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**RESTATED BYLAWS
OF
TAHOE DONNER ASSOCIATION**

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**RESTATED BYLAWS
OF
TAHOE DONNER ASSOCIATION**

**ARTICLE I
Recitals and Definitions**

Section 1. Name of Association. The name of this corporation shall be Tahoe Donner Association and shall be referred to herein as the "Association."

Section 2. Association is Nonprofit. This corporation has been formed pursuant to the California Nonprofit Corporation Law as a mutual benefit corporation.

Section 3. Specific Purpose. The specific and primary purpose of this Association shall be to own, repair, maintain and manage the Common Area and Common Facilities within that certain real estate common interest development located in the County of Nevada, State of California, and commonly referred to as Tahoe Donner, acquire, manage, develop, maintain and sell other property for the benefit of the Members in common, enforce the Rules and Regulations adopted by the Board of Directors from time to time, and the terms and conditions of the Declaration and to otherwise enhance and promote the use and enjoyment of Common Areas and Common Facilities by the Owners in common.

Section 4. Definitions.

- (a) County. The term "County" means the County of Nevada, State of California.
- (b) Declaration. The term "Declaration" means all limitations, restrictions, covenants, terms and conditions set forth in the First Restated Declaration of Covenants, Conditions and Restrictions recorded in the Office of the Nevada County Recorder with respect to the Properties at Book _____ page _____, Official Records of said County, as such Declaration may from time to time be supplemented, amended or modified by a subsequent Declaration, or amendment thereto, duly recorded in said Recorders Office.
- (c) Majority of a Quorum. The term "Majority of a Quorum" as used herein shall mean the vote of a majority of the votes cast by written ballot (see Article IV, Section 6, below) when the number of ballots cast in response to the written ballot solicitation equals or exceeds the minimum quorum requirement specified in Article V, section 5, below.
- (d) Office of the Recorder. The term "Office of the Recorder" means the Office of the Recorder, County of Nevada, State of California.
- (e) Owner. The term "Owner" means any person, firm, corporation or other entity which owns a fee simple interest in any Separate Interest within the properties. The term Owner shall include, except where the context otherwise requires, the members of an Owners family. The Association Rules may further define those persons comprising the family members of Owners and the minimum ownership percentage which must be held by an Owner in order to exercise the voting and membership.

(f) Person. The term "Person" means and includes any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.

(g) Voting Power. The term "Voting Power" means those Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at any time a determination of voting power is made.

(h) Other Definitions Incorporated by Reference. The terms defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

ARTICLE II Principal Office

Section 1. Location of Principal Office. The principal office of the Association will be located at such place within the Properties as the Board may from time to time designate by resolution.

ARTICLE III Membership

Section 1. Members of the Association. The following persons shall be Members of the Association:

- (a) Each Owner of a Single Family Residential Lot within the Properties;
- (b) Each Owner of a Multiple Family Residential Lot within the Properties; and
- (c) Each Owner of a Condominium, including the Owners of units within the Ski Lodge.

Owners of Commercial Lots are not Members of the Association and have none of the rights, preferences and privileges of Members.

Section 2. Term of Membership. Each Owner who is a Member shall remain a Member until he or she no longer qualifies as such under section 1 above.

Section 3. Multiple Ownership of Lots. If more than one person owns a Lot, all of said persons shall be deemed a single Member for purposes of voting or the exercise of any other rights, powers, or privileges hereunder other than the privilege of using and enjoying the Association's Common Areas and Common Facilities.

If more than one person owns a Lot, only one of the multiple Owners shall be entitled to vote the Membership. The secretary of the Association shall be notified in writing of the Owner designated by his or her co-Owners as having the sole right to vote the Membership on their behalf. If such notification does not occur, the secretary shall be entitled to accept the vote of any of the multiple Owners: provided, however, that if more than one multiple Owner

attempts to vote a membership the act of a majority of the co-Owners binds all. Thus, if there are only two co-Owners and they cast inconsistent votes, the secretary shall refuse to count any ballot pertaining to said Lot.

Section 4. Furnishing Evidence of Membership. A person shall not be entitled to exercise the rights of a Member until such person has advised the Association's principal office, in writing, that he or she is qualified to be a Member under section 1 above, and has provided the secretary with evidence of such qualification in the form of a copy of a recorded grant deed (certified by the Office of the Recorder). Exercise of membership rights shall be further subject to the rules regarding record dates for notice, voting and actions by written ballot and eligibility for voting set forth in Article V, section 8 of these Bylaws.

ARTICLE IV Membership Voting

Section 1. Single Class of Membership. The Association shall have one class of voting membership comprised of those Owners listed in Article III, section 1, above.

Section 2. Member Voting Rights. On each matter submitted to the membership for a vote, the Members shall be entitled to vote as follows:

(a) A Member who owns a Single Family Residential Lot shall be entitled to one vote for each Lot so owned;

(b) A Member who owns an unimproved Multiple Family Residential Lot shall be entitled to one vote for each Lot so owned;

(c) A Member who owns an improved Multiple Family Residential Lot (unless it is an improved Condominium Lot) shall be entitled to that number of votes equal to the number of units located on the Lot for which the Owner is paying a full Regular Assessment; and

(d) A Member who owns a Condominium Unit, including, without limitation, a unit in the Ski Lodge, shall be entitled to one vote for each such Unit so owned.

(e) The voting rights attributable to any membership appurtenant to a Separate Interest owned by more than a single person shall be exercised only in accordance with Article III, section 3, above.

Section 3. Eligibility to Vote. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval (See sections 4 and 6 of this Article IV). In order to be in good standing, a Member must be current in the payment of all assessments and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with Article XIII, section 6 of the Declaration. A Member's good standing shall be determined as of the record date established in accordance with Article V, section 8 hereof. The Association shall not be obligated to conduct a hearing in order to suspend a Members voting privileges on the basis of the nonpayment of assessments, although a delinquent member shall be entitled to request such a hearing in accordance with the Declaration.

Section 4. Manner of Casting Votes.

(a) Voting at Membership Meetings. Due to the size of the Association's membership and the number of non-resident Members, all Member voting shall be conducted by written ballot (see section 6 of this Article IV). Voting at any membership meetings shall be limited to: (i) the receipt of written ballots previously mailed to the Members (see section 6(j), below); (ii) the conduct of informational, nonbinding votes to poll the Members in attendance with respect to a matter or issue of interest to the Association or the Tahoe Donner community; (iii) to approve a motion for the submission of a matter or proposal to the Members for a vote by written ballot in accordance with section 6; or (iv) votes on procedural matters relating to the conduct of the meeting, such as a vote to adjourn. Any motion pursuant to subparagraph (iii) of the preceding sentence must be approved by the affirmative vote of at least 5 percent of the voting power of the Members (see section 6(b), below).

(b) Voting by Written Ballot. Except for the limited membership voting permitted at meetings (see subparagraph (a), above), Members' votes shall be solicited by written ballot with respect to any issue requiring membership approval under the Governing Documents or by law. Written ballot voting shall be conducted in accordance with section 6 of this Article IV.

(c) Proxy Voting. Proxy voting shall not be permitted.

(d) Cumulative Voting. Cumulative voting shall not be permitted.

Section 5. Proxies. Although proxy voting shall not be permitted, the Association shall be authorized and empowered to solicit proxies from Members for the sole purpose of establishing a quorum at membership meetings.

Section 6. Action by Written Ballot.

(a) Definition of Written Ballot. A "written ballot" is a ballot that meets the requirements of this section 6 and is mailed to every Member entitled to vote on the matter(s) identified in the written ballot form.

(b) Written Ballots, Generally. Any matter or issue requiring the vote of the Members, including the election of directors, shall be submitted to the Members for approval by written ballot in accordance with this section 6. When Member votes are solicited in this fashion, no formal membership meeting need be called. The actions requiring Member approval are listed in Article IX, section 2, below.

(c) Persons Who Can Initiate a Vote By Written Ballot. Any issue requiring the approval of the Members shall be presented for a vote by written ballot when authorized by a majority vote of the Board or when requested by Members possessing 5 percent of the total voting power of the membership. When the requisite percentage of the Members desire that a written ballot vote be initiated, the procedures for calling a special meeting when requested by the Members shall apply (see Article V. section 3(b)) except that all references to "meetings" and "special meetings" in said section 3(b) shall, in this context, be replaced by references to "written ballots."

Once the determination is made to seek Member approval by written ballot, the Board shall establish a record date (see Article V, section (8)(a)(iii), hereof) for purposes of determining those Members eligible to cast written ballots.

(d) Balloting Time Requirements.

(i) Director Elections. The balloting in director elections shall be scheduled to culminate on the date of the annual membership meeting in the case of any vacancy created by the normal expiration of a director's term of office. In the case of a special election called to fill a vacancy caused by the removal of a director, the balloting shall be scheduled to culminate on the date established for a special meeting called for the purpose of providing prospective candidates an opportunity to present their qualifications and platform to the Members. In the case of written ballots used in the election of directors, the ballots shall be mailed to all Members who are eligible to vote not more than 35 days prior to the date set for the election, but no less than 20 days prior to such date. If the Member elects to return his or her written ballot by mail or personal delivery to the address set forth in the solicitation materials for return of the ballots prior to the meeting at which the election of directors will culminate, the written ballot must be received no later than the close of business on the second business day prior to the scheduled meeting date. If the Member elects to return his or her written ballot in person at the membership meeting, the ballot must be inserted in the ballot box prior to conclusion of the time scheduled on the meeting agenda for receipt of ballots and conclusion of the election process.

(ii) Other Matters. In the case of any other matter or issue submitted to the Members for approval by written ballot, the Board shall mail the written ballot to every Member entitled to vote on the matter no less than 45 days prior to the final date by which the written ballots must be received by the Association in order to be counted.

(iii) Extension of the Balloting Period. The time fixed for the return of written ballots may only be extended if the Board so notifies the Members on the balloting materials originally sent to Members and then for not more than two successive periods of 45 days each. Notwithstanding the foregoing, if a meeting has been scheduled to coincide with the culmination of a written ballot vote on the election of directors and the meeting is adjourned without concluding the election process, the time fixed for the return of written ballots in the director election shall be extended to the date the adjourned meeting is reconvened.

(e) Content of Written Ballots.

(i) Written Ballots Used for Voting in Director Elections. Written ballots used in any election of directors shall set forth the names of the candidates whose names have been placed in nomination at the time the ballot is issued (see Article VII, section 4). The ballot form shall also provide a space where the Member can designate a vote for another (write-in) candidate. Accompanying the written ballot shall be copies of all candidates' statements received by the Association office prior to the mailing date (see Article VII, section 4).

(ii) Written Ballots Used for Voting on Other Matters. Any written ballot distributed to the Members to vote on any issue other than the election of directors shall set forth a description of the proposed action and provide an opportunity on the ballot form to specify approval or disapproval of the proposal. The ballot's description of the proposal (or the description contained in the solicitation materials which accompany the ballot) shall present a reasonably comprehensive description of (a) the reasons why the proponents of the proposal believe that the action should be approved; (b) the reasons for any known opposition to the proposal; and (c) the fiscal impacts, if any, of the proposal on the Association's finances. Reasonable, uniform limitations on the length of proponent's and opponent's statements may be imposed by the Board or by Association Rule.

(iii) Specification of Time for Return of Written Ballot. All written ballots shall state the time by which the ballot must be received in order to be counted (see subparagraph (d), above).

(f) Requirements for Valid Member Action by Written Ballot. Written ballot voting is a procedure, sanctioned by the Corporations Code, for taking action requiring Member approval without the necessity of convening a formal membership meeting. Accordingly, membership approval by written ballot shall only be valid if: (i) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds the quorum that would have been required to be present at a membership meeting if such a meeting had been convened to vote on the proposal (see Article V, section 5), and (ii) the number of affirmative votes cast equals or exceeds the number of affirmative votes that would have been required to approve the action at such a meeting. Article V, section 5, provides for a reduced quorum percentage in the event that the initial quorum requirement cannot be met (see Article V, section 5(a)(ii)). When Member votes are solicited by written ballot, the reduced quorum percentage shall apply during any authorized extension of the balloting period (see subparagraph (d)(iii), above).

(g) Solicitation Rules.

(i) Solicitation Rules, Generally. Written ballots shall be solicited in a manner consistent with the requirements of Article V, section 4 pertaining to the issuance of notices of Members meetings, except that the requirements of subparagraphs (c) and (d), above, shall control with respect to the matters set forth therein. All solicitations of written ballots shall: (A) indicate the number of responses needed to meet the quorum requirement for valid action; (B) the time by which the written ballot must be received by the Association in order to be counted; (C) in the case of any written ballot distributed to vote on matters other than the election of directors, the percentage of affirmative votes necessary to approve the measure submitted for membership approval; and (D) the address for return of the ballots in person or by mail.

(ii) Director Elections. In addition to the minimum solicitation requirements of subparagraph (i) above, solicitation materials accompanying written ballots distributed in director elections may, in the Board's discretion, contain such additional rules as may reasonably be imposed to ensure the secrecy and absence of voting irregularities in the election. For example, the Board, in its discretion, may require any Member who wishes to return his or

her ballot at the meeting to register during the registration period and receive a different form of ballot is considered necessary to eliminate the possibility of any Member voting twice.

(h) Additional, Balloting Procedures.

(i) Generally. If deemed necessary by the Board, the vote by written ballot shall be conducted in accordance with such additional procedures not inconsistent with the provisions of this section, as may be prescribed by a firm of public accountants of good repute who may also be retained to conduct the balloting process and ensure its secrecy.

(ii) Director Elections. In order to ensure the secrecy of written ballots utilized in director elections and fairness in the conduct of the election, the Board shall use the services of a public accountant, legal counsel or a bank, trust company, or similar neutral firm to receive and tabulate all written ballots (whether returned by mail or cast in person by Members attending the meeting at which the election takes place). The firm retained to perform such services shall have the full powers of an inspector of elections appointed by the Board pursuant to section 7614 of the California Corporations Code.

(i) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote by posting the results at the Association's principal office within 30 days following the close of the balloting process and tabulation of the ballots. The results shall also be disclosed in the next issue of the Association's newsletter. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements for valid action, the Board shall so notify the Members.

(j) Prohibition of Revocation. Once cast, a written ballot may not be revoked.

(k) Conduct of Informational Meeting. Use of the written ballot procedures set forth herein shall not preclude the Association from also conducting informational meetings of the Members or from scheduling a membership meeting to coincide with the culmination of the balloting period.

Section 7. Majority Vote of Members, Constitutes Approval; Exceptions. If a quorum is present the affirmative vote of the majority of the voting power of Members entitled to vote and voting on any matter (other than the election of directors) shall be the act of the Members, unless the vote of a greater number is required by California's Nonprofit Corporation Law or by the Articles of Incorporation or these Bylaws. In the case of director elections, the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected to the vacant director seats.

ARTICLE V
Membership Meetings

Section 1. Place and Time of Meeting. Meetings of the Members shall be held at the offices of the Association within the Properties or at such other locations in reasonable proximity to the Properties, as may be appropriate to accommodate

the Association's membership. The time and location of the meeting shall be designated by the Board in the notice of the meeting.

Section 2. Annual Meeting. There shall be an annual meeting of the Members in the month of June of each year or as soon thereafter as possible, not to exceed 30 days, in order to accommodate available facilities. The date, time and location of the annual meeting shall be established by the Board and set forth in the notice of meeting sent to the Members.

Section 3. Special Meetings.

(a) Persons Entitled to Call Special Meetings. A majority of the Board, the president or 5 percent or more of the voting power of the Members may call special meetings of the Members at any time to consider any lawful business of the Association.

(b) Procedures for Calling Special Meetings Requested by Members. If a special meeting is called by Members other than the Board of Directors or president, the request shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to any of the following persons: the president, the vice president, or the secretary or assistant secretary of the Association. The Members' request shall be in the form of a written petition signed by the requisite percentage of the Members and shall specify the general nature of the business for which the meeting was requested.

The officer receiving the Members' request shall cause notice to be promptly given to all Members entitled to vote, in accordance with the provisions of section 4 of this Article V, that a meeting will be held. The notice shall specify the date, time and purpose for the meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request.

If notice of the meeting is not given by the Association within 20 days after receipt of a petition from the requisite percentage of Members, the persons requesting the meeting may give the notice and, in such event, the Association shall be obligated to reimburse the Members for the actual costs they incur in mailing the notice to the Members. Nothing contained in this subparagraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the president.

Section 4. Notice of Members' Meetings.

(a) Time Requirements. All notices of meetings of Members (whether regular or special) shall be sent in writing to each Member who, on the record date for notice of the meeting (as provided in section 8 of this Article V), is entitled to vote thereat, in accordance with this section 4. Notice must be given not less than 10 nor more than 90 days before the date of the meeting. However, if the notice is not given by first-class, registered or certified mail, it must be given not less than 20 days (nor more than 90 days) before the date of the meeting.

(b) Minimum Requirements Regarding Content of Notice. The notice of any membership meeting shall specify the place, date, and hour of the meeting. In

the case of a special meeting, the notice shall also state the general nature of the business to be transacted, and no other business may be transacted at the special meeting. In the case of a regular meeting, the notice shall also describe those matters which the Board of Directors, at the time of giving the notice, intends to present to the Members.

(c) Specification of Certain Significant Actions. If the Members' approval is solicited with respect to any of the following matters, the action is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):

(i) Removing a director without cause;

(ii) Filling vacancies on the Board of Directors under those circumstances where a vote of the Members is required pursuant to Article VII, section 6 of these Bylaws;

(iii) Amending the Articles of Incorporation of the Association, these Bylaws or the Declaration in any manner requiring approval of the Members;

(iv) Approving a contract or transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association in which one or more of its directors has a material financial interest;

(v) Approving any change in the Association's Assessments in a manner requiring membership approval under the Declaration; or

(vi) Voting upon any election to voluntarily terminate and dissolve the Association.

(d) Manner of Service. Notice of any meeting of Members shall be given by first-class mail addressed to each Member either at the Member's address appearing on the books of the Association or the address given by the Member to the Association for the purpose of receiving notice. If no address appears on the Association's books for a Member and no other instructions for notice have been received by the Association, notice shall be deemed to have been given if either (i) notice is sent to that Member by first-class mail to the Association's principal office, or (ii) notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at that time when deposited in the mail.

(e) Affidavit of Mailing. An affidavit of the mailing of notice of any Member's meeting may be executed by the secretary or the assistant secretary of the Association. Upon due execution, the affidavit of mailing shall be filed and maintained in the minute book of the Association and shall constitute prima facie evidence that proper notice has been given.

Section 5. Quorum Requirements.

(a) Quorum Requirements Generally. The following quorum requirements must be satisfied for any meeting of the Members or action by written ballot pursuant to Article IV section 6 of these Bylaws:

(i) Quorum for Votes on Assessment Increases. In the case of any written ballot vote conducted in order to vote on assessment increases requiring membership approval (Article IV of the Declaration), the quorum requirement for valid action on the proposal shall be the percentage specified in section 1366 of the Civil Code or comparable superseding statute. That quorum percentage is currently a majority of the Members.

(ii) Quorum for Valid Action on Other Matters. In the case of a membership meeting or written ballot called or conducted for any other purposes the quorum shall initially be 25 percent of the voting power of the Members; provided however, that if the required quorum percentage is not obtained, the meeting may be adjourned to another time and/or place not more than 30 days from the initial meeting date (see section 6, below) and at the reconvened meeting the quorum percentage shall be reduced to 15 percent of the voting power of the Members.

(b) Effect of Attendance by Less Than One-Third of the Members. Notwithstanding the quorum rules set forth in subparagraph (a)(ii), above, if the Members present in person or by proxy at any regular membership meeting constitute less than one-third of the total voting power of the Members (but the applicable quorum percentage has been satisfied) the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting. As provided in Article IV, section 4, the actions which can be taken at meetings are strictly limited.

(c) Members Represented By Proxy. Members present at a membership meeting in person or by proxy shall be counted toward satisfaction of the quorum requirements specified herein.

(d) Effect of Departure of Members From Meeting. The Members present in person or by proxy at a duly called or duly held meeting at which a quorum is initially present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. Any vote to adjourn the meeting for lack of a quorum shall only require the affirmative vote of a majority of those Members who are present.

Section 6. Adjourned Meetings.

(a) Adjournment, Generally. Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another time and/or place (but not for more than 45 days) by the vote of the majority of Members present at the meeting. Unless there is an absence of a quorum (in which case no other business may be transacted at that meeting except as provided in section 5(d) above), the reconvened meeting may take any action which might have been transacted at the original meeting.

(b) Notice Requirements for Adjourned Meeting. When a Members' meeting is adjourned to another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date is fixed for notice or voting, a notice of the rescheduled meeting

must be given to each Member who on the record date for notice of the meeting is entitled to vote thereat.

Section 7. Waiver of Notice or Consent by Absent Members.

(a) Waivers and Consents, Generally. If decisions are made or action is otherwise taken by the Members at a meeting where a quorum is present, but for which proper notice was not given to all Members for whatever reason, the decisions or actions made at that meeting will be valid if, either before or after the meeting, each person entitled to vote who was not present at the meeting (in person or by proxy) consents to the meeting by signing (i) a written waiver of notice, (ii) a consent to holding the meeting, or (iii) an approval of the minutes. The waiver of notice need not specify the purpose or general nature of business to be transacted at such meeting unless action is taken or proposed to be taken on matters specified in section 4(c) of this Article V, in which case, the waiver of notice must state the general nature of the matter. All such waivers, consents or approvals shall be filed with the Association records or be made part of the minutes of the meeting.

(b) Effect of a Member's Attendance at a Meeting. Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person attends the meeting for the sole purpose of objecting at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting which are required to be described therein pursuant to section 4(c) of this Article V, if that objection is expressly made at the meeting.

Section 8. Record Dates for Member Notice, Voting and Giving Consents.

(a) Record Dates Established by the Board of Directors. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board of Directors may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles of Incorporation or in the California Nonprofit Mutual Benefit Corporation Law. The record dates established by the Board pursuant to this section shall be in accordance with the following requirements:

(i) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, not be more than 90 nor less than 10 days before the date of the meeting;

(ii) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, not be more than 60 days before the date of the meeting;

(iii) Record Date for Action By Written Ballot Without Meeting. In the case of determining Members entitled to cast votes by written ballot, not be more than 60 days before the day on which the first written ballot is mailed or

solicited; and

(iv) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action, not be more than 60 days prior to the date of such other action.

(b) Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the following rules shall apply:

(i) Record Date for Notice of Meetings. The record date for determining those Members entitled to receive notice of a meeting of Members shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

(ii) Record Date for Voting. The record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

(iii) Record Date for Action by Written Ballot Without Meeting. The record date for determining those Members entitled to vote by written ballot on proposed Association actions without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

(iv) Record Date for Other Lawful Action. The record date for determining those Members entitled to exercise any rights in respect to any other lawful action shall be Members at the close of business on the day on which the Board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(v) "Record Date" Means as of Close of Business. For purposes of this subparagraph (b) a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

ARTICLE VI Membership Rights

Subject to the provisions hereof and the provisions of the Declaration, the Members shall have the following rights:

Section 1. Use and Enjoyment of Common Areas by Members and Family. Each Member and the members of his or her Family shall be entitled to the use and enjoyment of all Common Areas and Common Facilities within the Properties; provided however, that the Board shall be entitled to impose reasonable rules and regulations regarding use of Common Facilities to avoid an overburdening of such Facilities (see section 4 below and Article II, section 1(a) and Article III, section 7 of the Declaration. Without limiting the foregoing, it is expressly noted that the Declaration authorizes the Board to adopt a schedule of fees and/or an amenity access pass system to regulate the use of recreational Common Facilities.

Section 2. Assignment of Rights to Tenants and Lessees. Each Member shall have the right to assign his or her rights as a Member (other than voting rights) to a tenant residing within the Member's Residence. Such assignment shall only be effective so long as said tenant is residing in said Residence and is in compliance with the Declaration and the Association Rules as the same may exist from time to time. At all times the Owner shall remain responsible for compliance by the Owner's lessee or tenant with the provisions of the Governing Documents. Without limiting the foregoing, reference is specifically made to Article II, section 3 of the Declaration for additional tenant and lease restrictions.

Section 3. Invitees and Guests. The invitees and guests of a Member shall have the right to use and enjoy the Common Areas and Common Facilities within the Properties subject to section 4, below. Any such guest or invitee shall be subject to the same obligations imposed on the Owner to observe the rules, restrictions and regulations of the Association as set forth in the Governing Documents, including rules regarding use of the Common Facilities.

Section 4. Association Rules and Regulations. The right of any person to use and enjoy the Common Areas and Common Facilities shall at all times be subject to the rules, limitations and restrictions set forth herein, in the Declaration and in the Association's published rules and regulations as promulgated by the Board from time to time. With the exception of the right of use of any roads, the Board or its duly authorized committee shall have the right to impose monetary penalties or to temporarily suspend the use and enjoyment of any Common Area and Common Facilities for the failure of a Member to pay any Assessments when due under the Declaration, or to comply with any other rule or regulation imposed upon such Member, his or her tenants or guests pursuant to the Governing Documents; provided, however, that any such suspension shall only be imposed after such person has been afforded the due process rights more particularly described in Article XIII of the Declaration.

ARTICLE VII Board of Directors

Section 1. General Association Powers. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law and any limitations in the Articles and these Bylaws relating to action required to be approved by the Members, the business and affairs of the Association shall be vested in, and exercised by, the Association's Board of Directors. Subject to the limitations expressed in Article X, section 1, the Board may delegate the management of the activities of the Association to any person or persons, general manager or committee. However any such delegation notwithstanding, the activities and affairs of the Association shall continue to be managed and all Association powers shall continue to be exercised under the ultimate direction of the Board of Directors.

Section 2. Number and qualification of Directors. The Board of Directors shall consist of five (5) persons. The following qualifications must be satisfied in order to be eligible to run as a candidate for election to the Board:

(i) A candidate must be the Owner of a Separate Interest within the Properties. For purposes of this qualification requirement, a person must be the

owner of record of at least a 25 percent interest (with spouses being entitled to aggregate their ownership interests) in a Separate Interest in order to be a candidate for election to the board;

(ii) The candidate must be in good standing with the Association which means that all Assessments with respect to all Separate Interests owned by the candidate must be current and the candidate must not be subject to any suspension of membership privileges;

(iii) No Owner shall be eligible to serve on the Board or to be appointed to fill a vacancy at any time when a co-Owner is also serving on the Board;

(iv) No employee of Tahoe Donner shall be eligible to serve on the Board; and

(v) No Owner can serve for more than two elected consecutive terms of office. For purposes of this qualification requirement, an Owner shall be deemed to have served for the full term for which he or she has been elected, regardless of how long the director actually serves. If a person is elected or appointed to fill a vacancy pursuant to section 3, below, that partial term shall not be counted toward the limitation on consecutive terms of office.

Section 3. Term of Office. At the 1981 annual meeting, the Members elected three directors for a term of two years and two directors for a term of one year. At each annual meeting thereafter, the Members shall elect directors by written ballot (see Article IV, section 6) for a term of two years to replace those directors whose terms of office are then expiring. Accordingly, three directors are elected to office in odd numbered years and two directors are elected to office in even numbered years.

Each director, other than a director elected to fill a vacancy, shall begin his or her term immediately following the director's election and shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified (unless the director resigns or is removed from office in accordance with section 6 below).

Directors who are appointed to fill a vacancy shall serve for the balance of the unexpired term of office to which the director is appointed and shall take office immediately upon their appointment.

Section 4. Nomination of Directors. Individuals can become candidates for election to the Board of Directors in any of the following ways:

(a) Requests for Candidacy. No later than April 1 of each year, the Association shall send a notice to its Members inviting eligible Members to become candidates for election to any vacancies on the Board which are scheduled to be filled at the next annual membership meeting. Those Members who wish to become candidates must submit an application to the Association office no later than May 10 of each year indicating the Member's desire to become a candidate for election to the Board. The application must be accompanied by proof of ownership of a Lot within the Properties.

Upon confirmation of the proposed candidate's status as a Member in good

standing (see Article IV, section 3), the Association shall notify the Member that his or her candidacy has been accepted and invite the Member to submit a candidate's statement. The statement shall not exceed two sides of a single 8-1/2 X 11 inch page and shall be mailed to all Members, together with a written ballot, at the Association's expense.

Prior to the date of the annual membership meeting, the Association shall schedule at least one community meeting, at an appropriate location within or near to the Properties, so all candidates will have an opportunity to address interested Members. If only a single meeting is scheduled it shall be held within 10 days prior to the annual membership meeting.

(b) Good Standing Requirement for Candidacy. In order to be eligible for nomination and election to the Board, the Candidate Member must be in good standing with the Association and current in the payment of his or her Assessments as of the Record Date established in accordance with Article V, section 8.

Section 5. Election of Directors.

(a) Directors Elected by Written Ballot: The annual election of Directors shall be conducted by written ballot in accordance with Article IV, section 6 hereof.

(b) Election to Office. Candidates receiving the highest number of votes shall be elected as directors. The directors thus elected shall take office immediately following their election.

(c) Elections Committee. To assure efficient administration of the elections process, the Board shall appoint an Elections Committee which shall be responsible for certifying the good standing and eligibility of individuals to serve as candidates for election to the Board and to monitor the election process to help assure its fairness and impartiality.

Section 6. Vacancies on Board of Directors.

(a) Vacancies, Generally. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation or removal of a director pursuant to subparagraphs (c) and (d) hereof; (ii) the termination of a Director's status as an Owner (iii) an increase of the authorized number of directors; or (iv) the failure of the Members to elect a sufficient number of directors to fill all vacancies which exist on the board at any time due to expiration of director terms, resignation or removal.

(b) Resignation of Directors. Any director may resign from office. The director's resignation shall be effective upon giving written notice to the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective. A director shall be deemed to have resigned if the director ceases to be an Owner.

(c) Authority of Board to Remove Directors. The Board of Directors shall

have the power and authority to remove a director and declare his or her office vacant under the following circumstances which shall constitute "cause" for the director's removal: (i) if the director has been declared of unsound mind by a final order of court; (ii) if the director has been convicted of a felony; or (iii) if the director fails to attend 25 percent or more of the regularly scheduled meetings of the Board of Directors during any consecutive twelve-month period established by the board. For purposes of the foregoing minimum meeting attendance requirement, at its first organizational meeting each year the Board shall adopt a schedule of the dates and times of all regular Board meetings for the forthcoming fiscal year. If any scheduled meeting date is changed and less than 30 days prior notice of the change is given to the directors, a director's failure to attend that meeting shall not be counted in determining whether the director has missed 25 percent or more of the Board's regularly scheduled meetings.

(d) Authority of Members to Remove Directors. Except as otherwise provided in subparagraphs (c) and (e) hereof, a director may only be removed from office prior to expiration of his or her term by the affirmative vote of a majority of a quorum of the voting power of the Members represented and voting by written ballot conducted in accordance with Article IV, section 6 hereof. Any membership action to recall or remove a director shall be conducted in accordance with the following procedures:

(i) A special meeting or written ballot on the issue of whether the director(s) should be removed from office shall be called in accordance with Article IV, section 6 or Article V, section 3, hereto. In the event that the board initiates such action, the required vote to initiate the process shall be the affirmative vote of two-thirds of the directors then in office. If any other authorized person wishes to initiate a recall vote, the procedures of subparagraphs (ii) and (iii) shall apply.

(ii) Whenever a Member other than the board of directors desires to recall or remove a director, a petition must be presented in person to the president, vice president or secretary of the Association that carries the signatures of Members in good standing who represent at least 5 percent of the voting power of the membership. Such petition must set forth a brief statement of the reason(s) the petitioners are seeking the director's removal; the signature and Lot number(s) of each petitioning Member in his or her own handwriting; the name(s) of the principal sponsor(s) or initiator(s) of the petition; and fulfill all other requirements required by law.

(iii) Within 20 days after receipt of a Members' petition for recall of a director, the Board shall certify the validity of the signatures and announce the procedures for conducting a written ballot of the Members to vote upon the requested recall. Such written ballot shall be conducted not less than 35 nor more than 90 days after the petition is presented. If the Board fails to set a date for, and give the Members notice of, the written ballot recall election within 20 days, the Members initiating the petition may circulate their own written ballot recall initiative without Board approval or sanction. In such a case the petitioning Members shall be entitled to recover their actual mailing expenses unless it is determined that the petition was invalid or improper for any reason.

(iv) Any director who is the subject of a recall effort shall have

the right to rebut the allegations contained in the petition orally, in writing or both. If in writing, such rebuttal shall be mailed by the association to all Members, together with the recall ballot and a copy of the petitioners' statement in support of the recall effort. The board shall be entitled to place uniform, reasonable limitations on the length of any proponent's and opponent's materials mailed by the Association.

(v) If the number of ballots returned during the prescribed balloting period fails to satisfy the minimum quorum requirement for a valid membership action or if the recall vote results in a tie, the removal action will be deemed to have failed.

(vi) The Members shall be notified promptly of the results of the recall vote.

(e) Removal by Court Action. The Nevada County Superior Court may, in response to a suit filed by any director or a minimum of 100 Members, remove any director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Association. The Association shall be made a party to any such action.

(f) Filling of Vacancies. Vacancies on the Board of Directors shall be filled by a majority vote of the remaining directors, even though less than a quorum or by a sole remaining director unless the vacancy is created through removal of a director, in which case the vacancy shall be filled by the affirmative vote of a majority of a quorum of the Members voting by written ballot in accordance with Article IV, section 6 hereof. Furthermore, the Members may elect a director or directors at any time to fill any vacancy or vacancies which are not filled by the directors.

(g) Reduction in Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

ARTICLE VIII Board Meetings

Section 1. Place of Meetings. Regular and special meetings of the Board of Directors may be held at any place within the Properties that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Notwithstanding the above provisions of this section 1, a regular or special meeting of the Board may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 2. Annual Meeting of Directors. Following each annual meeting of Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business.

Notice of this meeting shall not be required.

Section 3. Other Regular Meetings. Other regular meetings of the Board shall be held without call at such time as shall from time to time be fixed by the Board of Directors and communicated to the Board members. As noted in Article VII, section 6(c), on an annual basis the Board shall adopt a schedule of its regularly scheduled meetings for the forthcoming fiscal year.

Ordinarily, regular meetings shall be conducted monthly; provided, however, that regular meetings can be held as infrequently as every three months if the Board's business does not justify more frequent meetings. Notice of the time and place of regular meetings shall be posted in a prominent place within the Common Area, and shall be communicated to the Board members not less than 72 hours prior to the meeting; provided, however, that notice need not be given to any Board member who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in section 7 of this Article VIII. An agenda for all regular meetings shall be prepared by the president or by management under the direction of the president.

Section 4. Special Meetings of the Board.

(a) Who May Call a Special Meeting. Special meetings of the Board of Directors for any purpose may be called at any time by the president or any two directors.

(b) Notice of Special Meetings.

(i) Manner of Giving. Notice of the time and place of special meetings of the Board shall be given to each director by one of the following methods: (A) by personal delivery of written notice; (B) by first-class mail, postage prepaid; (C) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; or (D) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notwithstanding the foregoing, notice of a meeting need not be given to any director who signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof as more particularly provided in section 7 of this Article VIII.

(ii) Time Requirements. Notices sent by first-class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

(iii) Notice Contents. The notice shall state the time, place, and purpose of the meeting.

Section 5. Attendance by Members.

(a) Board Meetings Open to Members. With the exception of executive sessions of the Board (see subparagraph (b), below) and any meetings conducted by conference telephone, all meetings of the Board shall be open to Members of

the Association; provided, however, that nondirector Members may only participate in deliberations or discussions of the Board (i) during the time allotted on the meeting agenda for Member comments; or (ii) when expressly authorized by a vote of a majority of a quorum of the Board, or authorization by the Board member chairing the meeting. The agenda for board meetings shall include a time for Member questions and comments.

(b) Executive Sessions. The Board, on the affirmative vote of a majority of a quorum shall be entitled to adjourn at any time for purposes of reconvening in executive session to discuss litigation in which the Association is or may become a party, personnel matters, the purchase or sale of real property or other business of a similar or otherwise sensitive nature. Prior to adjourning into an executive session, the topic(s) to be discussed in such session shall be announced, in general terms, to the Members in attendance at the meeting and any resolutions adopted or actions authorized in executive session shall be disclosed at the next regularly scheduled meeting of the Board, or, if the Board reconvenes the open session, at that time. Nothing provided herein shall be construed to obligate the Board to first call an open meeting before meeting in executive session with respect to the matters described above; provided, however, that the first item of business in any such executive session shall be a discussion of the reason(s) for the Board meeting in executive session.

Section 6. Quorum Requirements. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in section 8 of this Article VIII. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors below a quorum, so long as any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by these Bylaws, the Articles of Incorporation or by law.

Section 7. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present, individually or collectively, signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the Association records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any director who attends the meeting without protesting the lack of proper notice either before or at the inception of the meeting.

Section 8. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place or may adjourn for purposes of reconvening in executive session. If the meeting is

adjourned for more than 24 hours, notice of adjournment shall be given to all directors who were not present when the meeting was adjourned. The notice shall be given prior to the time established for reconvening the meeting and shall state the date, time and location thereof. Except as hereinabove provided, notice of adjournment need not be given.

Section 9. Emergency Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board, individually or collectively, consent in writing to that action. It is the policy of this Association that the authority conferred hereunder to take action by written consent shall only be utilized when the Board determines that it is impractical or impossible to convene a formal meeting in time to take necessary action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as a unanimous vote of the Board.

Section 10. Compensation. Directors, officers and members of committees shall not be entitled to monetary compensation for their services as such. However, this limitation on compensation shall not preclude a director, officer, or committee member from being reimbursed for such actual expenses incurred by the director in the performance of his or her duties as may be determined by resolution of the Board of Directors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice. Directors shall also be entitled to reasonable Common Facility user privileges without the usual fees or charges in order to promote the circulation and visibility of directors within the community and to encourage their awareness of the condition of Association properties and the concerns of Member users.

ARTICLE IX Duties and Powers of the Board

Section 1. Specific Powers. Without prejudice to the general powers of the Board of Directors set forth in Article VII, section 1, the directors shall have the power to:

(a) Exercise all powers vested in the Board under the Governing Documents and under the laws of the State of California.

(b) Appoint and remove all officers of the Association, the General Manager of the Association, if any, and other Association employees; prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation and these Bylaws; and fix their compensation.

(c) Appoint such agents and employ such other employees including attorneys and accountants, as it sees fit to assist in the operation of the Association, and to fix their duties and to establish their compensation.

(d) Adopt and establish rules and regulations subject to the provisions of the Declaration and these Bylaws governing the use of the Common Areas, the Common Facilities, private roads and parking areas within the Properties which are under the jurisdiction of the Association, and the personal conduct of the

Members and their guests thereon, and take such steps as it deems necessary for the enforcement of such rules and regulations including the imposition of monetary penalties and/or the suspension of voting rights and the right to use any Common Areas or Common Facilities; provided notice and a hearing are provided as more particularly set forth in Article XIII, section 6 of the Declaration. Rules and regulations adopted by the Board may contain reasonable variations and distinctions as between Owners and tenants.

(e) Enforce all applicable provisions of the Governing Documents relating to the control, management and use of the Lots within the Properties and the Common Areas and Common Facilities within the Properties.

(f) Contract for and pay premiums for fire, casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.

(g) Contract for and pay for maintenance, landscaping, utilities, materials, supplies, labor and services that may be required from time to time in relation to the Properties.

(h) Pay all taxes, Special Assessments and other Assessments and charges which are or would become a lien on any portion of the Properties.

(i) Contract for and pay for construction or reconstruction of any portion or portions of the Properties which the Association is obligated to maintain which have been damaged or destroyed and which are to be rebuilt.

(j) Delegate its duties and powers hereunder to the officers of the Association or to committees established by the Board, subject to the limitations expressed in section 1 of Article X hereof.

(k) Levy and collect Assessments from the Members of the Association in accordance with the Declaration, and establish and collect reasonable use charges for any or all of the Common Facilities as the Board may deem necessary or desirable from time to time for the purpose of equitably allocating among the users the cost of maintenance and operation thereof.

(l) Perform all acts required of the Board under the Declaration.

(m) Prepare budgets (or a summary thereof) and maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles and at no greater than annual intervals prepare an annual financial report, a copy of which shall be delivered to each Member in accordance with Article XII, section 5 hereof.

(n) Appoint the Environmental Control Committee, the Elections Committee and such other committees as it deems necessary from time to time in connection with the affairs of the Association in accordance with Article X hereof.

(o) Fill vacancies on the Board of Directors or in any committee, except for a vacancy created by the removal of a Board member.

(p) Open bank accounts and borrow money on behalf of the Association and

designate the signatories to such bank accounts.

(q) Bring and defend actions on behalf of more than one Member or the Association to protect the interests of the Members or the Association, as such, so long as the action is pertinent to the operations of the Association, and assess the Members for the cost of such litigation. Any disciplinary action against a Member shall be subject to the hearing and procedural requirements set forth in Article XIII, section 6 of the Declaration.

(r) Subject to the limitations imposed by section 2, below, to acquire, develop, hypothecate or sell real and personal property as reasonably required to discharge the Association's responsibilities hereunder or for the common use and enjoyment of the Members; provided however, that in no event shall any Common Area be sold.

Section 2. Limitations on Powers. The Board of Directors shall not be entitled to take any of the following actions without approval of the specified percentage of Members:

(a) The affirmative vote by written ballot of a majority of a quorum (see Article I, section 4(c) and Article V, section 5) of the voting power of the Members shall be required before the Board is authorized to take action on any of the following matters:

(i) Any action or undertaking which requires aggregate expenditures for capital improvements to the Common Areas in any fiscal year in excess of 5 percent of the budgeted gross expenses of the Association for that fiscal year; provided, however, that this limitation shall not apply to the expenditure of any funds accumulated by the Association on any new capital improvements or development fund so long as the expenditure is for the purpose for which the fund was established.

(ii) Any action to authorize the payment of monetary compensation to members of the Board of Directors or officers of the Association for their services as such; provided that directors and officers can be reimbursed for reasonable out-of-pocket expenses in accordance with Article VIII, section 10, above.

(iii) Action to remove a director from office without cause (see Article VII, section 6(d), above).

(iv) Action to fill any vacancy on the Board of Directors requiring membership approval pursuant to Article VII, section 6(f), hereof.

(v) Any action or undertaking which requires the borrowing of funds for any Association purpose other than routine credit transactions which are ordinarily incurred in the course of the Association's monthly operations.

(vi) Action to impose any special assessment or increase the regular assessment under circumstances requiring Member approval under Article IV of the Declaration.

(vii) Action to amend these Bylaws (see Article XIII, section 4, below) or the Articles of Incorporation.

(viii) Action to approve an agreement of merger pursuant to Corporations Code section 8010, et seq., or an amendment to an agreement of merger.

(ix) The Approval or initiation of construction of any new recreational Common Facility (including expansion of existing facilities) which is not specifically described in Article I, section 10 of the Declaration when: (A) the budgeted cost of constructing the new Common facility will exceed 5 percent of the Association's budgeted gross expenses for the fiscal year in which the project is approved; and (B) the funds required for construction shall be derived from one or more Member Assessments. No new recreational Common Facility construction project shall be approved by the Board without first adopting a detailed budget of the total projected project construction costs.

Expenditures from Association capital replacement reserve funds or capital development funds for purposes for which the funds have been accumulated shall not be subject to the approval requirements of this subparagraph. The annual budget disclosures (Article XII, section 5(a)) shall include a description of capital improvements projects for which reserve or development funds are being accumulated.

(b) The affirmative vote by written ballot of a majority of the total voting power of the Members, shall be required before the Board of Directors initiates any of the following actions:

(i) Action to terminate the operation of any of the Association recreational Common Facilities specifically identified in Article I, section 10 of the Declaration, or any other recreational Common Facility not so listed when the replacement cost of the unlisted facility is in excess of 5 percent of the Association's budgeted gross expenses for the year in which the closure is scheduled to occur. The terms "termination of operations" and "closure" shall not include the temporary closure of a recreational Common Facility for repairs, rehabilitation, the inability to obtain liability insurance at reasonable rates, health or safety reasons or the close of the season(s) for which the amenities usage was intended shall remain matters within the sole discretion of the Board. Any temporary closure, other than they cessation of normal seasonal operations, shall be supported by a Board resolution detailing the reasons therefor.

(ii) Action to amend the Declaration (see Article XVI of the Declaration).

(c) The affirmative vote by written ballot of all Members shall be required before the Board of Directors initiates any of the following actions:

(i) Action to transfer all or substantially all of the assets of the Association; or

(ii) Action to approve the filing of a certificate of dissolution of the Association.

Section 3. Regulation of Conflict of Interest Transactions.

(a) Regulation of Interested Director Transactions. In addition to the

foregoing limitations on the powers of the Board, generally, the following provisions shall apply to any "interested director transaction." For purposes of this section, an interested director transaction means any transaction involving the Association in which a director has a material financial interest.

(i) No Board member shall participate in any discussion or board action concerning, or in any way attempt to use his or her Board position to influence, a Board decision in which the Director knows or has reason to know that he or she has a material financial interest, as defined in subparagraph (b) (ii) below:

(ii) On or before July 1 of each year, each director shall be obligated to disclose to the Board of Directors, as a whole, any financial interest of the disclosing director in any interested director transaction. In completing the annual disclosure form, directors shall endeavor in good faith to disclose not only pending transactions involving the Association in which he or she has a material financial interest, but also investments, businesses or relationships which may reasonably lead to or become an interested director transaction during the directors term of office.

(iii) The Association shall not knowingly engage in an interested director transaction unless the required disclosures have been made by the interested director(s) and, prior to engaging in or consummating the transaction, the Board adopts a resolution authorizing or approving the transaction by a vote of a majority of the directors then in office, without counting the vote of the interested director(s); and

(iv) Prior to authorizing or approving any interested director transaction, the Board must have considered, and in good faith determined after reasonable investigations that (A) the transaction is fair and reasonable as to the Association and is for the benefit of the Association and its Members as a whole, and (B) the Association could not have obtained a more advantageous arrangement, with reasonable effort under the circumstances, from other parties.

(b) Definitions. For purposes of this section 3, the following definitions shall apply:

(i) Interested Director Transaction shall be defined as set forth in subparagraph (a) above;

(ii) Material Financial Interest. A Board member shall be deemed to have a material financial interest in a decision within the meaning of subparagraph (a), above, if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the members generally, on:

(A) Any business entity in which the Board member has a direct or indirect investment worth more than \$1,000;

(B) Any interest in real property in which the Board member has a direct or indirect interest worth more than \$1,000;

(C) Any source of income aggregating \$250 or more in value provided to, received by, or promised to the Board member within 12 months prior

to the time when the decision is made; or

(D) Any business entity in which the Board member is a director, officer, partner, trustee, employee, or holds any management position.

(iii) Distinguishable From the Members Generally. A material financial effect of a Board decision on a director's financial interests is distinguishable from its effect on the Members generally unless the decision will affect the director's financial interest in substantially the same manner as it will affect all Members or a significant segment of the Tahoe Donner membership. An industry, trade or profession in which the director is a participant does not constitute a significant segment of the Membership.

(iv) Materiality. Financial effects are material if they might interfere with a Board member's performance of his or her duties in an impartial manner and free from bias.

(v) Indirect Investment or Interest. An indirect investment or interest of a director means any investment or interest owned by the spouse or dependent child of the director, by an agent on behalf of the director or by a business entity or trust in which the director, the director's agents, spouse and/or dependent children own directly, indirectly or beneficially, a 10 percent or greater interest.

(c) Conflict of Interest Rules. The board is empowered to adopt reasonable rules, procedures and forms to facilitate the disclosure of interested director transactions, further refine the application of this Section 3 to specific transactions and to rule on the presence or absence of interested director transactions if such a determination is requested by a director in advance of the director's participation in what is, or may constitute, an interested director transaction.

ARTICLE X Committees

Section 1. Committees of Directors. In addition to the Elections Committee appointed and constituted pursuant to Article VII, section 5(c) of these Bylaws and the Environmental Control Committee appointed and constituted pursuant to Article V of the Declaration, the Board may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more Members (who may also be directors), to serve at the pleasure of the Board. Committees shall have all such authority of the Board with respect to matters within their area of assigned responsibility as specifically conferred in the Board resolution establishing the committee; provided, however, that no committee, regardless of Board resolution, may:

(a) Take any final action on any matter which, under the Nonprofit Corporation Law of California, also requires approval of the Members.

(b) Fill vacancies on the Board of Directors or on any committee which has been delegated any authority of the Board.

(c) Amend or repeal Bylaws or adopt new Bylaws.

(d) Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable.

(e) Appoint any other committees of the Board of Directors or the members of those committees.

(f) Approve any transaction (i) to which the Association is a party and one or more directors have a material financial interest; or (ii) between the Association and one or more of its directors or between the Association or any person in which one or more of its directors have a material financial interest.

Section 2. Meetings and Actions of Committees. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Article VIII of these Bylaws, concerning meetings of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Association records unless the mission or charter of the committee, as determined by the Board, does not require such formality. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee and those rules may dispense with record keeping and procedural requirements otherwise applicable by virtue of this section 2 if the responsibilities of the committee do not necessitate such formality.

ARTICLE XI Officers

Section 1. Officers. The officers of the Association shall be a president, a vice president, a secretary and a chief financial officer. The Association may also have, at the discretion of the Board, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of section 3 following. One person may hold two or more offices, except that neither the secretary nor the chief financial officer may serve concurrently as president.

Section 2. Election of Officers. The officers of the Association, except such officers as may be appointed in accordance with the provisions of sections 3 and 5 following, shall be chosen annually by majority vote of the Board at its first regular meeting following the annual meeting of the Members or the election of directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his annual term has expired and his or her successor shall be elected and qualified.

Section 3. Subordinate Officers. The Board may appoint, and may empower the president to appoint such other officers as the affairs of the Association may require each of whom shall hold office for such period, have such authority and

perform such duties as are provided in the Bylaws and as the Board may from time to time determine.

Section 4. Removal of Officers. Any officer may be removed, either with or without cause, by the Board at any regular or special meeting.

Section 5. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the president or to the secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 7. President. The president shall be elected by the Board from among the directors. He shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. He shall preside at all meetings of the Board, and shall have the general power and duties of management usually vested in the office of president of a corporation together with such other powers and duties as may be prescribed by the Board or the Bylaws.

Section 8. Vice President. The vice president shall be elected by the Board from among the directors. 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. He shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or the Bylaws.

Section 9. Secretary. The secretary shall keep or cause to be kept at the principal office or such other place as the Board may order, a book of minutes of all meetings of directors and Members, with the time and place of holding same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings the number of Members present in person or by proxy at Members' meetings, and the proceedings thereof. The secretary shall keep, or cause to be kept, appropriate current records showing the Members of the Association, together with their addresses. He or she shall give or cause to be given, notice of all meetings of the Board required by the Bylaws or by law to be given, and he shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by the Bylaws.

Section 10. Chief Financial Officer. The chief financial officer, who shall be known as the treasurer, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books and records shall at all reasonable times be open to inspection by any director in accordance with Article XIII, section 1 of these Bylaws. The treasurer shall

deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He shall disburse the funds of the Association as may be ordered by the Board, shall render to the president and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws. If required by the Board, the treasurer shall give the Association a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Association of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement or removal from office.

ARTICLE XII
Member Assessment Obligations
and Association Finances

Section 1. Description of Assessments to Which Owners Are Subject. Owners of Lots within the Properties are subject to Annual, Special and Special Individual Assessments as more particularly described in Article IV of the Declaration.

Section 2. Checks. All checks or demands for money and notes of the Association shall be signed by the president and treasurer, or by such other officer or officers or such other person or persons as the Board of Directors may from time to time designate. Notwithstanding the foregoing, any withdrawal of funds from Association reserve accounts shall require the signature of two directors or an officer (who is not a director) and a director.

Section 3. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all Regular and Special Assessments as fixed and determined for all Members. Disbursements from such account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance, and other operating expenses of the Properties.

Section 4. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes, including reserve accounts for replacement of capital improvements as more particularly set forth in Article IV of the Declaration. All Association books of account shall be maintained in accordance with generally accepted accounting principles.

Section 5. Budgets and Financial Statements. The following financial statements and related information for the Association shall be regularly prepared and copies thereof shall be distributed to each Member of the Association:

(a) Budget. A pro forma operating budget for each fiscal year consisting of at least the following information shall be distributed to Members not less than 45 nor more than 60 days prior to the beginning of the fiscal year:

- (i) Estimated revenue and expenses on an accrual basis;

(ii) The amount of the total cash reserves of the Association currently set aside for the future repair or replacement of, or addition to, those major components of the Common Areas and Common Facilities which the Association is obligated to maintain and for contingencies;

(iii) An estimate of the current replacement costs of the estimated remaining useful life of, and the methods of funding to defray repair or replacement of, or additions to, those major components of the Common Areas and Common Facilities which the Association is obligated to maintain;

(iv) A general statement setting forth the procedures used by the Board of Directors in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Areas and Common Facilities which the Association is obligated to maintain.

In lieu of distributing the complete pro forma operating budget as specified above, the Board of Directors may elect to distribute a summary of the budget to the Members (within the time limits provided above), together with a notice that the complete budget is available at the Association's principal office and will be furnished, upon request, to any Member at the Association's expense. If a Member requests a copy of the complete budget, the Association shall mail the material, via first class mail, within five days. The Association notice required hereunder shall be presented on the front page of the summary in 10-point bold type.

(b) Year-End Report. Within 120 days after the close of the fiscal year, a copy of the Association's year-end report, consisting of at least the following, shall be distributed to Members:

(i) A balance sheet as of the end of the fiscal year;

(ii) An operating (income) statement for the fiscal year;

(iii) A statement of changes in financial position for the fiscal year;

(iv) A statement advising Members of the place where the names and addresses of the current Members are located; and

(v) Any information required to be reported under section 8322 of the Corporations Code requiring the disclosure of certain transactions in excess of \$50,000 per year between the Association and any director or officer of the Association and indemnifications and advances to officers or directors in excess of \$10,000 per year.

A review of the financial statement of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the State Board of Accountancy. If the annual report is not prepared by such a licensee, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared without an audit from the books and records of the Association.

(c) Annual Statement Regarding Delinquency/Foreclosure Policy. 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 Association's policies and practices in enforcing its remedies against members for defaults in the payment of Regular and Special Assessments, including the recording and foreclosing of liens against Members' subdivision interests.

(d) Review of Accounts. On no less than a quarterly basis, the Board of Directors shall:

(i) Review a current reconciliation of the Association's operating accounts;

(ii) Review a current reconciliation of the Association's reserve accounts;

(iii) Review the current year's actual reserve revenues and expenses compared to the current year's budget;

(iv) Review the Association's latest account statements prepared by the financial institution(s) with whom the operating and reserve accounts are lodged; and

(v) Review the Association's income and expense statement for the operating and reserve accounts.

To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.

ARTICLE XIII Miscellaneous

Section 1. Inspection of Books and Records.

(a) Member Inspection Rights. All accounting books and records, minutes of proceedings of the Members, the Board and committees of the Board and membership list of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member or his duly appointed representative at the offices of the Association for any purpose reasonably related to the Member's interest as such. Member's rights of inspection hereunder shall be exercisable on 10 days written demand on the Association, which demand shall state the purpose for which the inspection rights are requested. Inspection rights with respect to the membership list shall be subject to the Association's right to offer a reasonable alternative to inspection within 10 days after receiving the Member's written demand (as more particularly set forth in section 8330 and following of the California Nonprofit Mutual Benefit Corporation Law). Without limiting the foregoing, reasonable alternatives may include the provision of duplicate copies of requested materials to the requesting party or offering to mail material on the requesting party's behalf.

(b) Director Inspection Rights. Every director shall have an absolute right at any reasonable time to inspect all books, records, documents and minutes of the Association and the physical properties owned by the Association.

The right of inspection by a director includes the right to make extracts and copies of documents.

(c) Adoption of Reasonable Inspection Rules. The Board of Directors may establish reasonable rules with respect to (i) notice of inspection, (ii) hours and days of the week when inspection may be made, and (iii) payment of the actual cost of reproducing copies of documents requested by the Member and employees' time spent in collecting and handling requested documents.

Section 2. General Manager. The Board may, from time to time, employ the services of a manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of California, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the manager any of its day-to-day management and maintenance duties and powers under these Bylaws and the Declaration, provided that the general manager shall at all times remain subject to the general control of the Board.

Section 3. Corporate Seal. The Association shall have a seal in circular form having within its circumference the words "Tahoe Donner Association, Incorporated April 22, 1971, State of California."

Section 4. Amendment or Repeal of Bylaws. Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the affirmative vote by written ballot of a majority of a quorum (see Article V, section 5) of the Members of the Association; provided that if any provision of these Bylaws requires the vote of a larger proportion or all of the Members, such provisions may not be altered, amended or repealed except by such greater vote, unless otherwise specifically provided herein. Any amendment to these Bylaws shall become effective immediately upon approval by the Members. The secretary of the Association shall certify adoption of any duly approved amendment to the Bylaws and a copy of said certificate and the amendment shall be included in the Association's corporate records.

Section 5. Notice of Requirements. Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 72 hours after a copy of same has been deposited in the United States mail, postage prepaid, addressee as follows: if to the Association or the Board of Directors, to the principal office of the Association as designated from time to time by written notice to the Members: if to a director, to the address from time to time given by such director to the secretary for the purpose of service of such notice; if to a Member, to the address from time to time given by such Member to the secretary for the purpose of service of such notice, or, if no such address has been so given, to the address of any Separate Interest within the Properties owned by such Member.

Section 6. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

Section 7. Effective Date. These Bylaws shall become effective upon approval by the Members; except that all matters pertaining to membership voting and the election of directors for the election held in 1991 shall be governed by the Association's prior set of Bylaws.

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of the association known as TAHOE DONNER ASSOCIATION, does hereby certify that the above and foregoing Restated Bylaws, consisting of 32 pages, were duly adopted by written ballot of the Members of said Association on the 30TH day of MAY, 1991, and that they now constitute said Bylaws.

Recording requested by, and
when recorded return to:

TAHOE DONNER ASSOCIATION
11509 Northwoods Blvd.,
Truckee, CA 96161



Nevada, County Recorder
Jewett-Burdick
DOC- 2004-0010863-00

Thursday, MAR 25, 2004 09:24:55
REC \$9.00 CCF \$1.00 SBS \$4.00
MIC \$1.00 AUT \$5.00
Ttl Pd \$20.00
Nbr-0000295691
KLB/KB/1-5

**AMENDMENTS OF
THE
RESTATED BYLAWS
OF
TAHOE DONNER ASSOCIATION**

Having been duly approved by the membership of Tahoe Donner Association, the following are amendments of the Restated Bylaws of Tahoe Donner Association, as that document appears in the Official Records of Nevada County, California, as document number 91 16580, recorded therein on June 7, 1991 (the "Restated Bylaws"). Said amendments supersede the original text as indicated herein. With the incorporation of these amendments, the Restated Bylaws remain in full force and effect.

All references are to that certain document entitled "Restated Bylaws of Tahoe Donner Association", as more particularly described above.

I

Amendment of ARTICLE VII, SECTION 3:

The first paragraph of said Section 3 is hereby replaced, in its entirety, with the following:

Term of Office. In 2003, the Members elected three directors, each for a term of two years. The remaining two directors' two-year terms shall expire in 2004. Concluding at the annual membership meeting in 2004, the Members shall elect two directors by written ballot (see Article IV, section 6) for a term of three years to replace those directors whose terms of office are then expiring. Concluding at the annual membership meeting in 2005, the Members shall elect three directors by written ballot, the two candidates receiving the highest number of votes for a term of three years and the candidate receiving the next highest number of votes for a term of one year, to replace those directors whose terms of office are then expiring; should a tie be involved in determining the length of the term to which a candidate is elected, it shall be decided by random drawing or lot. At each

annual meeting thereafter, the Members shall elect director(s) by written ballot for a term of three years to replace those director(s) whose term(s) of office are then expiring.”
The second and third paragraphs of said Section 3 remain unchanged.

II

Amendment of ARTICLE VII, SECTION 4(a):

The first paragraph of said Section 4(a) is hereby replaced, in its entirety, with the following:
“Requests for Candidacy. No later than April 1 of each year, the Association shall send a notice to its members inviting eligible Members to become candidates for election to any vacancies on the Board which are scheduled to be filled at the next annual membership meeting. Those Members who wish to become candidates must submit an application to the Association office no later than May 1 of that year indicating the Member’s desire to become a candidate for election to the Board. The application must be accompanied by proof of ownership of a Lot within the Properties. The May 1 deadline for receipt of applications for candidacy shall constitute the close of nominations for that election, and no applications shall be accepted after that time.”

The second paragraph of said Section 4(a) remains unchanged.

The third paragraph of said Section 4(a) is hereby replaced, in its entirety, with the following:
“Prior to the date of the annual membership meeting, the Association shall schedule at least one community meeting, at an appropriate location within or near to the Properties, so all candidates will have an opportunity to address interested Members.”

III

Amendment of ARTICLE VII, SECTION 5:

The following subsection (d) is hereby added after subsection (c) of said Section 5:

“(d) Uncontested Candidates Declared Elected. In the event that, upon the close of nominations (see Section 4, of this Article VII, above), the number of qualified candidates does not exceed the number of directors to be elected, those candidates shall be immediately declared elected, to take office at the conclusion of that year’s annual membership meeting, and that year’s annual election of directors shall be concluded immediately upon said declaration.”

Subsections (a), (b) and (c) of said Section 5 remain unchanged.

IV

Amendment of ARTICLE VIII, SECTION 3:

The second paragraph of said Section 3 is hereby replaced, in its entirety, with the following:

“Ordinarily, regular meetings shall be conducted monthly; provided, however, that regular meetings can be held as infrequently as every three months if the Board’s business does not justify more frequent meetings. Notice of the time and place of regular meetings shall be posted in a prominent place within the Common Area at least four days prior to the meeting. Regular meetings shall be held upon four days’ notice to Board members by first-class mail or by 48 hours’ notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means; provided, however, that notice need not be given to any Board member who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in section 7 of this Article VIII. An agenda for all regular meetings shall be prepared by the president or by management under the direction of the president.”

The first paragraph of said Section 3 remains unchanged.

V

Amendment of ARTICLE VIII, SECTION 4(b):

Paragraphs (i) and (ii) of said Section 4(b) are hereby replaced, in their entirety, with the following paragraph (i):

“(i) Manner and Timing of Giving. With the exception of emergency meetings, notice of the time and place of special meetings of the Board shall be posted in a prominent place within the Common Area at least four days prior to the meeting. With the exception of emergency meetings, special meetings shall be held upon four days’ notice to Board members by first-class mail or by 48 hours’ notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. All such notices shall be given or sent to the director’s address or telephone number as shown on the records of the Association. Notwithstanding the foregoing, notice of a meeting need not be given to any director who has signed a written waiver of notice or consent to holding the meeting or an approval of the minutes thereof as more particularly provided in section 7 of this Article VIII. In the case of emergency meetings, every effort shall be made to provide directors with as much and as effective notice as is reasonably possible.”

The remaining paragraph (iii) of said Section 4(b) remains unchanged, except that it is hereby renumbered as paragraph “(ii)”.

VI

Amendment of ARTICLE VIII, SECTION 5:

Section 5 is hereby replaced, in its entirety, with the following:

“Section 5. Attendance by Members.”

(a) Board Meetings Open to Members. With the exception of executive sessions of the Board (see subparagraph (b), below), all meetings of the Board shall be open to Members of the Association; provided, however, that nondirector Members may only participate in deliberations or discussions of the Board (i) during the time allotted on the meeting agenda for Member comments; or (ii) when expressly authorized by a vote of a majority of a quorum of the Board, or authorized by the Board member chairing the meeting. The agenda for board meetings shall include a time for Member questions and comments.

(b) Executive Sessions. The Members' right to attend meetings of the Board does not include when the Board adjourns to executive session to consider litigation, matters relating to the formation of contracts with third parties, member discipline, personnel matters, or to meet with a Member, upon the Member's request, regarding the Member's payment of assessments. The Board shall meet in executive session, if requested by a Member who may be subject to a fine, penalty, or other form of discipline, and that Member shall be entitled to attend the executive session. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following meeting of the Board that is open to the entire Membership. Nothing provided herein shall be construed to obligate the Board to first call an open meeting before meeting in executive session with respect to the matters described above."

VII

Amendment of ARTICLE IX, SECTION 2(a):

Paragraph (v) of said Section 2(a) is hereby replaced, in its entirety, with the following:

"(v) Any action or undertaking which requires the borrowing of funds for any Association purpose other than routine credit transactions which are ordinarily incurred in the course of the Association's monthly operations or for the acquisition of vehicles, equipment or machinery, where the only collateral for the debt is the property being acquired and the lender has no recourse directly against the Members or their Separate Interests in the event of default on the loan."

All other provisions of said Section 2(a) remain unchanged.

VIII

Amendment of REFERENCES TO "ENVIRONMENTAL CONTROL COMMITTEE":

Each and every reference in the Restated Bylaws to "Environmental Control Committee" and "ECC" is hereby replaced with "Architectural Standards Committee" and "ASC", respectively. Until such time as this same amendment may be incorporated into Tahoe Donner Association's First Restated Declaration of Covenants and Restrictions of Tahoe Donner, references therein to "Environmental Control Committee" and "ECC" shall be to the same committee as are all references to "Architectural Standards Committee" and "ASC" in the Restated Bylaws as hereby amended.

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of Tahoe Donner Association, does hereby certify that the above and foregoing Amendments of the Restated Bylaws of Tahoe Donner Association were duly adopted by written ballot of the Members of said Association on the Twelfth day of December 2003, and that, therefore, said amendments are to be read together with, and are hereby incorporated into, said Restated Bylaws.

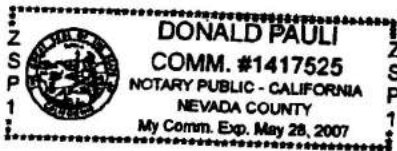

JAMES L. McCANN, Secretary
TAHOE DONNER ASSOCIATION


ACKNOWLEDGMENT

State of California)
) ss.
County of Nevada)

On March 22, 2004, before me, the undersigned notary public in and for said County and State, personally appeared James L. McCann, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his authorized capacity and that, by her/his signature on the instrument, the person or entity upon behalf of which the person acted executed the instrument.

WITNESS my hand and official seal.




My commission expires on 5/28/07

Recording Requested by
FIDELITY NATIONAL TITLE

Recording requested by, and
when recorded return to:

TAHOE DONNER ASSOCIATION
11509 Northwoods Blvd.,
Truckee, CA 96161

Nevada County Recorder
Gregory J. Diaz
Document#: 20100018300
Monday August 09 2010, at 08:00:00 AM
Rec Fee:\$17.00
Paid: \$17.00 AB
Fidelity Natl Title Co

**AMENDMENT OF
THE
RESTATED BYLAWS
OF
TAHOE DONNER ASSOCIATION**

Having been duly approved by the membership of Tahoe Donner Association, the following is an amendment of the Restated Bylaws of Tahoe Donner Association, as that document appears in the Official Records of Nevada County, California, as document number 91 16580, recorded therein on June 7, 1991, and as that document was previously amended by that certain document entitled "Amendments of the Restated Bylaws of Tahoe Donner Association", as that document appears in the Official Records of Nevada County, California, as document number 2004-0010863-00, recorded therein on March 25, 2004 (the "Restated Bylaws"). Said amendment supersedes the original text as indicated herein. With the incorporation of this amendment, the Restated Bylaws remain in full force and effect.

All references are to that certain document entitled "Restated Bylaws of Tahoe Donner Association", as more particularly described above.

Said Restated Bylaws of Tahoe Donner Association are hereby amended to add under Article IX "Duties and Powers of the Board", Section 2 "Limitations on Powers", the following:

"(a)(x) Any action to sell, dispose of, transfer, convey, exchange, hypothecate, encumber, or modify or change the land-use designation of any Other Association Real Property that is located outside of the boundaries of the subdivided development of Tahoe Donner, as such subdivision existed as of the date of the amendment adding this provision. Notwithstanding the foregoing, the Board may undertake any of the otherwise precluded actions without prior Member approval if the Board concludes, by a majority vote, that waiting for Member approval will jeopardize the successful completion of a transaction that is beneficial to the Association."

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of Tahoe Donner Association, does hereby certify that the above and foregoing Amendment of the Restated Bylaws of Tahoe Donner Association was duly adopted by written ballot of the Members of said Association on the Third day of September 2008, and that, therefore, said amendment is to be read together with, and is hereby incorporated into, said Restated Bylaws.



DON BERRYMAN, SECRETARY
TAHOE DONNER ASSOCIATION

ACKNOWLEDGMENT

State of California)
)
County of Nevada)

On July 22, 2010, 2010, before me, BONNIE LOUISE WATKINS,
Here Insert Name and Title of the Officer

personally appeared DON BERRYMAN
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies) and that, by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Bonnie Louise Watkins
Signature of Notary Public

Place Notary Seal Above