section 6.5	Adjournment.	8
Section 6.6	Entry of Notice.	8
Section 6.7	Notice of Adjournment .	8
Section 6.8	Action Without Notice .	8
		8
ARTICLE VII	POWERS AND DUTIES OF THE BOARD .	9
Section 7.1	Powers.	9
Section 7.2	Duties.	9
		9
ARTICLE VIII	OFFICERS AND THEIR DUTIES.	11
Section 8.1	Officers.	11
Section 8.2	Election of Officers.	11
Section 8.3	Subordinate Officers .	11
Section 8.4	Removal of Officers .	11
Section 8.5	Resignation of Officers.	11
Section 8.6	Vacancy in Office.	11
Section 8.7	President.	11
Section 8.8	Vice President.	12
Section 8.9	Secretary.	12
Section 8.10	Chief Financial Officer .	12
		12
ARTICLE IX	COMMITTEES .	13
Section 9.1	Committees .	13
		13
ARTICLE X	RECORDS AND REPORTS .	13
Section 10.1	Maintenance and Inspection.	13
Section 10.2	Maintenance and Inspection of Other Records.	13
Section 10.3	Inspection by Directors .	13
Section 10.4	Annual Report .	14
Section 10.5	Fiscal Year .	14
Section 10.6	Budgets and Financial Statements.	14
		14
ARTICLE XI	ASSESSMENTS .	15
Section 11.1	Assessment Payments.	15
Section 11.2	Special Assessments .	15
Section 11.3	Annual Assessments[Dues] .	16

ARTICLE XII	INDEMNIFICATION OF DIRECTORS, OFFICERS . EMPLOYEES, AND OTHER AGENTS	16
Section 12.1	Indeminfication	16
ARTICLE XIII	CORPORATE SEAL .	16
Section 13.1	Corporate Seal	16
ARTICLE XIV	CONSTRUCTION AND DEFINITIONS .	16
Section 14.1	Construction and Definitions	16
ARTICLE XV	PARLIAMENTARY AUTHORITY .	17
Section 15.1	Parliamentary Authority	17
ARTICLE XVI	AMENDMENTS .	17
Section 16.1	Amendment by Members	17
Section 16.2	Amendment by Directors	17

BY-LAWS

OF

HAVASU MOBILE ESTATES ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Havasu Mobile Estates Association, Inc. , referred to hereafter as the "Association". The principle office of the Association shall be located in the County of San Bernardino, State of California.

ARTICLE II

DEFINITIONS

Section 2.1 "Articles". shall mean and refer to these Articles of Incorporation of the Association and any amendments to said Articles.

Section 2.2 "Association" shall mean and refer to Havasu Mobile Estates Association, Inc. a California nonprofit mutual benefit corporation, its successors and assigns.

Section 2.3 "Board" or "Board of Directors" shall mean and refer to the governing body [leaders] of said Association.

Section 2.4 "By-Laws" shall mean and refer to the By-Laws [rule and regulation] of the Association and any amendments [a change for the better] to said By-Laws.

Section 2.5 "Common Area" shall mean all real property [including any improvements thereon] owned by the Association for the common use and enjoyment of the owners and any other area maintained by the Association for the common good of the owners, plus maintenance of palm trees [water and electric] and electric billing of all street lights in the project.

Section 2.6 "Declaration" shall mean and refer to the enabling Declaration of Covenants, [statement of agreement] Conditions & Restrictions recorded _____ as Instrument No. _____, official records, San Bernardino County, California.

Section 2.7 "Eligible Insurer or Guarantor" [Institution guaranteeing loan/backer] shall mean and refer to an insurer or governmental guarantor who has requested notice from the Association of those matter which such insurer or guarantor is entitled to notice of by any reason of the Declaration or the By-Laws of the Association.

Section 2.8 "Eligible Mortgage Holder" shall mean and refer to a holder of a first Mortgage on a lot and or any improvements on any lot who has requested notice from the Association of those matters which such holder is entitled to notice of by reason of this Declaration or by the By-Laws of the Association.

Section 2.9 "FHA" shall mean and refer to the Federal Housing Administration.

Section 2.10 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties, with the exception of the Common Area. [Lots 1-- 130]

Section 2.11 "Member" shall mean and refer to an Owner as defined in Section 2.14 of this Article II

Section 2.12 "Mortgage" shall mean and refer to a Deed of Trust as well as a mortgage.

Section 2.13 "Mortgagee" shall mean and refer to the beneficiary of a Deed of Trust as well as the mortgagee of a mortgage encumbering [lien attached to real property] a Lot.

Section 2.14 "Owner" shall mean and refer to the record owners, whether one or more persons or entities, of fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation located on the original lot map recorded in the County of San Bernardino as Havasu Mobile Estates Subdivision, [LOTS 1-130].

Section 2.15 "Properties" shall mean and refer to that certain real property described in Recital A of the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.16 "VA" shall mean and refer to the Veterans Administration.

ARTICLE III

MEMBERS, MEETING, AND MEMBERSHIP RIGHTS

Section 3.1 Place of Meeting: All meetings of Members shall be held at the properties or at such other location in San Bernardino County California, in reasonable proximity to the Properties, as may be designated in the notice of meeting.

Section 3.2 Annual Meetings of Members: Regular meetings of members of the Association shall be held not less frequently than once each calendar year at a time and place prescribed by the By-Laws. The first meeting of the Association, whether a regular or special meeting, shall be held within 45 days after the closing of the sale of the subdivision interest which represents the 51 % percentile interest authorized for sale under the first public report for the subdivision, but in no event shall the meeting be held later than six months after the closing of the sale of the first subdivision interest.

Section 3.3 Special Meeting: Special meetings of Members, for any purpose, may be called at any time by the president, or by a majority a quorum [minimum number of members required to be present to validly proceed with business of the meeting] of the Board, or by the written request of five percent [5] of the voting power of the Members.

Section 3.4 Notice of Annual Meeting: Written notice of each annual meeting of the Members shall be given to each Member and upon written request, to all first Mortgagees, either personally or by sending a copy of the notice through the mail, first class, registered or certified, or by telegraph, charges prepaid, to his/her address appearing on the books of the Association or supplied by him/her to the Association for the purpose of notice. If no address is supplied, notice shall be deemed to have been given each Member if mailed to the address of the Lot owned by

such Member or encumbered by the first Mortgagee, or published at least once is some newspaper of general circulation in the County of said principle office. Pursuant to Corporation Code of California, all such notices shall be sent not less than ten [10] days and not more than ninety [90] days before each annual meeting, provided, however, if notice is given by mail and the notice is not mailed by first class, registered, or certified mail, then the notice shall be given not less than twenty [20] days before the annual meeting. The notice shall specify the place, day, and hour of such meeting, and those matters which the Board at the time of mailing the notice intends to present for action by the Members.

Section 3.5 Notice of Special Meeting: A special meeting of the members of the Association shall be promptly scheduled by the governing body in response to : (1) The vote of the governing body itself or (2) By written request for a special meeting signed by the members representing at least 5% of the total voting power of the Association. Written notice of each special meeting shall be given to each Member and, upon written request therefor, to all first Mortgagees, either personally or by sending a copy of the notice through the mail or by telegraph, charges prepaid, to his/her address appearing on the books for the purpose of notice. If no address is supplied, notice shall be deemed to have been given him/her is mailed to the address of the Lot owned by such Member or encumbered by the first Mortgagee, or published at least once in some newspaper of general circulation in the county of said principle office.

Pursuant to Corporation Code of California all such notices of a special meeting of Members shall be sent not less than thirty five [35] days nor more than ninety [90] days before each special meeting, provided, however, if notice is given by mail and the notice is not mailed by first class, registered, or certified mail, then notice shall be given not less than twenty [20] days before the regular meeting. Such notice shall specify the place, day, and hour of such special meeting and the nature of the business to be undertaken at such meeting.

If the notice is not given within twenty [20] days after receipt of the request for the special meeting, the persons entitled to call the meeting may, after due notice to the Association, be heard before the Superior Court of San Bernardino County, which Court may summarily order the giving of the notice

Section 3.6 Quorum:

A. Quorum. At all meetings of the membership, more than (50%) of the eligible voting members shall constitute a quorum.

B. Loss of Quorum. Members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjourned, so long as fifty percent [50%] of the eligible members originally constituting the quorum remain and any action taken [other than adjournment] is approved by at least a majority of members who originally constituted the quorum.

Section 3.7 Proxies: Proxy voting is not allowed.

Section 3.8 Action Without Meeting: Any action which may be taken at a meeting , except the election of directors where cumulative voting is a requirement, may be taken without a meeting is done in compliance with the provisions of Section 7513 of the California Corporations Code.

Section 3.9 Adjourned Meetings and Notice Thereof: Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power present in person, but in the absence of a quorum no other business may be transacted at any such meeting except to pay the bills.

When a meeting of Members, either annual or special, is adjourned to another tine or place,

notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting which is adjourned. A meeting adjourned for lack of a quorum by those in attendance shall be set to a date not less than five [5] days nor more than thirty [30] days from the original meeting date. If the time and place for the adjourned meeting is not chosen buy those Members at the original meeting or for any reason a new date is fixed for the adjourned meeting after adjournment or the adjournment is for more than forty five [45] days, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meeting. At the adjourned meeting the Association may transact any business, except for the election of the Board of Directors, which might have been transacted at the original meeting.

Section 3.10 Membership Rights and Privileges: No Member shall have the right without the prior approval of the Board to exercise any of the powers or to perform any of the acts by these By-Laws delegated to the Board as in Article VII of these By-Laws more fully provided. Unless otherwise provided in the Declaration and subject to the rules and regulations adopted by the Board, each Member of the Association, his/her immediate family, guests and tenants shall have the right to use and enjoy the Common Area. (All real property, including improvements thereon, owned by the Association for the common use and enjoyment of the Owners). The Memberships rights and privileges, together with the voting rights of any Member, may be suspended by the Board for any period of time during which the assessment of his/her Lot remains unpaid and for a period not to exceed thirty [30] days for any infraction of the Association's published rules and regulations after reasonable written notice and opportunity for a hearing before the Board. Should the Board believe grounds exists for and such suspension, the Board shall give to the Member believed to be in violation at least fifteen [15] days prior written notice of the intended suspension and the reasons therefor. The Member shall be given an opportunity to be heard before the Board either orally or in writing not less than five [5] days before the effective date of suspension. The notice required hereby may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first class or registered mail sent to the last address of the Member shown on the Association's records. No such suspension shall effect the rights of such Member to access his/her Lot.

Section 3.11 Discipline of Members:

(A) The Board of Directors may adopt rules and regulations imposing reasonable monetary penalties for any period of time during which any Member is determined by the Board to be in breach of the provisions of the Declaration or of these By-Laws. No such monetary penalty shall be effective unless the Member received fifteen [15] days prior written notice of the proposed penalty and the reasons therefor and given an opportunity to be heard either orally or in writing before the Board not less than five [5] days before the proposed effective date of the monetary penalty. The notice required hereby may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first class or registered mail sent to the last address of the Member shown of the Association's records.

[B] Notwithstanding anything to the contrary contained in these By-Laws, the Association has no power to cause a forfeiture [curtail] or abridgment of an owner's right to the full use and enjoyment of his/her individually owned subdivision interest on account of the failure by the owner to comply with provisions of these By-Laws and the Declaration of Covenants, Conditions and Restrictions or of dully enacted rules of operation for common areas and facilities except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the owner to pay assessments duly levied by the Association.

[C] A monetary penalty imposed by the Association as a disciplinary measure for failure of a Member to comply with the governing instruments or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the Member was allegedly responsible or in bringing the Member and his/her subdivision

interest into compliance with these By-Laws and the Declaration of Covenants, Conditions and Restrictions may not be characterized nor treated as an assessment which may become a lien against the Member's subdivision interest.

[D] The provisions of subdivision [C] do not apply to charges imposed against an owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest and for costs reasonably incurred [excluding attorneys' fees] in it's efforts to collect delinquent assessments.

Section 3.12 Membership: There shall be one class of membership in this Corporation, [Lot Owner].

A. Regular Members: The regular members of this Corporation shall consist of all persons current in dues and assessments and who own a lot within Havasu Mobile Estates, [Lots 1-130].

Section 3.13 Fees, Dues and Assessments:

A. Annual Assessments: (Dues), members must pay, within the time and on the conditions set by the Board of Directors, annual assessments [Dues] in the amount of $246.84 per year or in the amount as may otherwise be fixed from time to time by majority vote of the membership at a annual meeting or special meeting.

(1) The governing body of the Association may not, without the vote or written assent of members constituting a quorum, casting a majority of the votes at a meeting or election of the Association, impose a regular annual assessment per subdivision interest which is more than 20% greater than the regular assessment for the immediately preceding fiscal year. (The Association shall provide notice by first class mail to the owners of the separate interest of any; increase in regular assessments of the Association, not less than 30 days nor more than 60 days prior to the increased assessment becoming due).

B. Special Assessments: Regular members shall also pay any special assessments, passed by the majority vote of the membership, to be necessary to levy to serve the purpose of the Corporation or its members. Such assessments shall be immediately due and payable upon notice to the regular members.

(1) In any fiscal year, the governing body of the Association may not, without the vote or written assent of members constituting a quorum, casting a majority of the votes at a meeting or election of the Association, levy a special assessments to defray the cost of any action or undertaking on behalf of the Association which in the aggregate exceed 5% of the budgeted gross expenses of the Association for that fiscal year. Every special assessment shall be levied upon the same basis as that prescribed for the levying of regular assessments.

A special assessment against owners in a planned unit development to raise funds for the rebuilding or major repair of the structural common area housing units of the project shall be levied upon the basis of the ratio of the square footage of the floor area of the unit to be assessed to the total square footage of floor area of all units to be assessed.

The provisions hereof with respect to special assessments do not apply to an assessment levied by the governing body against a member to reimburse the Association for cost incurred in bringing the member and his/her subdivision interest into compliance with provisions of the governing instruments for the subdivision, but any such assessment shall be subject to the provisions of Section 2792.26 (c) of these regulations. (The Association shall provide notice by

first class mail to the owners of the separate interests of any increase assessments of the Association, not less than 30 days nor more than 60 days prior to the increased assessment becoming due.

C. Emergency Assessments: Not withstanding any other provision contained in this section, the governing body may increase assessments necessary for emergency situations. For the purpose of this section, an emergency situation is any one of the following:

1. An extraordinary expense required by an order of a court.

2. An extraordinary expense necessary to repair or maintain subdivided property or any part of it for which the Association is responsible where a threat to personal safety on the property is discovered.

3. An extraordinary expense necessary to repair or maintain the subdivided property or any part of it for which the Association is responsible that could not have been reasonably foreseen by the governing body in preparing and distributing the pro forma operating budget. However, prior to the imposition or collection of an assessment under this subdivision, the governing body shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment

Section 3.14 Voting: Eligibility to Vote. All regular members are entitled to vote at any annual special meeting or by ballot. The regular members are entitled to one [1] vote for each Lot owned. Any regular member who is not current in dues and or assessments shall not be entitled to vote.

Any form of written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the governing body be named in the written ballot. The written ballot shall provide that, where the member specifies a choice, the vote shall be cast in accordance with that choice.

ARTICLE IV

DIRECTOR SELECTION AND OFFICE TERM

Section 4.1 Number and Qualification of Directors: The Board shall consist of five [5] directors, who must be Members of the Association in good standing.

Section 4.2 Term of Office: An in-term Board of Directors consisting of five [5] Members shall hold office until the Association's first annual meeting at which the Members shall elect five Board Members for the following terms.

Three [3] directors for a term of three [3] years, two directors for a term of [2] year. Thereafter, directors shall be elected at each annual meeting of the Members to fill the vacancies of those directors whose term then expires and the term of each such director so elected shall be for a term of three [3] years. If any annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of the Members held for that purpose.

All directors shall hold office until their successors are elected.

In addition to above requirements the Board of Directors shall consist of three [3] full time residence of the Association. [A full time residence is defined as a Member who lives on the property eight [8] months out of twelve [12] months. In the event that no full time Member runs for Director the Board may allow a non full time Member be nominated for Director.

Section 4.3 Removal from Office: Unless the entire governing body is removed from office by the vote of members of the Association, no individual governing body member shall be removed prior to the expiration of his/her term of office if the votes cast against removal would be sufficient to elect the governing body member if voted cumulatively at an election at which the same total number of votes were cast and the entire number of governing body members authorized at the time of the most recent election of the governing body member were than being elected.

Section 4.4 Vacancies: Vacancies in the Board created by death or resignation may be filled by the majority of the remaining directors, though less than a quorum. Each such director so elected shall hold office until until the next annual meeting. At the next annual meeting the Membership shall vote to elect a director to fill the unfinished term if any of the vacancy.

Section 4.5 Compensation: Paying compensation to members of the governing body or to officers of the Association for services performed in the conduct of the Association's business shall be by vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider, provided however, that the governing body may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination: Nomination for election to the Board shall be made from the floor at he annual meeting. All nominees shall be a Member of the Association in good standing.

Section 5.2 Election: All elections shall be held at the annual meeting or special meeting of the Membership. If more then one [1] person runs for a open term the Board shall appoint an election Committee. The election Committee shall consist of three [3] Members in good standing. The election Committee shall cause a secret ballot to be mailed to the entire Membership containing the names of those running for director. A director shall be deemed elected by majority of those ballots returned.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings: Regular meetings of the Board shall be held monthly, unless canceled by the President of the Association provided however the President cannot cancel two meeting consecutively. Notice of regular meetings must be given in writing or by verbal contact with other Directors no less than four [4] days prior to such regular meeting. Notice of regular meetings shall provide the location, time and date where the meeting is to be held, or notice of the meeting need not be given to any governing body member who signed a waiver of notice or a

written consent to holding of the meeting.

Section 6.2 Special Meetings: Special meetings of the Board may be called by written notice by the president or by two directors. Written notice of the time and place of special meetings shall shall be sent to all directors by first class mail not less than seven [7] days prior to the special meeting, or such notice notice shall be delivered verbally to each director no less than forty eight [48] hours prior to the special meeting.

Section 6.3 Attendance at Meetings and Executive Sessions: Regular and special meetings of the Board shall be open to all Members of the Association: provided, however, that Members who are not on the Board nay not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board may upon the vote of a majority of a quorum, adjourn a meeting and re convene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved in and other matters of business of a similar nature. Only members of the Board shall be entitled to attend executive sessions. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6.4 Quorum: A Majority of the directors shall be necessary to constitute a quorum for the transaction of business, except to pay the bills or to adjourn as hereafter 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.

Section 6.5 Adjournment: A quorum of the directors may adjourn any directors' meeting to meet again at a stated time, and place provided, however that in the absence of a quorum, a majority of directors present at the directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 6.6 Entry of Notice: Whenever any director has been absent from any regular or special meeting, any entry in the minutes to the effect that notice has been duly given shall constitute a rebuttable presumption that due notice of such meeting was given to such director as required by law and these By-Laws.

Section 6.7 Notice of Adjournment: Notice of any adjournment of any directors' meeting, either regular or special, to another time and place, shall be given prior to the time of the adjourned meeting to the directors who were not present at the the tine of the adjournment.

Section 6.8 Action Without Meeting: The governing body may take actions without a meeting if all of its members consent in writing to the action to be taken
If the governing body resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the common area within three days after the written consent of all governing body members have been obtained. If the common area consists only of an easement or is otherwise unsuitable for posting the explanation of the action taken, the governing body shall communicate said explanation by any means it deems appropriate.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers: The Board shall have the power to:

[A] Adopt and publish rules and regulations governing the use of the Common Area and any facilities if any paid through Membership dues or assessments, and the personal conduct of the Members and their guest thereon, and to establish penalties for the infraction thereof;

[B] Suspend the voting rights and right to use any recreational facility if any of a Member during any period in which such Member is in default in the payment of any assessment levied by the Association as provided in Article III, Section 3.10

[C] Exercise for the Association all powers, duties and authorities vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Articles or the Declaration, provided, however, that the Board shall not have the power to [1] borrow money for the Association, and [2] sell property of the Association without the vote or written consent of a majority of the voting power of the total Membership.

[D] Declare the office of a Board Member to be vacant in the event such Member is absent from three [3] consecutive regular meetings of the Board.

[E] Employ a manager, and independent contractor, or other such employees as they deem necessary, and to prescribe their duties.

Section 7.2 Duties: It shall be the duty of the Board to:

[A] Cause to be kept a complete record of all it's acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one fourth [1/4] of the it's Members.

[B] Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

[C] As more fully provided in the Declaration to:

[1] fix the amount of the annual assessment against each Lot at least thirty [30] days in advance of each annual assessment period, provided however that any increase in annual assessment must be approved by majority vote present at the Association's annual meeting.

[2] send written notice of each assessment to every Owner subject thereto at least thirty [30] days in advance of each annual assessment period and,

[3] foreclose the lien against any property for which assessments are not paid within thirty, [30] days after the due date and / or to bring action at law against the Owner personally obligated to pay same,

[D] Furnish or to cause an appropriate officer to furnish upon demand by any person a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as the the status

of the assessments on a Lot is binding upon the Association as of the date of it's issuance.

(E) Cause the Common Area to be maintained.

(F) Contract and pay for goods and services relating to the Common Area.

(G) Prepare budgets and financial statements for the Association as provided in these By-Laws and should conduct an annual review of the Association's actual costs and revise the budget accordingly.

(H) Initiate and execute disciplinary proceedings against Members for violations of the provisions of the Articles and By-Laws, the Declaration and the rules and regulations adopted by the Board.

(I) Delegate any of it's powers hereunder to others, including committees, officers and employees.

(J) Make available to any prospective purchaser of a Lot, any owner of a Lot, and first mortgage on any Lot, current copies of the Declaration, the Articles, the By-Laws, rules governing the Properties and all other books, records and financial statements of the Association.

(K) Enforce the provisions of the Declaration affecting the Properties and to enforce each and every one of the provisions of the Articles and these By-Laws.

(L) Payment of taxes and assessments which are, or could become, a lien of the common area or a portion thereof.

(M) Contracting for casualty, liability and other insurance of behalf of the Association.

(N) Entering upon any privately owned land as necessary in connection with construction, maintenance or emergency repair for the benefit of the common area or the owners in common.

(O) Election of officers of the governing body.

(P) Filling of vacancies of the governing body except for a vacancy created by the removal of a governing body member.

(Q) The governing body of the Association shall ordinarily be prohibited from taking any of the following actions except with the vote or written assent of a majority of the voting power of the Association residing in members:

Entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the Association for a term longer than one year with the following exceptions:

A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration [if applicable].

A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

Prepaid casualty and or liability insurance policies of not to exceed three years duration provided that the policy permits short rate cancellation by the insured.

The governing body of the Association shall ordinarily be prohibited from taking any of the following actions except with the vote or written assent of a majority of the voting power of the Association residing members:

Incurring aggregate expenditures for capital improvements to the common area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year.

Selling during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year.

Paying compensation to members of the governing body or to officers of the Association for services performed in the conduct of the Association's business provided, however, that the governing body may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 8.1 Officers: The officers of the Corporation shall be President, Vice-President, Secretary, and Chief Financial Officer.

Section 8.2 Election of Officers: The officers of the Corporation shall be chosen by the Board and shall each serve one [1] year terms unless removed by the Board. All officers shall serve at the pleasure of the Board and may be removed by the Board at any time. Any officer may be re-elected by the Board following the expiration of his/her current term. All officers of the Board shall be current in all dues and assessments. The term of office shall be from Jan. 1st to Dec. 31st.

Section 8.3 Subordinate Officers: The Board may appoint, and may authorized the President or another officer to appoint, any other officers that the business of the Corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in these By-Laws or determined from time to time by the Board.

Section 8.4 Removal of Officers: Any officer may be removed, with or without cause, by a two thirds vote of the Board, at any regular or special meeting of the Board.

Section 8.5 Resignation of Officers: Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice, and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 8.6 Vacancy in Office: A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled only in the manner prescribed in theses By-Laws for regular appointments to that office.

Section 8.7 President: The President shall, subject to the control of the Board, generally supervise, direct and control the business and the officers of the Corporation. He/she shall

preside at all meetings of the membership and at all meetings of the Board.

Section 8.8 Vice President: In the absence or disability of the President, the Vice President 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 President shall have such other powers and perform such other duties as from time to time may be prescribed for him/her by the Board

Section 8.9 Secretary: The Secretary shall attend to the following;

[1] Book of Minutes: The Secretary shall keep, or cause to be kept, at the principal executive office or such other place as the Board may direct, a book of minutes of all meetings and actions of Directors, committees of Directors and members, with the time and place of holding, whether regular or special and, if special, how authorized, the notice given, the names of the present at such meetings, the number of members present or represented at members meetings, and the proceedings of such meetings. He/she shall, within two [2] weeks following all meetings send a copy of the minutes to the President and the Board.

In the case of the minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the governing body, other than an executive session, shall be available to members within 30 days of the meeting and shall be distributed to only members upon request and payment of the prescribed fee.

Payment of actual cost of reproducing copies of minute documents shall be the established fee.

[2] Membership Records: The Secretary shall keep, or cause to be kept, at the principal executive office, as determined by resolution of the Board, a record of the members, showing the names of all members, their addresses, and the class of membership held by each.

[3] Notices, Other Duties: The Secretary shall give, or cause to be given, notice of all meetings of the general membership and of the Board required by theses By-Laws to be given. He/she shall be responsible for all general correspondence between the Board and the general membership. He/she shall also notify members of their election to offices if they are not present at the election. He/she shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 8.10 Chief Financial Officer: The Chief Financial Officer shall attend to the following:

[1] Books of Account: The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

[2] Deposit of Money and Valuables: The Chief Financial Officer shall deposit all money and their valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. He/she shall render to the President and Directors, whenever they request it, an account of all of his/her transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have other duties as may be prescribed by the Board or these By-Laws.

[3] Disbursements of Money: The Chief Financial Officer shall disburse the funds of the Corporation as may be ordered by the Board.

ARTICLE IX

COMMITTEES

Section 9.1 Committees: The Board shall appoint a Architectural Control Committee, as provided in the Declaration. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

RECORDS AND REPORTS

Section 10.1 Maintenance and Inspection of By-Laws: The Corporation shall keep at its principal executive office, the original or copy of the By-Laws as amended to date, which shall be open to inspection by the general membership at all reasonable times during office hours.

Section 10.2 Maintenance and Inspection of Other Records: The accounting books, records and minutes of proceedings of the membership and the Board and any committee's of the Board shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either written or typed form or in any other form capable of being converted into written, typed, or printed form. The minutes and accounting books and records shall be open to inspection on the written demand of any member, at any reasonable tine during usual business hours, for a purpose reasonably related to the member's interests as a member. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. All files and records created by any member of the Board or its committees shall be the property of this Corporation.

(A) In the case of the minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the governing body, other than an executive session, shall be available to members within 30 days of the meeting and shall be distributed to only members upon request and payment of the fee prescribed below.
At the time the pro forma operating budget is distributed as required by Section 2792.22 (a) or at the time of any general mailing, members of the Association shall be notified in writing of their right to have copies of the minutes of meetings of the governing body and as to how and where those minutes may be obtained and the cost of obtaining such copies.

Notice to be given to the custodian of the records by the member desiring to make the inspection.

Hours and days of the week when such an inspection may be made.

Payment of the cost of reproducing copies of documents requested by a member.

Section 10.3 Inspection by Directors Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the Corporation. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 10.4 Annual Report: Within twenty [20] days of the close of its fiscal year, an annual report containing the following information with reasonable detail shall be provided to the Directors and to those members who request it in writing;

(A). the number of members in the Association.

(B) any principal changes in activities of the Corporation during the fiscal year

(C) the expenses or disbursements of the Corporation, for both general and restricted purpose, during the fiscal year.

If any financial report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

Section 10.5 Fiscal Year: The fiscal year of this Corporation shall commence on January 1st and end December 31st for each year.

Section 10.6 Budgets and Financial Statements. The following financial and related information shall be regularly prepared and distributed by the governing body to all members of the Association:

[A] A pro forma operating budget for the immediately ensuing fiscal year consisting of at least the following information shall be distributed not less than 45 days nor more than 60 days prior to the beginning of the fiscal year.

1. Estimated revenue and expenses on an accrual basis.

2. A summary of the Association's reserves based upon the most recent review or study conducted pursuant to the Civil Code which shall be printed in bold type and include all of the following:

[a] The current estimated replacement cost, estimated remaining life and estimated useful life of each major component.

[b] As of the end of the fiscal year for which the study is prepared.

[1] The current estimate of the amount of cash reserves necessary to repair, replace, restore, restore or maintain major components.

[2] The current amount of accumulated cash reserves actually set aside to repair, replace, restore or maintain major components.

[c] The percentage that accumulated cash reserves actually set aside is of the current estimate of cash reserves necessary.

3. A statement as to whether the governing body of the Association has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major component or to provide adequate reserves thereof.

4. A general statement setting forth the procedures used by the governing body in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible.

[B] A balance sheet as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of an interest in the subdivision and an

operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and name of the entity assessed.

{C} In addition to financial statements, the governing body shall annually distribute within 60 days prior to the beginning of the fiscal year, a statement of the Associations' policies and practices in enforcing it's remedies against members for defaults in the payment of regular and special assessment including the recording and foreclosing of liens against members' subdivision interest.

[a] The governing body shall do the following not less frequently than quarterly:

[1] Cause a current reconciliation of the Association's operating accounts to be made and review same.

[2] Cause a current reconciliation of the Association's reserve accounts to be made and review the same.

[3] Review the current year's actual reserve revenues and expenses compared to the current year's budget.

[4] Review the most current account statements prepared by the financial institution where the Association has it's operating reserve accounts.

[5] Review an income and expense statement for the Association's operating and reserve accounts.

[b] Withdrawal of funds from the Association's reserve account shall require the signatures of either:

[1] Two members of the governing body or:

[2] One member of the governing body and an officer of the Association who is not also a member of the governing body

ARTICLE XI

ASSESSMENTS

Section 11.1 Assessment payments: As more fully provided in the Declaration, each Owner of a Lot is obligated to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty [30] days after the due date, the assessment shall bear interest from the date of delinquency at the rate of seven percent [7%] per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same and in addition thereto or in lieu thereof foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her Lot.

Section 11.2 Special Assessments: Special Assessments shall be assessed only by majority vote of the membership at an annual or special meeting called for that purpose.
The provisions hereof with respect to special assessments do not apply to an assessment levied by the governing body against a member to reimburse the Association for cost incurred in bringing the member and his subdivision interest into compliance with provisions of the governing instruments for the subdivision, but any; such assessment shall be subject to the provisions of Section 2792.26[c] of the Calif. Code of Regulations.

Section 11.3 Annual Assessments [Dues]: Annual Assessments or Dues shall be $246.84 per year, payable and due January 1st of each year, provided however, the amount may be increased by the majority vote of the membership at an annual or special meeting called for that purpose.

[1]. Regular assessments against the subdivision interests against all subdivision interests shall commence on the date of the first conveyance of a subdivision interest.

[2]. Voting rights attributable to subdivision interest shall not vest until assessments against have been levied by the Association.

ARTICLE XII

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

Section 12.1 Idemnification:

The Corporation shall, to the maximum extent permitted by the California General or Nonprofit Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is, or was an agent of the Corporation. For purpose of this section, an 'agent' of the Corporation includes, without limitation, any person who is or was a Director, officer, or employee of the Corporation.

ARTICLE XIII

CORPORATE SEAL

Section 13.1 Corporate Seal:

The Association shall have a seal in circular form having within its circumference, the words ' Havasu Mobile Estates Association, Inc. a California Corporation".

ARTICLE XIV

CONSTRUCTION AND DEFINITIONS

Section 14.1 Construction and Definitions:

Unless the context requires otherwise, the general provisions, rules of construction and definitions of these By-Laws shall be governed by the laws of the State of California. Without limiting the generality of the above, the masculine gender included the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person.

ARTICLE XV

PARLIAMENTARY AUTHORITY

Section 15.1 Parliamentary Authority:

All membership, Board of Directors and Committee meetings of the Corporation shall be held in accordance with "Robert's Rules of Order, Revised"

ARTICLE XVI

AMENDMENTS

Section 16.1 Amendment by Members: New By-Laws may be adopted or these By-Laws may be amended or repealed by an instrument in writing signed by seventy five percent [75%] of the voting power of the membership.

Section 16.2 Amendment by Directors: Subject to the right of members, By-Laws other than a By-Laws fixing or changing the authorized number of Directors may be adopted, amended, or repealed by the Board of Directors.

CERTIFICATE OF SECRETARY

OF
HAVASU MOBILE ESTATES ASSOCIATION

I, the undersigned, certify that I am the presently elected and acting Secretary of Havasu Mobile Estates Association, and the above By-Laws, consisting of seventeen [17] pages, including this page, are the By-Laws of this Corporation as adopted at a meeting of the Board of Directors held on Sept 12, 1994, 1994, in the community of Havasu Lake, County of San Bernardino, State of California.

Date: Sept 12, 1994

Havasu Mobile Estates Association

Thomas A. Krumhauer