

BY-LAWS
OF
THE VILLAGE AT INCLINE OWNERS ASSOCIATION

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Article I. Definitions

Section 1.01 Declaration

"Declaration" shall mean that certain Declaration of Covenants, Conditions and Restrictions applicable to the project property and filed in the office of the Recorder of the County of Washoe, on the 17th day of Feb, 1972, as Document No. 235200, as the same may be amended from time to time in accordance with the terms thereof.

Section 1.02 Other terms.

Other terms used herein shall have the meaning given to them in the Declaration and the Articles of Incorporation of this corporation.

Article II. Qualification for Membership

Section 2.01 Membership.

The qualifications for membership shall be as provided in Article Eighth of the Articles of incorporation of this corporation.

Article III. Voting Rights

Section 3.01 Exercise of Voting Rights.

Voting rights of members shall be as set forth in Article Ninth of the Articles of incorporation of this corporation. Any holder of an outstanding membership entitled to vote may attend and vote at meetings in person, or by a proxy holder duly appointed by a written proxy signed by the member and filed with the Secretary. Any proxy shall be for a term, of not to exceed eleven (11) months unless otherwise expressly provided therein and may be revoked at any time by written notice to the Secretary. It shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of such member or upon disqualification of the member to exercise the rights of membership pursuant to the terms hereof.

Article IV. Meetings of Members

Section 4.01 Quorum.

The presence at any meeting of the members or their proxies having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration and the Articles of Incorporation any action may be taken at any meeting of the members upon the affirmative vote of a majority of the total votes present at such meeting in person or by proxy.

Section 4.02 Annual meeting.

There shall be a meeting of the members on the second Tuesday of June of each year at 7:30 p.m. upon the common area or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice of the Board delivered to the members not less than ten (10) days prior to the date fixed for said meeting.

Section 4.03 Special Meetings.

Special meetings of the members may be called at any time for the purpose of considering matters which, by the terms of the Articles of Incorporation, these By-Laws or the Declaration, require the approval of all or some of the members, or for any other reasonable purpose. Said meetings shall be called by written notice signed by a majority of the Board, or by any members having one-third (1/3) of the total votes and delivered not less than fifteen (15) days prior to the date fixed for said meeting. Said notices shall specify the date, time and place of the meeting and the matters to be considered thereat.

Article V. Notices

Section 5.01 Method for Giving Notice.

Any notice 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 twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Secretary for the purpose of service of such notice or to the residence unit of such person if no address has been given to the Secretary. Such address may be changed from time to time by notice in writing to the Secretary.

Article VI. Powers

Section 6.01 Exercise of Powers.

The powers of the Association shall be vested in, exercised by, under the authority of, and the affairs of the Association shall be controlled by the Board of Directors consisting of five (5) members.

Article VII. Election, Tenure and Proceedings of Board of Directors

Section 7.01 Election.

At each annual meeting, the members shall elect a Board of Directors for the forthcoming year, consisting of five (5) members.

Every member entitled to vote at any election may cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of votes to which such members are otherwise entitled, or distribute his votes on the same principle among as many candidates as he thinks fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be deemed elected.

Section 7.02 Term and Removal.

Board members shall serve for a term of one (1) year or until their respective ,successors are elected, or until their death, resignation or removal, which ever is the earlier. Any Board member may resign at any time by giving written notice to the President or Secretary, and any person may be removed from office by vote of the members provided, that at any election or removal of directors, every member entitled to vote shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected, or to distribute his votes on the same principle among as many candidates as he shall think fit.

Section 7.03 Vacancies.

Vacancies on the Board shall be filled by a majority of the remaining Board members though less than a quorum, and each Board member so elected shall hold office until his successor is elected by the members. Upon tender of a resignation by a Board member, the Board shall have the power to elect his successor to take office at such time as the resignation becomes effective.

Section 7.04 Conduct of Business.

Three (3) members of the Board shall constitute a quorum and, if a quorum is present the decision of a majority of those present shall be the act of the Board. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. The Board may also act without a meeting by unanimous written consent of the Board members.

Section 7.05 Tenure of initial Board.

The Directors named in the Articles of Incorporation shall hold office until the first meeting of members at which an election of Directors shall be had. Thereafter, the term of office of each Director shall be until the annual meeting of members and the election of his successor.

Section 7.06 Number of Directors.

The authorized number of directors is five (5). This number may be changed by an amendment of the Articles of Incorporation or by a By-Law duly adopted by the vote or written assent of members entitled to exercise a majority of the voting power of this corporation.

Article VIII. Powers and Duties of Board of Directors

Section 8.01 Powers and Duties Set Forth in Restrictions.

The Board of Directors shall have the exclusive right and responsibility to perform diligently all of the obligations and functions of the Association as set forth in the Declaration and shall have all rights of the Association in connection therewith.

Section 8.02 Accounting for Common Expenses.

At the annual meeting, the Board shall present to the members a written statement of the Common Expenses itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each member, and the estimated Common Expenses for the coming calendar year. Within ten (10) days after the annual meeting, said statement shall be mailed to each member in the manner provided for giving of notices hereunder. The Board shall cause to be maintained 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.

Section 8.03 Other Books and Records.

The Board shall cause to be maintained a complete record of all their minutes and acts and of the proceedings of the members. Such records and documents shall be kept and maintained in a manner consistent with reasonably prudent practice which would be applicable to a business for profit.

Section 8.04 Appointment and Removal of Officers.

The Board shall appoint and remove at pleasure all officers, agents and employees of the Association, prescribing their duties, fixing their compensation and requiring from them security or a fidelity bond for faithful performance of the duties to be prescribed for them to the extent deemed reasonably necessary by the Board or required by the Declaration.

Section 8.05 Supervision of Officers.

The Board shall supervise all officers, agents and employees of the Association and see that their duties are properly performed.

Article IX. Officers

Section 9.01 Enumeration of Offices.

The officers of this corporation shall be a President and Vice President, who shall at all times be members of the Board of Directors, and a Secretary-Treasurer and such other officers as the Board may from time to time by resolution create.

Section 9.02 Term.

The officers of this Association, except such officers as may be appointed in accordance with Sections 3 or 5 of this Article, shall be chosen annually by the Board and each shall hold his office for one (1) year unless he shall sooner resign, or shall be removed, or be otherwise disqualified to serve.

Section 9.03 Special Appointments.

The Board may 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 the Board may, from time to time, determine.

Section 9.04 Resignation and Removal.

Any officer may be removed from office either with or without cause by the Board.. Any officer may resign at any time by giving written notice to the Board, the President or Secretary. Such resignation shall take effect at 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 9.05 Vacancies.

A vacancy in any office because of death, resignation, removal disqualification or other cause may be filled in the manner prescribed in the By-Laws for regular appointment to such office. The appointee to such vacated office shall serve the remainder of the term of the officer he replaces.

Section 9.06 Multiple Offices.

The offices of Secretary or Assistant Secretary and Treasurer may be held by the same person. No person shall be appointed to more than one of any of the other offices except in the case of special offices created pursuant to Section 3 of this Article.

Article X. President

Section 10.01 Election.

At their first meeting, the Board shall elect one of their number to act as President.

Section 10.02 Duties.

The President shall

- (a) preside over all meetings of the members and of the Board;
- (b) sign as President all deeds, contracts and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser officer;
- (c) call meetings of the Board whenever he deems it necessary in accordance with rules and upon notice agreed upon by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days;
- (d) have, subject to the advice of the Board, general supervision direction and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

Article XI. Vice President

Section 11.01 Election.

At its first meeting, the Board shall elect one of its number to act as Vice President.

Section 11.02 Duties.

The Vice President shall

- (a) act in the place and stead of the President in the event of his absence, inability or refusal to act;
- (b) exercise and discharge such other duties as may be required of him by the Board in connection with any such additional duties, the Vice President shall be responsible to the President.

Article XII. Secretary and Assistant Secretary

Election.

At its first meeting the Board shall elect a Secretary.

Section 12.01 Duties. The Secretary shall

- (a) keep a record of all meetings and proceedings of the Board and of the members;
- (b) keep the corporate seal of the Association and affix it on all papers requiring said seal;
- (c) serve such notices of meetings of the Board and the members required either by law or by these By-Laws;
- (d) keep appropriate current records showing the members of this corporation together with their addresses;
- (e) sign as secretary all deeds, contracts and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature unless the Board has authorized another officer to sign in the place and stead of the Secretary by duly adopted resolution.

Section 12.02 Appointment and Duties of the Assistant Secretary.

The Board may, in its discretion, appoint an Assistant Secretary who, in the case of absence, inability or refusal to act on the part of the Secretary, shall perform the duties thereof. The Assistant Secretary shall also perform such other duties as may be required of him by the Board.

Article XIII. Treasurer

Section 13.01 Election.

At its first meeting, the Board shall elect a Treasurer.

Section 13.02 Duties.

The Treasurer shall

- (a) receive and deposit in such bank or banks as the Board may, from time to time, direct all of the funds of the Association;
- (b) be responsible for and shall supervise
- (c) the maintenance of the books and records to account for such funds and other Association assets;

(d) disburse and withdraw said funds as the Board. may from time to time direct and in accordance with prescribed procedures.

Article XIV.Subordinate Officers

Section 14.01 Appointment.

The Board may appoint such subordinate officers as it deems desirable from time to time.

Section 14.02 Duties.

Such subordinate officers shall have the duties that the Board may, from time to time prescribe including the right to act in the place and stead of such officers, other than the President, as the Board may designate.

Article XV. Miscellaneous

Section 15.01 Inspection of Books and Records.

The books, records and such papers as may be placed on file by the members or the Board shall, at all times during reasonable business hours, be open to the inspection of any member.

Section 15.02 Corporate Seal.

The Association shall have a seal in circular form having within its circumference the words "The Village at Incline Owners Association, a Nevada corporation."

Section 15.03 Adoption and Amendment of these By-Laws.

The Board of Directors is authorized to adopt these initial By-Laws to govern the affairs of the Association by the vote of a majority of the Board of Directors. Thereafter these By-Laws as adopted may be amended or repealed and new Laws adopted by the vote or written consent of a majority of the voting power of the members.

Section 15.04 Consent to Waiver of Notice.

The transactions at any meeting of the members, however called or noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present, in person or by proxy, if either before or after the meeting, each member entitled to vote but not present thereat signs a written waiver of notice, or a consent to the holding of such meeting or approval of the true and correct minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 15.05 Rules.

Subject to the limitations contained in the Declaration, the Board of Directors may from time to time make, publish and enforce rules, and establish and collect fines for the violation thereof, governing the use of the property over which this corporation has jurisdiction and the conduct of the users thereof, in the manner set forth in such Declaration. A current record of all rules, as amended from time to time, and a record of the amount of the fines (if any) established for the violation thereof, shall be kept by the Secretary of the corporation and shall be available to any member at any reasonable time.

Certificate of Secretary

KNOWN ALL MEN BY THESE PRESENTS THAT:

The undersigned, Secretary of the Association known as THE VILLAGE AT INCLINE OWNERS ASSOCIATION, does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Directors of said Association on the ____ day of _____ 197_, and that they now constitute said By-Laws.

Secretary