

BY-LAWS

OF

Lot 9 T03
Homeowners Assn.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Lot 9 T03-Homeowners Assn. hereinafter referred to as the "Association". The principal office of the corporation shall be located at 31 Quaking Aspen, Douglas County, Nevada, but meetings of members and directors may be held at such places within the State of Nevada, County of Douglas, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the Lot 9 T03-Homeowners Assn., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any unit which is part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property hereinabove described, which shall be constructed four (4) condominium units, and any such additions thereto as hereafter may be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean and refer to the exterior shell and roof of the physical structure in which the four (4) units are contained.

Section 5. "Declarant" shall mean and refer to their successors and assigns.

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ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every person or entity who is a record owner of a fee or undivided fee interest in and to one of the units located at 31 Quaking Aspen, Douglas County, Nevada, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from, ownership of any unit which is subject to an assessment of the Association.

Section 2. The Association shall have two (2) classes of voting membership, Class A and Class B. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one vote for each unit owned. When more than one person holds an interest in any unit, all such persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any unit. Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) January 1, 19 79.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the members shall be held during the month of Dec. of each year.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote, fifty-one percent (51%) of all of the votes of the membership.

Section 3. Notice of Meetings. At least five (5) days' written notice specifying the time and place, when and where the annual meeting shall be convened shall be mailed

in a United States Post Office, addressed to each of the members of the Association of record at the time of issuing the notice at his or her or its address last known as the same appears on the books of the Association.

Nevertheless a failure to give such notice or any irregularity in such notice shall not affect the validity of annual meetings or any proceedings had at such meetings, and in such event, these By-Laws shall be, and shall be deemed to be, sufficient notice of such meetings without requirement of further notice.

Section 4. Quorum. The presence at any meeting of the members entitled to vote, or of proxies entitled to vote, sixty -five percent (65%) of the votes of the membership in person or by proxy shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by a Board of 4 Directors, each of whom must be a member of the Association in order to hold office.

Section 2. Term of Office.

(a) Initial Board of Directors. The initial Board of Directors of the Association shall consist of 4 Directors and shall be elected by the Declarant upon the incorporation of the Association. Each director shall hold office until the transfer and conveyance by Declarant of the first unit to a purchaser, at which time a special meeting of the members shall be held for the purpose of electing a new Board. At said special meeting a Board of 4 Directors shall be elected to serve until the first annual meeting of the Association, or until such later time as their successors may be elected.

(b) Board of Directors. At each annual meeting, subsequent to the special meeting referenced in Subparagraph (a) above, the membership shall elect a number of Directors whose terms have expired. At the first regular annual meeting, 2 Directors shall initially serve for two-year terms and 2 shall serve for one-year terms. Thereafter as such initial terms expire, Directors shall be elected to serve two-year terms. Thus 2 Directorships shall be filled every other year and 2 Directorships shall be filled on the alternating years. If at any election of the Board, the Class A members of the Association as herein defined do not have a sufficient percentage of the voting power of the Association to elect at least one Board member through the accumulating of all of their votes, one Board member shall be elected solely by the votes of Class A members. The Board shall be responsible to undertake all duties and responsibilities of the Association and the management and conduct of the affairs thereof, except as expressly reserved herein to the vote of the membership.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the quorum of members of the Association. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at the discretion of the Board, but at least annually, at such place and hour as may be fixed, from time to time, by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration.

(b) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(c) Employ a manager, an independent contractor or other employees as they deem necessary, and to prescribe their duties.

(d) Levy regular, special and capital improvement assessments in accordance with Article V of the Declaration of Covenants, Conditions and Restrictions.

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Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept, a complete record of all its acts and corporate affairs, and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote.

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

(c) As more fully provided in the Declaration to:

1. Fix the amount of the regular assessment against each unit.
2. Send written notice of each assessment to every owner.
3. Foreclose the lien against any unit for which assessments are not paid after due date, or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President, Vice President, Secretary and Treasurer, and such officers as the Board may, from time to time, by resolution create. All officers shall be members of the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and at each annual meeting of the members thereafter.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect 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 the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Officers. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

(c) Secretary. The Secretary or other person designated by the Board, shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses, and shall perform such other duties as required by the Board. -7-

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

Section 9. Liability of Directors and Officers. The corporation shall indemnify and hold harmless each person who shall serve at any time hereafter as a Director or officer of the corporation from and against any and all claims and liabilities to which such person shall become subject by reason of his or her having heretofore or hereafter been a Director or officer of the corporation, or by reason of any action alleged to have been heretofore or hereafter taken or omitted by him or her as such Director or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct, fraud or dishonesty.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of the majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

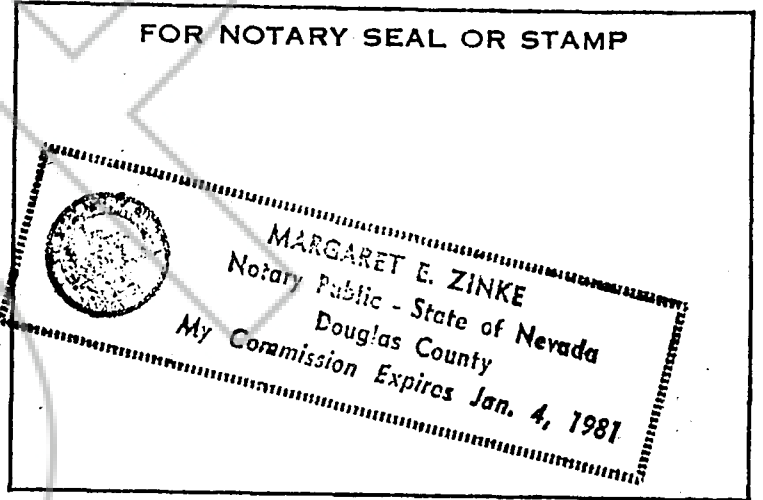
Evans-Kroeger EVANS - KROEGER
R.G. McMillen R.G. McMILLEN
12/29/78

STATE OF NEVADA
COUNTY OF DOUGLAS } SS.
On DEC 29, 1978 before me,
the undersigned, a Notary Public in and for said County and State,
personally appeared R.G. McMILLEN

_____, known to me
to be the person whose name _____ subscribed to the within
instrument and acknowledged that HE executed the same.

Signature Margaret E Zinke
MARGARET E. ZINKE

Name (Typed or Printed)
Notary Public in and for said County and State



REQUESTED BY
Serald Klosterboer
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA
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MARIE A. RABEL
RECORDER
Donna Quether 29739
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