

12
AFTER RECORDING MAIL TO:
Mr. & Mrs. Robert C. Larner
351 Hospital Road, Ste 505
Newport Beach, California 92663

BY-LAWS OF SOUTHSTAR PINES

ARTICLE I.

Section 1. The project known as Southstar Pines located in Stateline, Nevada, is hereby submitted to the provisions of Chapter 117 of the Nevada Revised Statutes.

Section 2. The provisions of these By-Laws are applicable to the aforementioned subdivision including the real property within the boundaries of said subdivision.

Section 3. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the units of the project or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II.

Voting, Majority of Owners, Quorum, Proxies.

Section 1. Voting. Every owner of a unit which is subject to the assessment shall be entitled to one vote for each unit owned. When more than one person holds an interest in any unit 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.

Section 2. Majority of Owners. As used in these By-Laws the term "majority of owners" shall mean those owners holding 51% of the votes in accordance with the percentages assigned in the Master Deed.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of owners" is defined in Section 2 of this Article shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III.

Administration

Section 1. Association Responsibilities. The owners of the units will constitute the Association of Owners (hereinafter referred to as "Association") who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and arranging for the management of the project pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of owners.

160282

BOOK 887 PAGE 1723

Section 2. Place of Meetings. Meetings of the Association shall be held at a suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held on _____ Thereafter, the annual meeting of the Association shall be held on the first day of August of each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with requirements of Section 5 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners and having been presented to the Secretary, or _____ The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless consent of four-fifths of the owners present, either in person or by proxy.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least 5 but not more than 10 days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Election of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business
- (i) New business

ARTICLE IV.

Board of Directors

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom must be owners of units in the project; provided, however, that the membership of the first Board of Directors shall be as provided in the Articles of Incorporation.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and some by the owners.

Section 3. Other Duties. In addition to the duties imposed by these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the project and the common areas and facilities.
- (b) Collection of the monthly assessments from the owners.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities and the restricted common areas and facilities.

Section 4. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

Section 5. Election and Term of Office. At the first annual meeting of the Association the term of office of two Directors shall be fixed for three (3) years. The term of office of two Directors shall be fixed at two (2) years, and the term of office of one Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected to hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

160282

BOOK 887 PAGE 1725

Section 8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notices shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Directors, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) the purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board of Directors. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE V.

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer, and an assistant secretary, and such others as in their judgment may be necessary.

Section 2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an Affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of an Association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI.

Obligations of the Owners

Section 1. Assessments. All owners are obligated to pay monthly assessments imposed by the Association to meet all project communal expenses, which may include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard. The assessments shall be made pro rata according to the value of the unit owned. Such assessments shall include monthly payments to a General Operating Reserve and a Reserve Fund for Replacements as required in the Declaration of Covenants, Conditions and Restrictions.

Section 2. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall be at the owner's expense.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damages through his fault.

Section 3. Use of Family Units--Internal Changes.

(a) All units shall be utilized for residential purposes only.

(b) An owner shall not make structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing, through the Management Agent, if any, or through the President of the Board of Directors, if no management agent is employed. The Association shall have the obligation to answer within 15 days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 4. Use of Common Areas and Facilities and Restricted Common Areas and Facilities. An owner shall not place or cause to be placed in any common areas, any furniture, packages or other objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

Section 5. Right of Entry.

(a) An owner shall grant the right to entry to the management agent or to any other person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical electrical services, sprinkling systems, provided that the request for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct.

(a) No resident of the project shall post any advertisements, or posters of any kind in or on the project except as authorized by the Association.

160282

BOOK 887 PAGE 1728

(b) Residents shall exercise extreme care making noises or use of musical instruments, radios, television and amplifiers that may disturb other residents. Those keeping domestic animals will abide by the Douglas County Code.

(c) No garments, rugs or toher material of a similar nature shall be allowed to hang from the windows or from any of the facades of the project.

(d) No garbage or trash shall be disposed of outside the disposal installations provided for such purposes.

(e) No owner resident or lessee shall install wiring or other electrical or telephone installation, television antennae, machine or air conditioning units on the exterior of the project or in any place in which such installation would result in a protrusion through the walls or the roof of the project except as authorized by the Association.

ARTICLE VII.

Amendments to Plan of Condominium Ownership

Section 1. By-Laws. These By-Laws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by owners representing at least 75% of the total membership in the Association.

ARTICLE VIII.

Mortgagees



Section 1. Notice to Association. Each owner who has a mortgaged unit shall notify the Association through the Management Agent, if any, or the President of the Board of Directors in the event there is no Management Agent, the name and address of his Moorgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units."

Section 2. Notice of Unpaid Assessments. The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit.

ARTICLE IX.

Compliance

In the event that nay of these By-Laws conflict with the provisions of the Nevada Revised Statutes it is agreed and accepted that the provisions of the statute will apply.


Nancy Larner

Robert C. Larner

160282

BOOK 887 PAGE 1729

GENERAL ACKNOWLEDGMENT

NO. 201

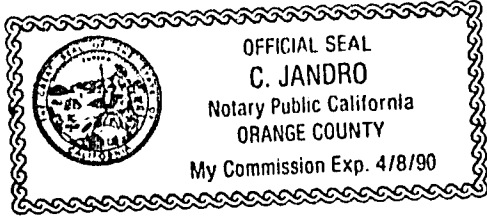
State of CALIFORNIA }
County of ORANGE } SS.

On this the 4 day of JUNE 1987, before me,

C. JANDRO
the undersigned Notary Public, personally appeared

* * NANCY LARNER * *

personally known to me
 proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) IS subscribed to the
within instrument, and acknowledged that SHE executed it.
WITNESS my hand and official seal.



Notary's Signature

[Handwritten Signature]

7110 122

NATIONAL NOTARY ASSOCIATION • 2001 Vanlira Blvd. • P.O. Box 4625 • Woodland Hills, CA 91364

STATE OF NEVADA, }
County of Douglas } SS.

On June 5, 1987 personally appeared before me,

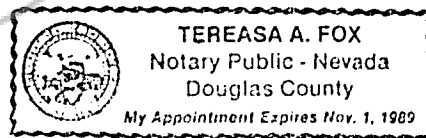
DATE
a Notary Public (or judge or other officer, as the case may be),

Robert C. Larner
who acknowledged that he executed the above instrument.

IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official stamp at my office
in the County of Douglas
the day and year in this certificate first above written.

[Handwritten Signature]

Signature of Notary



(ACKNOWLEDGMENT GENERAL)

REQUESTED BY
FIRST NEVADA TITLE COMPANY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'87 AUG 17 A11 :44

SUZANNE BEAUDREAU
RECORDER

\$12.00 PAID BA DEPUTY

160282

BOOK 887 PAGE 1730