

AMENDED BYLAWS OF TAHOE-SIERRA MEADOWS COMMUNITY ASSOCIATION,
INC.,
A California Nonprofit Mutual Benefit Corporation

ARTICLE I PRINCIPAL OFFICE

The principal office of the Corporation in the State of California shall be located in Nevada County, non-incorporated area of Truckee. The Corporation may have such other offices, either within or without the County of Nevada, State of California, as the Board of Directors may require from time to time.

ARTICLE II DEFINITIONS

Section 1.

"Association" shall mean and refer to the TAHOE-SIERRA MEADOWS COMMUNITY ASSOCIATION, INC.

Section 2.

"The Properties" shall mean and refer to such "existing properties" and additions thereto as are subject to the declaration or any supplemental declarations.

Section 3.

"Common Properties" shall mean and refer to those areas of land and facilities, if any, acquired from time to time by the Association for the common use and recreation enjoyment of the Owners of The Properties.

Section 4.

"Lot" shall mean and refer to any plot of land, zoned for residential use, shown upon any recorded subdivision map of The Properties except parcels or Lots specifically excluded from the operation of the Protective Restrictions in the Declaration.

Section 5.

"Living Unit" shall mean and refer to any building or portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

Section 6.

"Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon The Properties but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee

or trustee under any deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 7.

"Member" shall mean and refer to all those Owners who are Members of the Association.

Section 8.

"The Declaration" shall mean the Declaration of Protective Restrictions, recorded on the 4th day of November, 1966, in Book 410 at Page 682 of Official Records in the Office of the County Recorder of Nevada County, State of California, and as may hereafter be amended.

Section 9.

"Existing Properties shall mean all the real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to the Declaration and is described as follows:

Lots 1 through 118, inclusive of SIERRA MEADOWS, UNIT 1, as shown on the Official Map of said subdivision filed as TAHOE-SIERRA MEADOWS COMMUNITY ASSOCIATION, INC., UNIT 1, for record in the Office of the County Recorder of Nevada County, State of California, on August 31, 1966, in Book 2 of Maps, at Page 76 and subsequently amended to change the official title thereof to SIERRA MEADOWS, UNIT 1, which amended map was filed for record in the Office of the Recorder of the County of Nevada, State of California, on October 19, 1966, in Book 2 of Maps, at Page 79.

WHEREAS, SIERRA MEADOWS DEVELOPERS has caused to be filed Supplementary Declarations of Covenants and Restrictions, adding SIERRA MEADOWS UNITS 2, 2A and 3, to the Existing Properties pursuant to said section 2(A) of Article II, in the Office of the County Recorder, Nevada County, State of California, on July 26, 1967, in Book 425, of Official Records, Page 24; and on November 27, 1968, in Book 462 of Official Records at Page 333, respectively; and

WHEREAS, Declarant as assignee of SIERRA MEADOWS DEVELOPERS wishes to bring within the scheme of the Declaration additional property to be known as SIERRA MEADOWS, UNIT 4 (the lots, units and property of which are hereinafter sometimes referred as "UNIT 4"), by filing this Supplementary Declaration of Covenants and Restrictions (hereinafter called "Supplementary Declaration (UNIT 4)"), pursuant to those provisions of Article II, section 2(A) of the Declaration which allows Declarant to add property at any time within three (3) years from the date of issuance of a public report by the Commissioner of Real Estate, State of California, on the last preceding stage of development; and

ARTICLE III: MEMBERS AND VOTING RIGHTS IN THE ASSOCIATION

Section 1: MEMBERSHIP.

Every owner of a fee or undivided fee interest in any Lot or Living Unit which is subject by covenants of record assessment by the Association shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member, and provided that any other person or entity who is not an Owner as defined in Article II shall not be a Member.

Section 2: VOTING RIGHTS.

Members shall be entitled to one (1) vote for each lot or Living Unit in which it holds the interests required for membership by Section 1. When more than one person holds interest or interests in any Lot or Living Unit, all such persons shall be Members, and the vote for such Lot or Living Unit shall be exercised subject to the provisions of these Bylaws, as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot or Living Unit, and further, no such vote shall be counted unless unanimously voted by all the Owners of the Lot or Living Unit or by any one Owner possessing the written power of attorney or proxy from all such other Owners.

Section 3: RIGHTS OF MEMBERSHIP.

(a) The rights of membership are subject to the payment of annual assessments and other assessments levied by the Association, the obligations of which assessments are imposed against each Owner of, and become lien upon, the properties against which such assessments are made as provided in Article IV. The membership rights of any person whose interest in the properties is subject to assessments under this Article and Article IV, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Board of Directors as provided in Section 4 of this Article during the period when the assessments remain unpaid; but upon payment of such assessments, his rights and privileges shall be automatically restored.

(b) Each Member in good standing shall be entitled to the use and enjoyment of the Common Properties, subject to the following provisions:(1) The right of the Association as provided in its Articles and Bylaws to suspend the rights and privileges of any Member for a period of not to exceed thirty (30) days for any infraction of its published rules and regulations;(2) The right of the Association to charge reasonable admission and other fees for use of the Common Properties;(3) Any Member may assign his rights of enjoyment in the Common Properties to the Members of his family who reside upon The Properties or to any of his tenants who reside thereon under a leasehold interest for a term of one (1) year or more. The rights of such person are subject to suspension under Section 4 of Article III to the same extent as those of the Member.

(c) The rights of membership are further subject to compliance with the Rules of the Architectural Control Committee as adopted and amended from time to time,

including rules requiring that each Member maintain his lot and all improvements thereon in good condition and repair.

(d) Each Member and the Association shall be entitled to enforce these Bylaws and the Declaration by an action at law or in equity and the prevailing party shall be entitled to a reasonable attorneys' fee and to costs of suit.

Section 4: TERMINATION OR SUSPENSION OF MEMBERSHIP.

The Board of Directors, by affirmative vote of a majority of all the members of the Board, may suspend a Member, as hereinafter provided, after an appropriate hearing, and may terminate the membership of any Member who becomes ineligible for membership. The Board of Directors may suspend any Member who shall be in default in the payment of dues for a period of more than thirty (30) days from the due date and it may suspend the rights of any person for a violation of rules and regulations governing the use of the Common Properties for a period not to exceed thirty (30) days and it may suspend the rights of any Member during any period the Member fails to comply with the Declaration and with the duly adopted Association Rules including Rules of the Architectural Control Committee. Any suspension shall only be imposed after such person has been notified in writing at least fifteen (15) days prior to the effective date of any proposed suspension and is afforded an opportunity to be heard not less than five (5) days prior to the effective date of such termination.

Section 5: EFFECT OF TERMINATION, SUSPENSION OR RESIGNATION ON SUCCESSOR.

Termination or suspension of a membership pursuant to Section 4 of this Article shall not operate to prevent the person or entity acquiring a lot pursuant to transfer of ownership from becoming a Member.

Section 6: CONFORMITY TO BYLAWS AND RULES.

Members shall, in all respects, conform to and abide by the Bylaws of the Association, and all amendments and changes thereto and any and all rules and regulations now or hereafter adopted by the Board of Directors.

Section 7: EXONERATION OF ASSOCIATION.

Neither the Association nor the members of the Board of Directors shall have any liability or responsibility, and no Member or guest of a Member, or any other person, shall have any claim against the Association, for any personal injury to, or death of any Member or guest, or for loss or damage to the property of any Member or guest.

Section 8: NOTICES.

Any notice required to be delivered to any Member or Owner under the provisions of these Bylaws shall be deemed to have been properly delivered upon deposit

in the United States mails, if postage is prepaid and said notice is addressed to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

ARTICLE IV: ASSESSMENTS

Section 1: CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.

Each owner of the Lot or Living Unit, as provided by the declaration of protective restrictions, shall pay to the Association:(1) Annual assessments or charges;(2) Special assessments for capital improvements and acquisitions; such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien on the property against which each such assessment is made. Each such assessment together with such interest thereon, and cost of collection thereof as here-in after provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

Section 2: PURPOSE OF ASSESSMENT.

The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon The Properties including, but not limited to taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof, and the cost of all activities in connection with the enforcement of these covenants and restrictions.

Section 3: GENERAL ANNUAL ASSESSMENT.

In order to discharge its obligation under the Declaration, these Bylaws and under Civil Code sections 1364 and 1366 to maintain the Common Area facilities and to levy regular and special assessments sufficient to perform these obligations, a general annual assessment for the maintenance, repair and replacement of association property shall be established and collected as follows:(a) Not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of each fiscal year, the Board of Directors shall prepare and distribute to the Members a pro forma operating budget for the ensuing fiscal year consisting of: [i] Estimated revenue and expenses on an accrual basis; [ii] The identification of the total cash reserves currently set aside; [iii] An estimate of the current replacement costs of the estimated remaining useful life of, and the methods of funding used to defray the future repair, replacement or additions to, those major components which the Association is obligated to maintain; and [iv] A general statement addressing

the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain;(b) After deducting the anticipated balances, if any (exclusive of any reserves for repairs, contingencies and replacements), in the operating fund at the start of such fiscal year and the reasonably anticipated receipts from all user charges, if any, miscellaneous fees and other non-assessment income to be collected by the Association during the ensuing fiscal year, the Board shall determine the net estimate of the amount required by the Association pursuant to subparagraph (a) above, shall divide the amount so determined equally between all residential Lots and Living Units which are subject to the Declaration, and shall establish said per-Lot share as the general annual assessment for the forthcoming fiscal year;(c) Subject to the limitations of Civil Code section 1366 or any similar successor statute, if at any time during the fiscal year the general regular assessment proves to be inadequate for any reason, including nonpayment by any Owner, the Association may levy a further regular assessment in the amount of such actual or estimated inadequacy, which shall be assessed to the Owners in the manner set forth above.

Section 4: SPECIAL ASSESSMENT FOR CAPITAL ACQUISITIONS AND IMPROVEMENTS.

In addition to the annual assessments authorized by Section 3 hereof, the Association may levy, in any assessment year, a special assessment, applicable to that year only, but payable over a period of years if the Association so determines, for the purpose of defraying, in whole or in part, the cost of any acquisition, construction or reconstruction, unexpected repair or replacement of a described capital asset or improvement upon Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to Association Members at least thirty (30), but not more than sixty (60), days in advance and shall set forth the purpose of the meeting.

Section 5: FISCAL YEAR ASSESSMENT DUE DATES.

The fiscal year of the corporation shall be from January 1, of any year through December 31, of that year. The regular assessment shall be levied and due on January 1, of every fiscal year and shall become delinquent on February 1. The due date of any additional regular or special assessment shall be fixed in the resolution authorizing such assessment.

Section 6: CHARGES FOR FINES.

The Board of Directors at any meeting may, after an appropriate hearing, impose a fine or penalty, in an amount equal to the amount expended by the Association including administrative costs and attorneys' fees, in bringing the Owner or any Owner's Lot to compliance, against any Member or any person enjoying the privileges of the

Association, for any infraction or violation, or any threatened infraction or violation, of these Bylaws or, the Declaration, or the Rules and Regulations of the Association, and the amount of such fine shall be payable as the Board of Directors shall direct. Such amount shall be delinquent if not paid within the time allowed by the Board, and shall thereupon accrue late charges and interest as provided below and such delinquent amount shall become a lien upon the lot upon recordation by the Association of a notice of default as provided below.

Section 7: DUTIES OF THE BOARD OF DIRECTORS.

The Board of Directors shall give written notice of the regular annual assessment and special assessments at least thirty (30) days in advance of the due date. In addition, written notice shall be given of any fines or penalties under Section 8 of this article within ten (10) days after imposition.

Section 8: EFFECT OF NONPAYMENT OF ASSESSMENT; THE PERSONAL OBLIGATION OF THE OWNER; THE LIEN; REMEDIES OF THE ASSOCIATION.

If the assessments are not paid within thirty (30) days following the due date, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligations of the then Owner to pay such assessments, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. If an assessment is delinquent the Association may, pursuant to Civil Code section 1366 or any successor statute, recover all of the following: (1) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorneys' fees;(2) A late charge not exceeding ten (10%) percent of the delinquent assessment or Ten (\$10.00) Dollars, whichever is greater;(3) Interest on all sums imposed in accordance with this section, including the delinquent assessment, reasonable costs of collection and late charges, at an annual percentage rate of not to exceed twelve (12%) percent per annum or such higher rate as the law may allow, commencing thirty (30) days after the assessment becomes due. The Association shall record a notice of default as to each delinquent assessment remaining unpaid as of thirty (30) days following the delinquency date and may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property or may foreclose the lien by private sale pursuant to Civil Code section 1367 or any successor statute and there shall be added to the amount due all costs so incurred. The foregoing remedies shall be in addition to all other remedies as may be provided by law.

Section 9: SUBORDINATION OF THE LIEN TO MORTGAGES.

The lien of the assessments provided for herein shall be subordinated to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to the assessment; provided that such mortgage be recorded prior to the recordation of the

Association's notice of delinquent assessment and all sums imposed in accordance with Civil Code section 1366; and provided, however, that a sale or transfer pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure shall not relieve such property from liability for, nor from the lien of any assessments thereafter becoming due.

ARTICLE V: MEMBERSHIP MEETINGS

Section 1: REGULAR MEETINGS.

The regular annual meeting of the Members shall be held on a date at a time and place to be fixed by the Board of Directors at least sixty (60) days prior to such meeting.

Section 2: SPECIAL MEETINGS.

Special meetings of the Members for any purpose may be called at any time by the President, the Board of Directors, or upon the written request of five (5%) percent of the voting power of the Members.

Section 3: NOTICE.

Notice of the regular meeting and of each special meeting of the Members shall be given by the secretary to each Member of the Association at least twenty (20) but not more than sixty (60) days, prior to such meeting, and such notice shall specify the date, time and place of such meeting and the general nature of the business to be transacted thereat.

Section 4: MANNER OF VOTING; QUORUM.

Members may vote at any meeting either in person or by proxy in writing filed with the secretary. Cumulative voting shall be permitted at any election for Directors. The presence, in person or by proxy of Lot or Unit Owners holding at least twenty-five (25%) percent of the voting power shall constitute a quorum for the transaction of all business at all meetings.

Section 5: VOTE REQUIRED.

Except as otherwise expressly provided in these Bylaws or by law, the vote of a majority of each class of the voting power of the Members present at any duly and regularly called meeting at which a quorum is present, shall be and constitute the act of the Members.

Section 6: INFORMAL ACTION BY MEMBERS.

Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of Members, may be taken without a meeting if a

consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Section 7: ADJOURNED MEETINGS AND NOTICE THEREOF.

Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power of the Members either present or represented by proxy thereat, but in the absence of a quorum, no other business may be transacted at such a meeting. When any Members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of any original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

ARTICLE VI: BOARD OF DIRECTORS

Section 1: ESTABLISHMENT OF THE BOARD.

All of the powers of the Association shall be vested in and shall be exercised by, and the properties of the Association controlled by, and the affairs of the Association conducted by a board to be known as the Board of Directors. The Board of Directors shall constitute the governing body of the Association and shall be empowered to do any and all things necessary or proper to carry out the objects and purposes of the Association consistent with the law, the Declaration of Protective Restrictions, the Articles of Incorporation and these Bylaws. The Board of Directors shall consist of five (5) Members, selected prior to the first annual election, after initial organization, at which time the continuance of the same or the selection of another body shall be determined by a majority of each class of the voting power of the Members present at the election.

Section 2: ELECTION.

The Directors shall be elected at the regular annual meeting of Members and shall hold office for a period of one (1) year or until their successors have been elected and are ready to enter upon the duties of the office.

Section 3: VACANCY.

Any vacancy occurring on the Board of Directors shall be filled by the remaining Directors, or Director, and the person named to fill such office shall hold office until his successor has been elected and is ready to enter upon the duties of the office.

Section 4: QUORUM.

A quorum of the Board of Directors shall be at least three (3) Members thereof. Any action of the Board of Directors shall require a majority vote of the Members present.

Section 5: ABSENCE OF A MEMBER.

Any Member of the Board of Directors who shall be absent from its meeting for two (2) consecutive regular meetings, without leave voted by the Board of Directors, shall be considered as having resigned, and the vacancy thus created shall be filled as hereinabove provided.

Section 6: COMPENSATION.

The Members of the Board of Directors shall receive no compensation for acting as Directors, provided, however, if any Director performs services for the Association other than as Director, he may be compensated therefore as the Board of Directors may determine. All reasonable expenses incurred by a Member in carrying out his duties as a Director shall be reimbursable by the Association.

Section 7: MEETINGS.

The regular annual meeting of the Board of Directors shall be held within five (5) days following the regular annual meeting of the Members. Regular meetings of the Board of Directors shall be held at such time and on such day and at such place as the Board, by resolution, may from time to time determine. Special meetings of the Board of Directors may be called by the President or by any two (2) Members of the Board of Directors and shall be held at the principal office of the Association or at such other place as the Board may select. Notice of all meetings of the Board of Directors shall be given by the secretary of the Association to each Member of the Board at least forty-eight (48) hours prior to the time of such meeting. Such notice shall be either verbal, by telephone, or in writing.

Section 8: POWERS OF THE BOARD.

The Board of Directors shall have the power and shall:(a) Call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of five (5%) percent of the Members;(b) Appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bonds as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, officer or director of the Association in any capacity whatsoever;(c) Establish, levy, assess and collect the assessments referred to in Article IV;(d) Adopt and publish rules and regulations governing the use of the Common Properties and the personal conduct of the Members and their guests thereon;(e) Enforce any and all covenants, restrictions and agreements applicable to The Properties as may be provided in the Declarations;(f) Conduct, manage and control the affairs and business of

the Association;(g) Authorize all necessary expenditures and incur indebtedness from time to time, and secure payment thereof by pledge, hypothecation, mortgage, indenture, deed of trust or other form of security;(h) Except as otherwise herein provided, deal conclusively with all matters relating to the discipline of Members and as it may deem proper, expel, suspend or fine a Member for infraction of the rules, regulations or Bylaws;(i) Construe or interpret these Bylaws, which construction or interpretation shall be conclusive;(j) Enter upon any Lot when necessary in connection with maintenance or construction for which the Board is responsible;(k) The specification of particular powers and duties herein shall not be construed to in any manner or to any extent limit or restrict the powers and duties of the Board of Directors, and the Board of Directors shall do all things necessary and proper for the control, management and operation of the Association, its properties and affairs; provided, however, that the Board of Directors selected prior to the first annual election shall not enter into any contracts which bind the Association for a period in excess of one (1) year, unless reasonable cancellation provisions are included in the contract.

Section 9: COMMITTEES.

The Board of Directors may create such committees as in its judgment may be necessary for properly conducting the affairs of the Association. The Members of such committees shall be either Members of the Board of Directors or Members of the Association, both. The Board of Directors may delegate to the President the authority to appoint the Members of such committees. The Board of Directors may create an Architectural Committee as provided in Article V of the Declaration and the membership in such committee shall be governed by such provisions.

Section 10: INDEMNIFICATION OF DIRECTORS AND OFFICERS.

When a director or an officer is made a party to any action, suit or proceeding by reason of his being or having been a director or an officer of the Association, the reasonable expenses, including attorneys' fees, incurred in the defense of such action, suit or proceeding, including any settlement thereof, shall be assessed against the Association only upon the order of the Court and in accordance with the provisions of Corporations Code section 7237.

ARTICLE VII: OFFICERS

Section 1: OFFICERS.

The Officers of the Association shall be a president, a vice-president, a secretary, a treasurer and such other officers as the Board of Directors may from time to time determine. The offices of secretary and treasurer may be held by the same person.

Section 2: ELECTION.

The officers of the Association shall be appointed annually by the Board of Directors at a regular annual meeting of the Directors. The president and the secretary shall be Members of the Board of Directors. Other officers need not be directors. Unless he shall sooner resign or shall be removed or otherwise disqualified to serve, each officer shall hold office for a period of one (1) year, or until his successor has been appointed and is ready to enter upon the duties of the office. A vacancy in any office, for any reason, shall be filled by the Board of Directors either at a special meeting called for that purpose or at the next regular meeting of the Directors.

Section 3: REMOVAL AND RESIGNATION.

Any officer may be removed from office, either with or without cause, by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, or by majority vote of the Members present at any regular or special meeting at which a quorum is present. Any officer may resign at any time by giving written notice to the Association and any such resignation shall take effect on the date of receipt of such notice, or at any later time specified therein, and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 4: PRESIDENT.

The president, subject to the direction and control of the Board of Directors, shall be the principal executive officer of the Association, and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the Board of directors. He shall be an ex officio Member of all committees. He shall execute as president all deeds, contracts and other instruments in writing which have been first approved by the Board of Directors, provided that the Board of Directors may delegate authority to execute any such document or instrument in writing to any other officer of the Association or to a Member of the Board of Directors. He shall render a report annually to the Members and shall perform such other duties and have such other powers as shall be from time to time assigned to him by the Board of Directors.

Section 5: VICE-PRESIDENT.

In the absence of the president or in the event of his inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all of the powers of and be subject to all the restrictions upon the president. The vice-president shall perform such other duties and have such other powers as shall be, from time to time, assigned to him by the Board of Directors.

Section 6: ACTING PRESIDENT.

In the absence of the president and vice-president or in the event of their inability or refusal to act, the Board of Directors shall appoint an acting president, in whom shall be vested for the time being all of the duties, functions and powers of the president.

Section 7: SECRETARY.

The secretary shall keep a record of the proceedings of all meetings of the Members of the Board of Directors, give all notices required by law or by these Bylaws, and have custody of the corporate books, records and documents, and the corporate seal, keep and maintain a register of the Members, and in general perform all duties incident to the office of secretary, and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 8: TREASURER.

The treasurer shall supervise the accounting records of the Association and shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for all monies paid to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such bank or other depositories as shall be designated by the Board of Directors, which such funds shall be withdrawn by such officer or officers, as the Board of Directors shall from time to time designate, and in general perform all of the duties, incident to the office of treasurer, and such other duties as from time to time may be assigned to him by the Board of Directors.

ARTICLE VIII: AMENDMENTS

Section 1: MATTERS GOVERNED BY THE DECLARATION OF PROTECTIVE RESTRICTIONS.

Any matter stated herein to be or which is in fact governed by the Bylaws and the Declaration may not be amended except as provided in these Bylaws. Additions to The Properties described in Part (b) of Section 2 of Article II of the Declaration must be approved upon the written consent of the Owners holding seventy (70%) percent of the voting power of each class of membership.

Section 2: AMENDMENTS BY THE MEMBERSHIP.

The Articles of Incorporation of Bylaws may be altered, amended or repealed by the Members by the written assent of a majority of the voting power of the Members, or the vote of a majority of each class of the voting power of the Members present, either in person or by proxy, at any annual meeting or at a special meeting duly called for such a purpose, at which a quorum is present.

Section 3: CONFLICT BETWEEN BYLAWS ARTICLES AND DECLARATION OF PROTECTIVE RESTRICTIONS.

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Bylaws shall control; and in the case of any conflict between the Declaration applicable to The Properties and these Bylaws, the Bylaws shall control.

ARTICLE IX: GENERAL PROVISIONS

Section 1: CHECKS, DRAFTS ETC.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 2: CONTRACT ETC. HOW EXECUTED.

The Board of Directors, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit to render it liable for any purpose of to any amount.

Section 3: INSPECTION OF BYLAWS.

The Association shall keep in its principal office for the transaction of business the original copy of the Bylaws as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

Section 4: ANNUAL REPORTS AND FINANCIAL STATEMENTS.

The Association shall, in compliance with Civil Code sections 1365 and 1365.5, and any successor statutes, cause to be prepared and distributed to the Members budgets, financial statements, and statements of the Association's policies and practices for enforcement of its lien rights or other legal remedies for default in payment of assessments and may, pursuant to Civil Code section 1365(c), submit a summary of the financial statement required by Civil Code section 1365(a), pursuant to the requirements of said statute. CERTIFICATION OF SECRETARY The undersigned, secretary of TAHOE-SIERRA MEADOWS COMMUNITY ASSOCIATION, INC., does hereby certify that the above and foregoing Bylaws were duly amended by the Membership of said Association on this 23rd day of May, 1989, and they now constitute said Bylaws.

Signature on file

Secretary, Richard Gardner