

BYLAWS OF THE NASH RANCH ROAD ASSOCIATION

ARTICLE I

PLACE OF BUSINESS

The principal office for the transaction of the activities, affairs, and business of the Nash Ranch Road Association, an unincorporated association, (referred to as the "Association") is located in Philo, California and it's mailing address is P. O. Box 400, Philo, CA 95466. The Board of Directors (Board) may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these bylaws or this Article may be amended to state the new location.

ARTICLE II

PURPOSE OF THE ASSOCIATION

The Association is formed for the purpose of managing, maintaining, preserving, and repairing certain roads in the Anderson Valley, Mendocino County, California; calculating assessments to be paid by owners of land served by the roads being maintained, and by others, collecting funds in accordance with the assessments, and disbursing funds as required to accomplish the purposes of the Association. The roads to be managed, maintained, preserved and repaired are those shown on the attached map (which is a part of these bylaws) as Association Maintained Roads.

Clow Ridge Road will not be maintained by the Association.

Annual road assessments will be determined by the Board and will be calculated utilizing a Base fee payable by all owners of land within the outline of Nash Ranch as it is shown and defined on the attached map, plus a Use fee payable by each owner who uses any part of the Association Maintained Roads, calculated in accordance with the distance of the road used and the frequency of its use by the owner.

Owners on whose land logging operations are conducted shall make payments to the association as prescribed by the Board of Directors if such operations involve use of Association Maintained Roads.

ARTICLE III

MEMBERS AND VOTING RIGHTS

Each owner of land on Nash Ranch (as it is defined on the attached map) shall be a Member of the Association and shall be entitled to one vote. There shall be three classes of Members, designated as full time Member-owners, part time Member-owners, and Member-owners. All Members shall have the right to vote, as set forth in these bylaws, on the election of Directors, on any merger and it's principal terms and any amendment to those terms, and on any election to dissolve the Association, provided that all road maintenance assessments levied on a Member prior to the to the date of the vote have been paid.

ARTICLE IV

OTHER USERS

The Board will determine a fair basis for allocating annual costs of maintenance to non-member users of the road system and will exercise due diligence to collect Use Fees and, if appropriate, logging and other fees, from all non-member users.

ARTICLE V

ASSESSMENTS

Each member shall pay, within the time and on the conditions set by the board, the road assessments in amounts to be fixed from time to time by the Board, The per mile assessments shall be equal for all members of each class, but the board may, in it's discretion, set different per mile assessments for each class.

ARTICLE VI

GOOD STANDING

Those members who have paid the required assessments in accordance with these Bylaws shall be members in good standing.

ARTICLE VII

TERMINATION OF MEMBERSHIP

A membership will terminate at such time as property authorizing the membership is sold to another party. Each owner is requested to advise the Association of an ownership change.

ARTICLE VIII

TRANSFER OF OWNERSHIP

A membership shall be transferred to another person meeting the qualifications of membership. Should the transferring member's road assessment(s) not have been paid in full at the time of the transfer, they shall remain due and payable, and collection efforts shall be at the discretion of the Board.

ARTICLE IX

MEETINGS OF MEMBERS

Meetings of the members shall be held at a place designated by the board. Written notice shall be given to each member entitled to vote at that meeting.

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ARTICLE X

ANNUAL MEETING

An annual member's meeting shall be held on the second Saturday of August of each year at 2 pm unless the board fixes another date or time and so notifies the members as provided in Article IX of these bylaws.

ARTICLE XI

SPECIAL MEETINGS

A special meeting of the members may be called at anytime by the Chairman of the Board, or by any 2 directors, or by 20% or more of the members. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

ARTICLE XII

QUORUM

Twenty (20) percent of the voting power shall constitute a quorum for the transaction of business at any meeting of the Members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members.

ARTICLE XIII

PROXIES

Each person entitled to vote shall have the right to do so either in person or by an agent authorized by a written proxy, signed by the person and filed with the Secretary of the Association. Any such proxy shall indicate the date of the meeting for which the proxy is to be effective, and it shall be effective for no other meeting or date. In the event of a shared ownership, any member of the shared ownership group may cast the single vote to which the group is entitled.

ARTICLE XIV

ELECTION OF DIRECTORS

The Chairman of the Board shall by July 1 of each year appoint a committee to select qualified candidates for election to the Board. Individual members may also place names in nomination by contacting the Chairman of the Board prior to July 1. Evidence of a candidate's agreement to serve shall be furnished before a name will be placed on the ballot.

Balloting shall be by mail. Ballots will be mailed to all members in good standing by the 15th of July of each year. Ballots must be returned by mail to the Association Post Office Box prior to the Annual Meeting or presented personally to the Chairman of the Board at the Annual Meeting. Ballots will be tallied and results will be announced at the Meeting.

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ARTICLE XV

DIRECTOR'S AUTHORITY

The Association's activities and affairs shall be managed, and the Association's power shall be exercised, by or under the Board's direction.

ARTICLE XVI

ELECTION OF DIRECTORS AND TERMS OF OFFICE

The authorized number of directors shall be five who shall serve for three year terms, except for the first years of the association during which one director shall serve for 1 year, two shall serve for 2 years, and 2 shall serve for 3 years. The board shall at all times include at least 2 directors who shall be full time member owners. Vacancies on the Board may be filled by a majority of the directors then in office and any director so appointed shall serve for the period of time the originally elected director would have served.

The recommendation that a director be removed from office may be made by the members at any regular scheduled meeting or any special meeting. If a quorum is present the affirmative vote of 2/3 of the voting power represented at the meeting, entitled to vote and voting on the matter, shall be the act of the members.

A director may be removed from office by mail ballot by the affirmative vote of 2/3 of the members entitled to vote and such vote shall be the act of the members.

ARTICLE XVII

MEETINGS OF DIRECTORS

Immediately following each Annual Meeting of the Members, the Board shall hold a regular meeting for purposes of organization, election of officers, and the transaction of other business. Other meetings may be called at any time by the Chairman of the Board or any two directors. A majority of the authorized number of directors shall constitute a quorum and every action taken or decision made by a majority of the directors present shall be the act of the Board.

ARTICLE XVIII

OFFICERS OF THE ASSOCIATION

The officers of the Association shall serve for 1 year terms and shall be a President, who shall also be the Chairman of the Board, a Secretary and a Treasurer, both of whom shall also be Directors of the Association. The offices of Secretary and Treasurer may be held by the same person. The board shall appoint a Maintenance Committee, the chairman of which shall be a member of the board who may also serve in any other board capacity at the same time. Other members of the Maintenance Committee may be selected from the members of the Association. The Board may appoint other committees that the Association may require and these positions may be held by any member in good standing of the Association.

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ARTICLE XIX

RESPONSIBILITIES OF OFFICERS

A. The President and Chairman of the Board shall preside at board and member meetings, be the General Manager of the Association, and shall supervise, direct, and control the Association's activities.

B. The Secretary shall keep a book of minutes of all meetings, proceedings and actions of the board and of member's meetings. The Secretary shall keep a copy of the Bylaws as amended to date, and a record of the Association's members, showing each member's name, address and class of membership.

C. The Treasurer shall keep adequate and correct books and accounts of the Association's activities, shall calculate and distribute the annual assessment statements to the members in accordance with the Board's direction, shall deposit all funds received in the name and to the credit of the Association in an appropriate bank account and disburse funds as directed by the board. The Treasurer shall prepare a financial and operational statement to be presented at the annual meeting for the Members which shall include a description of work done on the roads during the previous year and a proposal for work to be accomplished in the following year with an estimate of the cost.

ARTICLE XX

INSURANCE

The association shall purchase and maintain insurance on behalf of its members, officers, directors, employees and agents if any, against any liability asserted against or incurred by any member, officer, director, employee, or agent or arising out of the member's, officer's, director's, employee's, or agent's status as such.

ARTICLE XXI

AMENDMENT OF BYLAWS

New bylaws may be adopted or these bylaws may be amended or repealed by approval of the members.

CERTIFICATE OF SECRETARY:

I certify that I am the duly elected Director and Secretary of the NASH RANCH ROAD ASSOCIATION, an unincorporated association, that the above bylaws, consisting of ARTICLES I through XXI are the bylaws of this association as adopted by the members on the 14th day of August, 1993, amended by membership ballot effective December 1, 1993, amended by the members at the Annual Meeting on August 19, 2000, and that they have not been amended or modified since that date.

Executed on the ____ day of _____, 2001 at Philo, California.

Secretary