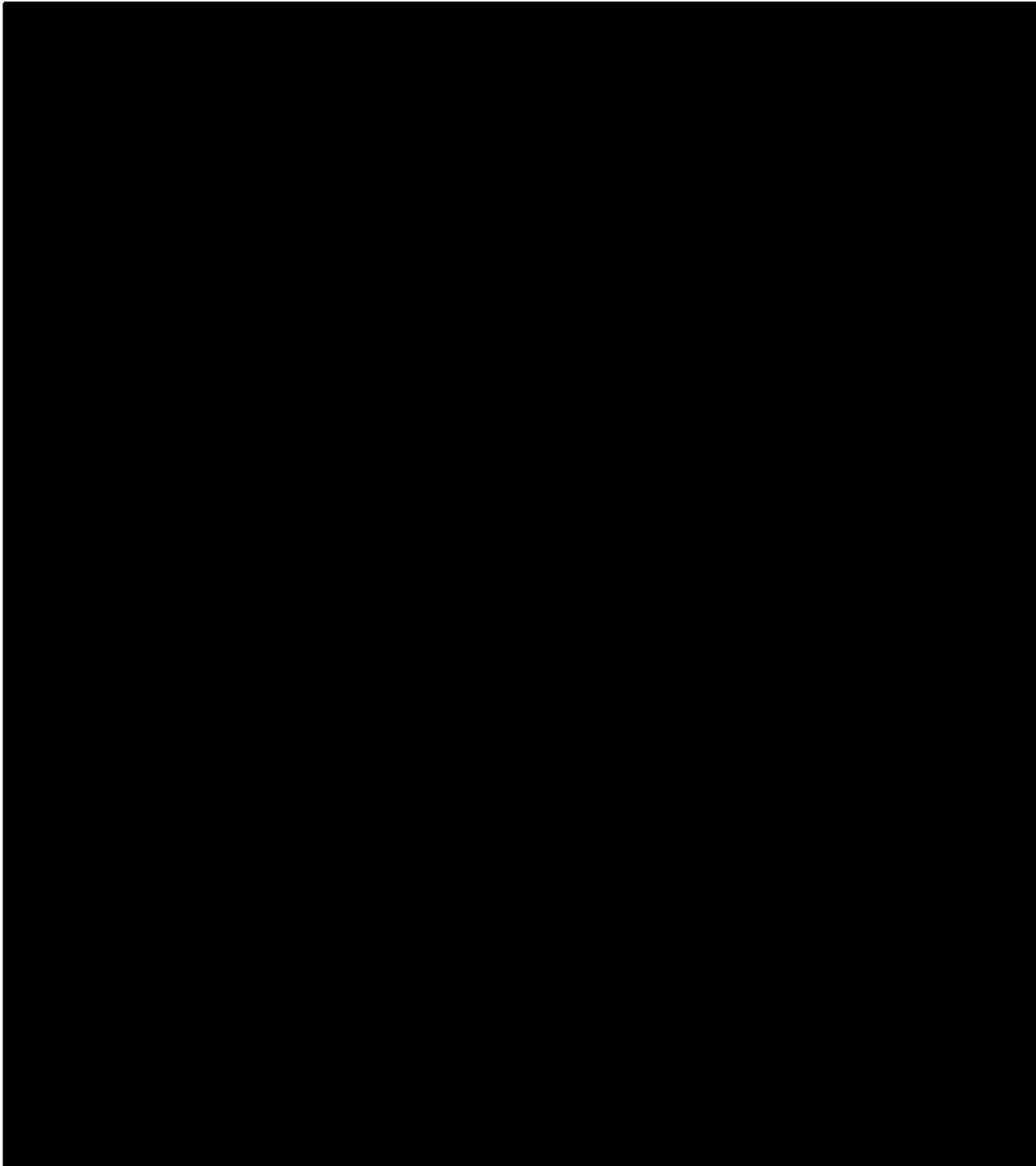


**EXHIBIT A**

**Tahoe Donner Association  
Bylaws, Art. IX, Section 3**

**Regulation of Interested Director  
Transactions**



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.