

RESTATED BYLAWS

OF

AMADOR PINES LANDOWNERS OF UNITS 2 AND 5, INC.

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OF
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RESTATED BYLAWS
OF
AMADOR PINES LANDOWNERS OF UNITS 2 AND 5, INC.

ARTICLE I
Recitals and Definitions

Section 1. Name of Association. The name of this corporation is Amador Pines Landowners of Units 2 and 5, Inc. and shall be referred to herein as the "Association."

Section 2. Association Is Nonprofit. The Association has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (Cal. Corp. Code, § 7110 et seq.) as a nonprofit mutual benefit corporation.

Section 3. Specific Purpose. The specific and primary purposes of this Association shall be to repair, maintain and manage the existing road system within the Amador Pines, Units 2 and 5 residential planned development located in the County of Amador, State of California, to provide for snow removal, to enforce the Rules and Regulations adopted by the Board of Directors, from time to time, and the terms and conditions of the Declaration, and to otherwise enhance and promote the use and enjoyment of the Common Area by the Owners in common.

Section 4. Definitions. The terms defined in the First Restated Declaration of Covenants, Conditions and Restrictions for Amador Pines, Units 2 and 5, Recorded on 29 March, 1995, in Book , Page , in the Official Records of Amador County, California (the "Declaration") shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

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ARTICLE II
Location of Principal Office

The principal office of the Association will be located at such place within the County as the Board may from time to time designate by resolution.

ARTICLE III
Membership

Section 1. Members of the Association. Every Owner of a Lot within the Properties is a Member of the Association. Membership in the Association is appurtenant to, and may not be separated from, ownership of any Lot.

Section 2. Term of Membership. Each Owner shall remain a Member until he or she no longer qualifies as such under section 1 above. Upon the sale, conveyance or other transfer of an Owner's interest in a Lot, the Owner's membership interest appurtenant to the Lot shall automatically transfer to the Lot's new Owner(s).

Section 3. Multiple Ownership of Lots. Ownership of a Lot shall give rise to a single membership vote in the Association. Accordingly, if more than one person owns a Lot, all of said persons shall be deemed to be one Member for voting purposes, although all such Owners shall have equal rights as Members to use and enjoy the Common Area.

ARTICLE IV Membership Voting

Section 1. Single Class of Membership. The Association shall have one class of voting membership.

Section 2. Member Voting Rights. On each matter submitted to a vote of the Members, whether at a meeting of the membership called and held pursuant to the provisions of these Bylaws or otherwise, each Member shall be entitled to cast one vote for each lot owned by such Member.

Section 3. Eligibility to Vote. Only Members in good standing shall be entitled to vote at any membership meeting. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot(s) and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with article XI, section 6 of the Declaration. A Member's good standing shall be determined as of the record date established in accordance with article V hereof. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with the Declaration.

Section 4. Manner of Casting Votes.

(a) Voting at Membership Meetings. In order to maximize the opportunity for Member participation in Association affairs, all Member voting shall be conducted by written ballot (see section 5 of this Article IV). Voting at any membership meetings shall be limited to: (i) the receipt of written ballots previously mailed to the Members (see section 5(j), below); (ii) the conduct of informational, nonbinding votes to poll the Members in attendance with respect to a matter or issue of interest to the Association or the Amador Pines community; (iii) to approve a motion for the submission of a matter or proposal to the Members for a vote by written ballot in accordance with section 5; or (iv) votes on procedural matters relating to the conduct of the meeting, such as a vote to adjourn. Any motion pursuant to subparagraph (iii) of the preceding sentence must be approved by the affirmative vote of at least 5 percent of the voting power of the Members (see section 5(b), below).

(b) Voting by Written Ballot. Except for the limited membership voting permitted at meetings (see subparagraph (a), above), Members' votes shall be solicited by written ballot with respect to any issue requiring membership approval under the Governing Documents or by law. Written ballot voting shall be conducted in accordance with section 5 of this Article IV.

(c) Proxy Voting. Proxy voting shall not be permitted.

(d) Cumulative Voting. Cumulative voting shall not be permitted.

Section 5. Action by Written Ballot.

(a) **Definition of Written Ballot.** A "written ballot" is a ballot that meets the requirements of this section 5 and is mailed to every Member entitled to vote on the matter(s) identified in the written ballot form.

(b) **Written Ballots, Generally.** Any matter or issue requiring the vote of the Members, including the election of directors, shall be submitted to the Members for approval by written ballot in accordance with this section 5. When Member votes are solicited in this fashion, no formal membership meeting need be called. The actions requiring Member approval are listed in Article IX, section 2, below.

(c) **Persons Who Can Initiate a Vote By Written Ballot.** Any issue requiring the approval of the Members shall be presented for a vote by written ballot when authorized by a majority vote of the Board or when requested by Members possessing 5 percent of the total voting power of the membership. When the requisite percentage of the Members desire that a written ballot vote be initiated, the procedures for calling a special meeting when requested by the Members shall apply (see Article V, section 3(b)) except that all references to "meetings" and "special meetings" in said section 3(b) shall, in this context, be replaced by references to "written ballots."

(d) **Balloting Time Requirements.**

(i) **Director Elections.** The balloting in director elections shall be scheduled to culminate on the date of the annual membership meeting in the case of any vacancy created by the normal expiration of a director's term of office. In the case of a special election called to fill a vacancy caused by the removal of a director, the balloting shall be scheduled to culminate on the date established for a special meeting called for the purpose of providing prospective candidates an opportunity to present their qualifications and platform to the Members. Written ballots used in the election of directors shall be mailed to all Members who are eligible to vote not more than 45 days prior to the date set for the election, but no less than 20 days prior to such date. If the Member elects to return his or her written ballot by mail or personal delivery to the address set forth in the solicitation materials for return of the ballots prior to the meeting at which the election of directors will culminate, the written ballot must be received no later than the close of business on the second business day prior to the scheduled meeting date. If the Member elects to return his or her written ballot in person at the membership meeting, the ballot must be inserted in the ballot box prior to conclusion of the time scheduled on the meeting agenda for receipt of ballots and conclusion of the election process.

(ii) **Other Matters.** In the case of any other matter or issue submitted to the Members for approval by written ballot, the Board shall mail the written ballot to every Member entitled to vote on the matter no less than 20 days nor more than 45 days prior to the final date by which the written ballots must be received by the Association in order to be counted.

(iii) **Extension of the Balloting Period.** The time fixed for the return of written ballots may only be extended if the Board so notifies the Members in the balloting materials originally sent to Members and then for not more than two successive periods of 45 days each. Notwithstanding the foregoing, if a meeting has been scheduled to coincide with the culmination of a written ballot vote on the election of directors and the meeting is adjourned without concluding the election process, the time fixed for the return of written ballots in the director election shall be extended to the date the adjourned meeting is reconvened.

(e) Content of Written Ballots.

(i) Written Ballots Used for Voting in Director Elections. Written ballots used in any election of directors shall set forth the names of the candidates whose names have been placed in nomination at the time the ballot is issued (see Article VII, section 4). The ballot form shall also provide a space where the Member can designate a vote for another (write-in) candidate. Accompanying the written ballot shall be copies of all candidates' statements received by the Association office prior to the mailing date (see Article VII, section 4).

(ii) Written Ballots Used for Voting on Other Matters. Any written ballot distributed to the Members to vote on any issue other than the election of directors shall set forth a description of the proposed action and provide an opportunity on the ballot form to specify approval or disapproval of the proposal. The ballot's description of the proposal (or the description contained in the solicitation materials which accompany the ballot) shall present a reasonably comprehensive description of (a) the reasons why the proponents of the proposal believe that the action should be approved; (b) the reasons for any known opposition to the proposal; and (c) the fiscal impacts, if any, of the proposal on the Association's finances. Reasonable, uniform limitations on the length of proponent's and opponent's statements may be imposed by the Board or by Association Rule.

(iii) Specification of Time for Return of Written Ballot. All written ballots shall state the time by which the ballot must be received in order to be counted (see subparagraph (d), above).

(f) Solicitation Rules.

(i) Solicitation Rules, Generally. Written ballots shall be solicited in a manner consistent with the requirements of Article V, section 4, pertaining to the issuance of notices of Members' meetings, except that the requirements of subparagraphs (c) and (d), above, shall control with respect to the matters set forth therein. All solicitations of written ballots shall: (A) indicate the number of responses needed to meet the quorum requirement for valid action; (B) the time by which the written ballot must be received by the Association in order to be counted; (C) in the case of any written ballot distributed to vote on matters other than the election of directors, the percentage of affirmative votes necessary to approve the measure submitted for membership approval; and (D) the address for return of the ballots in person or by mail.

(ii) Director Elections. In addition to the minimum solicitation requirements of subparagraph (i), above, solicitation materials accompanying written ballots distributed in director elections may, in the Board's discretion, contain such additional rules as may reasonably be imposed to ensure the secrecy and absence of voting irregularities in the election. For example, the Board, in its discretion, may require any Member who wishes to return his or her ballot at the meeting to register during the registration period and receive a different form of ballot if considered necessary to eliminate the possibility of any Member voting twice.

(g) Additional Balloting Procedures. If deemed necessary by the Board, the vote by written ballot shall be conducted in accordance with such additional procedures, not inconsistent with the provisions of this section, as may be prescribed by a firm of public accountants of good repute who may also be retained to conduct the balloting process and ensure its secrecy. At least three Members, excluding Board members, nominees, and nominees' immediate family members, shall count the votes. These Members are to be chosen by the nominating committee.

(h) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote by posting the results at the Association's principal office within 30 days following the close of the balloting process and tabulation of the ballots. The results shall also be disclosed in the next issue of the Association's newsletter. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements for valid action, the Board shall so notify the Members.

(i) Prohibition of Revocation. Once cast, a written ballot may not be revoked.

(j) Conduct of Informational Meetings. Use of the written ballot procedures set forth herein shall not preclude the Association from also conducting informational meetings of the Members or from scheduling a membership meeting to coincide with the culmination of the balloting period.

Section 6. Majority Vote of Members Constitutes Approval; Exceptions. If a quorum is present, the affirmative vote of the majority of the voting power of Members entitled to vote and voting on any matter (other than the election of directors) shall be the act of the Members, unless the vote of a greater number is required by California's Nonprofit Corporation Law or by the Articles of Incorporation or these Bylaws. In the case of director elections, the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected to the vacant director seats.

ARTICLE V Membership Meetings

Section 1. Place and Time of Meetings. Meetings of the Members shall be held at a suitable location within the Properties or at such other location, in reasonable proximity to the Properties, as may be appropriate to accommodate the Association's membership. The time and location of the meeting shall be designated by the Board in the notice of the meeting. As noted in Article IV, above, it is the intent of these Bylaws that Member votes on any material issues requiring Member approval be conducted by means of a mailed "written ballot" (see Article IV, section 5, above).

Section 2. Annual Meeting. There shall be an annual meeting of the Members on the second Saturday of June of each year. The time and location of the annual meeting shall be established by the Board and set forth in the notice of meeting sent to the Members.

Section 3. Special Meetings.

(a) Persons Entitled to Call Special Meetings. A majority of the Board, the president or 5 percent or more of the voting power of the Members may call special meetings of the Members at any time to consider any lawful business of the Association.

(b) Procedures for Calling Special Meetings Requested by Members. If a special meeting is called by Members other than the Board of Directors or president, the request shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to any of the following persons: the president, the vice president, or the secretary of the Association. The Members' request shall be in the form of a written petition signed by the requisite percentage of the Members and shall specify the general nature of the business for which the meeting was requested.

The officer receiving the Members' request shall cause notice to be promptly given to all Members entitled to vote, in accordance with the provisions of section 4 of this Article V, that a meeting will be held. The notice shall specify the date, time and purpose for the meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request.

Section 4. Notice of Members' Meetings.

(a) **Time Requirements.** All notices of meetings of Members (whether regular or special) shall be sent in writing to each Member who, on the record date for notice of the meeting (as provided in section 8 of this Article V), is entitled to vote thereat, in accordance with this section 4. Notice must be given not less than 10 nor more than 90 days before the date of the meeting. However, if the notice is not given by first-class, registered or certified mail, it must be given not less than 20 days (nor more than 90 days) before the date of the meeting.

(b) **Minimum Requirements Regarding Content of Notice.** The notice of any membership meeting shall specify the place, date, and hour of the meeting. In the case of a special meeting, the notice shall also state the general nature of the business to be transacted, and no other business may be transacted at the special meeting. In the case of a regular meeting, the notice shall also describe those matters which the Board of Directors, at the time of giving the notice, intends to present to the Members.

(c) **Specification of Certain Significant Actions.** If the Members' approval is solicited with respect to any of the following matters, the action is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):

- (i) Removing a director without cause;
- (ii) Filling vacancies on the Board of Directors under those circumstances where a vote of the Members is required pursuant to Article VII, section 6 of these Bylaws;
- (iii) Amending the Articles of Incorporation of the Association, these Bylaws or the Declaration in any manner requiring approval of the Members;
- (iv) Approving a contract or transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association in which one or more of its directors has a material financial interest;
- (v) Approving any change in the Association's Assessments in a manner requiring membership approval under the Declaration; or
- (vi) Voting upon any election to voluntarily terminate and dissolve the Association.

(d) **Manner of Service.** Notice of any meeting of Members shall be given by first-class mail addressed to each Member either at the Member's address appearing on the books of the Association or the address given by the Member to the Association for the purpose of receiving notice.

Section 5. Quorum Requirements.

(a) **Quorum Requirements Generally.** The following quorum requirements must be satisfied for any meeting of the Members or action by written ballot pursuant to Article IV, section 5 of these Bylaws:

(i) **Quorum for Votes on Assessment Increases.** In the case of any written ballot vote conducted in order to vote on assessment increases requiring membership approval (Article IV of the Declaration), the quorum requirement for valid action on the proposal shall be the percentage specified in section 1366 of the Civil Code or comparable superseding statute. That quorum percentage is currently a majority of the Members.

(ii) **Quorum for Valid Action on Other Matters.** In the case of a membership meeting or written ballot called or conducted for any other purpose, the quorum shall be 10 percent of the voting power of the Members; provided, however, that if the Members present at any regular membership meeting constitute less than one-third of the total voting power of the Members (but the applicable quorum percentage has been satisfied) the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting. As provided in Article IV, section 4, the actions which can be taken at meetings are strictly limited.

(b) **Effect of Departure of Members From Meeting.** The Members present at a duly called or duly held meeting at which a quorum is initially present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. Any vote to adjourn the meeting for lack of a quorum shall only require the affirmative vote of a majority of those Members who are present.

Section 6. Adjourned Meeting.

(a) **Adjournment, Generally.** Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another time and/or place (but not for more than 45 days) by the vote of the majority of Members present at the meeting. Unless there is an absence of a quorum (in which case no business other than adjournment may be transacted), the reconvened meeting may take any action which might have been transacted at the original meeting.

(b) **Notice Requirements for Adjourned Meetings.** When a Members' meeting is adjourned to another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date is fixed for notice or voting, a notice of the rescheduled meeting must be given to each Member who on the record date for notice of the meeting is entitled to vote thereat.

Section 7. Record Dates for Member Notice, Voting and Giving Consents. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the following rules shall apply:

(a) **Record Date for Notice of Meetings.** The record date for determining those Members entitled to receive notice of a meeting of Members, shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

(b) Record Date for Voting. The record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

(c) Record Date for Action by Written Ballot Without Meeting. The record date for determining those Members entitled to vote by written ballot on proposed Association actions without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

(d) Record Date for Other Lawful Action. The record date for determining those Members entitled to exercise any rights in respect to any other lawful action shall be Members at the close of business on the day on which the Board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(e) "Record Date" Means as of Close of Business. For purposes of this section, a person holding a membership as of the close of business on the record date shall be deemed to be the Member of record.

ARTICLE VI

Membership Rights

Subject to the provisions hereof and the provisions of the Declaration, the Members shall have the following rights:

Section 1. Use and Enjoyment of the Common Area by Members and Family. Each Member and the members of his or her family who also reside in the Member's Residence shall be entitled to the use and enjoyment of the Common Area.

Section 2. Tenants and Lessees. Each Member shall have the right to assign his or her rights as a Member (other than voting rights) to a tenant residing within the Member's Residence. Such assignment shall only be effective so long as said tenant is residing in said Residence and is in compliance with the Declaration and the Association Rules as the same may exist from time to time. At all times the Owner shall remain responsible for compliance by Owner's lessee or tenant with the provisions of the Governing Documents. Without limiting the foregoing, reference is specifically made to article II, section 3 of the Declaration for additional tenant and lease restrictions.

Section 3. Invitees and Guests. The invitees and guests of a Member shall have the right to use and enjoy the Common Area, subject to the same obligations imposed on the Owner to observe the rules, restrictions and regulations of the Association as set forth in the Governing Documents.

Section 4. Association Rules and Regulations. The right of any person to use and enjoy the Common Area shall at all times be subject to the rules, limitations and restrictions set forth herein, in the Declaration and in the Association's published rules and regulations as promulgated by the Board from time to time.

ARTICLE VII
Board of Directors

Section 1. General Association Powers. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, the Davis-Stirling Common Interest Development Act (Cal. Civ. Code, § 1350 et seq.) and any limitations contained in any of the Governing Documents relating to action required to be approved by the Members, the business and affairs of the Association shall be vested in and exercised by, the Association's Board of Directors. Subject to the limitations expressed in article X, section 1, the Board may delegate the management of the activities of the Association to any person or persons, management company or committee, provided that notwithstanding any such delegation the activities and affairs of the Association shall continue to be managed and all Association powers shall continue to be exercised under the ultimate direction of the Board.

Section 2. Number and Qualification of Directors. The Board of Directors shall consist of 7 persons who shall be Owners of Lots whose memberships are in good standing with all Assessments current and are not subject to any suspension of membership rights. Only one Owner per Lot shall be eligible to serve on the Board at any time.

Section 3. Term of Office. The directors of this Association shall serve for a term of 2 years with 4 directors elected in each odd-numbered year and 3 directors elected in each even-numbered year. There shall be no limitation upon the number of consecutive terms to which a director may be reelected. Each director, including a director elected to fill a vacancy or elected at a special meeting of Members, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. Nomination of Directors. At least 90 days prior to the date of any election of directors, the president shall appoint a nominating committee to select qualified candidates for election to those positions on the Board of Directors held by directors whose terms of office are then expiring. The nominating committee shall consist of at least 3 Members of the Association any of whom may or may not be Board members. The nominating committee shall make its report at least 60 days before the date of the election, and the secretary shall forward to each Member, with the notice of the meeting at which the election is scheduled to take place (see article V, section 4), a list of the nominees. The nominating committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but not less than the number of vacancies on the Board to be filled. In order to be eligible for nomination and election to the Board, the Association secretary must certify that the candidate-Member is in good standing with the Association and is current in the payment of his or her Assessments.

Section 5. Election of Directors.

(a) **Directors Elected by Written Ballot:** The annual election of Directors shall be conducted by written ballot in accordance with Article IV, section 5 hereof.

(b) **Election to Office.** Candidates receiving the highest number of votes shall be elected as directors. The directors thus elected shall take office immediately following their election.

(c) **Elections Committee.** To assure efficient administration of the elections process, the Board may, but shall not be obligated, to appoint either one or three inspectors of election. The inspector(s) of election shall be responsible for certifying the good standing and eligibility of individuals

to serve as candidates for election to the Board and to monitor the election process to help assure its fairness and impartiality, and shall have the other powers prescribed in Corporations Code § 7614.

Section 6. Vacancies on Board of Directors.

(a) **Vacancies, Generally.** A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation or removal of a director pursuant to subparagraphs (c) and (d) hereof; (ii) an increase of the authorized number of directors; or (iii) the failure of the Members, at any meeting of Members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting.

(b) **Resignation of Directors.** Except as provided in this subparagraph, any director may resign, which resignation shall be effective on giving written notice to the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

(c) **Authority of Board to Remove Directors.** The Board of Directors shall have the power and authority to remove a director and declare his or her office vacant if he or she: (i) has been declared of unsound mind by a final order of court; (ii) has been convicted of a felony; or (iii) fails to attend three consecutive regular meetings of the Board of Directors which have been duly noticed in accordance with California Law.

(d) **Authority of Members to Remove Directors.** Except as otherwise provided in subparagraph (c) hereof, a director may only be removed from office prior to expiration of his or her term by the affirmative vote of a Majority of a Quorum of the Members.

(e) **Removal by Court Action.** The County Superior Court may, in response to a suit filed by any director or the lesser of 20 Members or 5 percent of the Members, remove any director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Association. The Association shall be made a party to any such action.

(f) **Filling of Vacancies.** Vacancies on the Board of Directors shall be filled by a majority vote of the remaining directors though less than a quorum, or by a sole remaining director unless the vacancy is created through removal of a director by action of the Members in which case the vacancy shall be filled by a vote of the Members conducted in accordance with Article IV, section 5, above. Furthermore, the Members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

(g) **Reduction in Number of Directors.** No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

**ARTICLE VIII
Board Meetings**

Section 1. Place of Meetings. Regular and special meetings of the Board of Directors may be held at any place within the Properties that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall

be held at the principal office of the Association. Notwithstanding the above provisions of this section, a regular or special meeting of the Board may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 2. Annual Meeting of Directors. Immediately following each annual meeting of Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of this meeting shall not be required.

Section 3. Other Regular Meetings. Other regular meetings of the Board shall be held without call at such time as shall from time to time be fixed by the Board of Directors and communicated to the Board members. Ordinarily, regular meetings shall be conducted at least monthly; provided, however, that regular meetings can be held as infrequently as every six months if the Board's business does not justify more frequent meetings. Notice of the time and place of regular meetings of the Board of Directors shall be posted in a prominent place within the Common Area. If the Board has not fixed the time and location for regular meetings, notice shall be communicated to the Board members not less than 72 hours prior to the meeting; provided, however, that notice need not be given to any Board member who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in section 7 of this article.

Section 4. Special Meetings of the Board.

(a) **Who May Call a Special Meeting.** Special meetings of the Board of Directors for any purpose may be called at any time by the president or any two directors.

(b) **Notice of Special Meetings.**

(i) **Manner of Giving.** Notice of the time and place of special meetings of the Board shall be given to each director by one of the following methods: (A) by personal delivery of written notice; (B) by first-class mail, postage prepaid; (C) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; or (D) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notwithstanding the foregoing, notice of a meeting need not be given to any director who has signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof as more particularly provided in section 7 of this article.

(ii) **Time Requirements.** Notices sent by first-class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

(iii) **Notice Contents.** The notice shall state the time, place, and purpose of the meeting.

Section 5. Attendance by Members.

(a) **Meetings Generally Open to Members.** With the exception of executive sessions of the Board (see subparagraph (b), below) and any meetings conducted by conference telephone, all meetings of the Board shall be open to Members of the Association; provided, however, that nondirector Members may only participate in deliberations or discussions of the Board when expressly authorized by a vote of a majority of the directors present at the meeting at which a quorum has been established or by the Board member chairing the meeting.

(b) **Executive Sessions.** The Board, on the affirmative vote of a majority of the directors present at a meeting at which a quorum has been established, shall be entitled to adjourn at any time for purposes of reconvening in executive session to discuss: (i) litigation in which the Association is or may become a party; (ii) personnel matters; (iii) contract negotiations; or (iv) Member disciplinary proceedings where the accused Member requests that the hearing be conducted in executive session. Prior to adjourning into an executive session, the topic(s) to be discussed in such session shall be announced, in general terms, to the Members in attendance at the meeting and matters discussed in executive session shall be generally noted in the minutes, taking into consideration the need to maintain confidentiality. Nothing provided herein shall be construed to obligate the Board to first call an open meeting before meeting in executive session with respect to the matters described above.

Section 6. Quorum Requirements. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in section 8 of this article. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, especially those provisions relating to: (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest; (ii) appointment of committees; and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by these Bylaws, the Articles or by law.

Section 7. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if: (a) a quorum is present; and (b) either before or after the meeting, each of the directors not present, individually or collectively, signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Association records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any director who attends the meeting without protesting the lack of proper notice either before or at the inception of the meeting.

Section 8. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of adjournment to any other time or place shall be given prior to the time of the adjourned meeting to the directors who are not present at the time of the adjournment. Except as hereinabove provided, notice of adjournment need not be given.

Section 9. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as an unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as a unanimous vote of the Board. If prompt or immediate action of the Board is necessary and there is insufficient time to comply with the notice requirements set forth herein, reasonable efforts shall nevertheless be made to contact all Board members regarding the proposed action in advance thereof, rather than relying upon notification after the fact.

Section 10. Compensation. Directors, officers and members of committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Board of Directors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.

ARTICLE IX Duties and Powers of the Board

Section 1. Specific Powers. Without prejudice to the general powers of the Board of Directors set forth in article VII, section 1, the directors shall have the power to:

- (a) Exercise all powers vested in the Board under the Governing Documents and under the laws of the State of California.
- (b) Appoint and remove all officers of the Association, the Association's property manager, if any (subject to any contractual commitments which may exist), and other Association employees; prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation and these Bylaws; and fix their compensation.
- (c) Appoint such agents and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the Association, and to fix their duties and to establish their compensation.
- (d) Adopt and establish rules and regulations subject to the provisions of the Declaration, governing the use of the Common Area, and the personal conduct of the Members and their guests thereon, and take such steps as it deems necessary for the enforcement of such rules and regulations, including the imposition of monetary penalties and/or the suspension of voting rights and the right to use the Common Area (other than the roads); provided notice and a hearing are provided as more particularly set forth in article XI, section 6 of the Declaration. Rules and regulations adopted by the Board may contain reasonable variations and distinctions as between Owners and tenants.
- (e) Enforce all applicable provisions of the Governing Documents relating to the control, management, and use of the Lots and the Common Area.
- (f) Contract for and pay premiums for fire, casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.

(g) Contract for and pay for maintenance, landscaping, utilities, materials, supplies, labor and services that may be required from time to time in relation to the Properties.

(h) Pay all taxes, special assessments and other assessments and charges which are or would become a lien on any portion of the Common Area.

(i) Delegate its duties and powers hereunder to the officers of the Association or to committees established by the Board, subject to the limitations expressed in section 1 of article X hereof.

(j) Levy and collect Assessments from the Members of the Association in accordance with the Declaration.

(k) Perform all acts required of the Board under the Declaration.

(l) Prepare budgets and maintain 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, and at no greater than annual intervals prepare an annual financial report, a copy of which shall be delivered to each Member as provided in article XII, section 5 hereof.

(m) Appoint a nominating committee for the nomination of persons to be elected to the Board, and prescribe rules under which said nominating committee is to act, all as more particularly described in article VII, section 4 hereof.

(n) Appoint such other committees as it deems necessary from time to time in connection with the affairs of the Association in accordance with article X hereof.

(o) Fill vacancies on the Board of Directors or in any committee, except for a vacancy created by the removal of a Board member.

(p) Open bank accounts on behalf of the Association and designate the signatories to such bank accounts.

(q) Bring and defend actions on behalf of the Members in common or the Association to protect the interests of the Members or the Association, as such, so long as the action is pertinent to the operations of the Association, and assess the Members for the cost of such litigation.

(r) Enter Lots as necessary, subject to the notice requirements of the Declaration, in connection with construction, maintenance or emergency repairs for the benefit of the Common Area or the Owners in common.

Section 2. Limitations on Powers. Without the vote or written assent of a majority of the Voting Power of the Association, the Board of Directors shall not take any of the following actions:

(a) Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of 5 percent of the budgeted gross expenses of the Association for that fiscal year; provided, however, that this limitation shall not apply to the expenditure of any funds accumulated in a reserve fund for capital replacement or new capital improvements so long as the expenditure is for the purpose for which the fund was established.

(b) Sell during any fiscal year property of the Association having an aggregate fair market value greater than 5 percent of the budgeted gross expenses of the Association for that year; provided however, that this limitation shall not apply to the sale or other disposition of Lots acquired by the Association in foreclosure proceedings.

(c) Pay compensation to members of the Board of Directors or officers of the Association; provided that directors and officers can be reimbursed for reasonable out-of-pocket expenses, verified in writing, incurred in the discharge of their duties.

(d) Fill any vacancy on the Board of Directors created by the removal of a director by action of the Members.

ARTICLE X Committees

The Board shall appoint such committees as it deems necessary to accomplish the tasks to be done. All committees are voluntary work parties.

ARTICLE XI Officers

Section 1. Officers. The officers of the Association shall be a president, a vice president, a secretary and a chief financial officer. The Association may also have, at the discretion of the Board, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of section 3 following. Any person may hold two or more offices, except that neither the secretary nor the chief financial officer may serve concurrently as president.

Section 2. Election of Officers. The officers of the Association, except such officers as may be appointed in accordance with the provisions of sections 3 and 5 following, shall be chosen annually by majority vote of the Board at its first regular meeting following the annual meeting of the Members or the election of directors, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

Section 3. Subordinate Officers. The Board may appoint, and may empower the president to 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 are provided in the Bylaws and as the Board may from time to time determine.

Section 4. Removal of Officers. Any officer may be removed, either with or without cause, by the Board at any regular or special meeting.

Section 5. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the president or to the secretary. Any such resignation shall take effect at the date of the 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. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 7. President. The president shall be elected by the Board from among the directors. He or she shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. He or she shall preside at all meetings of the Board, and shall have the general power and duties of management usually vested in the office of president of a corporation, together with such other powers and duties as may be prescribed by the Board or the Bylaws.

Section 8. Vice President. The vice president shall be elected by the Board from among the directors. In the absence or disability of the president, the vice president shall perform all the duties of the president and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. He or she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or the Bylaws.

Section 9. Secretary. The secretary shall be elected by the Board. The secretary shall keep or cause to be kept at the principal office or such other place as the Board may order, a book of minutes of all meetings of directors and Members, with the time and place of holding same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of Members present at Members' meetings, and the proceedings thereof. The secretary shall keep, or cause to be kept, appropriate current records showing the Members of the Association, together with their addresses. He or she shall give, or cause to be given, notice of all meetings of the Board required by the Bylaws or by law to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board or by the Bylaws.

Section 10. Chief Financial Officer. The chief financial officer shall be elected by the Board. The chief financial officer, who shall be known as the treasurer, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books and records shall at all reasonable times be open to inspection by any director or Member. The treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He or she shall disburse the funds of the Association as may be ordered by the Board, shall render to the president and directors whenever they request it, an account of all of his or her transactions as treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws. If required by the Board, the treasurer shall give the Association a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his or her office and for restoration to the Association of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

ARTICLE XII

Member Assessment Obligations and Association Finances

Section 1. Description of Assessments to Which Owners Are Subject. Owners of Lots within the Properties are subject to Regular, Special and Special Individual Assessments as more particularly described in article IV of the Declaration.

Section 2. Checks. All checks or demands for money and notes of the Association shall be signed by the president or treasurer, or by such other officer or officers or such other person or persons as the Board of Directors may from time to time designate. Notwithstanding the foregoing, any withdrawal of funds from Association reserve accounts shall require the signature of two directors.

Section 3. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all Regular and Special Assessments as fixed and determined for all Members. Disbursements from such account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance, and other operating expenses of the Properties.

Section 4. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes, including reserve accounts for replacement of capital improvements as more particularly set forth in article IV of the Declaration. All Association books of account shall be maintained in accordance with generally accepted accounting principles.

Section 5. Budgets and Financial Statements. The following financial statements and related information for the Association shall be regularly prepared and copies thereof shall be distributed to each Member of the Association:

(a) **Budget.** A pro forma operating budget meeting the requirements of this subparagraph (a) shall be distributed to Members not less than 45 days nor more than 60 days prior to the beginning of the fiscal year. The budget shall include at least the following information:

(i) The Association's estimated revenue and expenses on an accrual basis;

(ii) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to section 7, below, and Civil Code section 1365.5, which shall be printed in bold type and include all of the following:

(A) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the Properties which the Association is obligated to repair, replace, restore or maintain (collectively "Association Capital Projects");

(B) As of the end of the fiscal year for which the reserve study is prepared, the current estimate of the amount of cash reserves necessary for Association Capital Projects and the current amount of accumulated cash reserves actually set aside for Association Capital Projects.

(C) The percentage that the amount of accumulated cash reserves is of the estimated amount of necessary cash reserves calculated under subparagraph (B), above.

(iii) A statement as to whether the Board of Directors has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major component or to provide adequate reserves therefor; and

(iv) A general statement setting forth the procedures used by the Board of Directors in calculating and establishing reserves to defray the future costs of repair, replacement or additions to major components of the Properties which the Association is obligated to maintain.

In lieu of distributing the complete pro forma operating budget as specified above, the Board of Directors may elect to distribute a summary of the budget to the Members (within the time limits provided above), together with a notice that the complete budget is available at the Association's principal office and that copies will be furnished, upon request, to any Member at the Association's expense. This notice shall be presented on the front page of the budget summary in at least 10-point bold type. If a Member requests a copy of the complete budget, the Association shall mail the material, via first class mail, within five days.

(b) Year-End Report. Within 120 days after the close of the fiscal year, a copy of the Association's year-end report consisting of at least the following shall be distributed to Members:

(i) A balance sheet as of the end of the fiscal year;

(ii) An operating (income) statement for the fiscal year;

(iii) A statement of changes in financial position for the fiscal year;

(iv) A statement advising Members of the place where the names and addresses of the current Members are located; and

(v) Any information required to be reported under section 8322 of the Corporations Code requiring the disclosure of certain transactions in excess of \$50,000 per year between the Association and any director or officer of the Association and indemnifications and advances to officers or directors in excess of \$10,000 per year.

The annual report shall be prepared in accordance with generally accepted accounting principles by a licensee of the State Board of Accountancy for any fiscal year in which the gross income of the Association exceeds \$75,000. If the annual report is not prepared by such a licensee, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared without an audit from the books and records of the Association.

(c) Annual Statement Regarding Delinquency/Foreclosure Policy. In addition to financial statements, the Board of Directors shall annually distribute, within 60 days prior to the beginning of the fiscal year, a statement describing the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of Regular and Special Assessments including the recording and foreclosing of liens against Members' Lots.

(d) Review of Accounts. On no less than a quarterly basis, the Board of Directors shall:

(i) Review a current reconciliation of the Association's operating accounts;

- (ii) Review a current reconciliation of the Association's reserve accounts;
- (iii) Review the current year's actual reserve revenues and expenses compared to the current year's budget;
- (iv) Review the Association's latest account statements prepared by the financial institution(s) with whom the operating and reserve accounts are lodged; and
- (v) Review the Association's income and expense statement for the operating and reserve accounts.

Section 6. Required Reserve Studies. At least once every three years, the Board shall cause a study of the reserve account requirements of the Properties to be conducted if the current replacement value of the major components which the Association is obligated to repair, replace, restore or maintain is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board shall also review any reserve study required hereunder on an annual basis and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review. The reserve study required hereunder shall include the minimum requirements specified in Civil Code section 1365.5 or comparable successor statute.

To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.

Section 7. ADR Disclosure. On an annual basis, the Board shall provide each member a summary of the provisions of Civil Code section 1354, which specifically references section 1354 and which includes the language required by section 1354(i). The summary shall be provided either at the time the budget required by section 5(a) of this article is distributed or in the manner specified in Corporations Code section 5016.

ARTICLE XIII Miscellaneous

Section 1. Inspection of Books and Records.

(a) **Member Inspection Rights.** All accounting books and records, minutes of proceedings of the Members, the Board and committees of the Board and the membership list of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member or his or her duly appointed representative at the offices of the Association for any purpose reasonably related to the Member's interest as such. Member's rights of inspection hereunder shall be exercisable on 10 days' prior written demand on the Association, which demand shall state the purpose for which the inspection rights are requested. Inspection rights with respect to the membership list shall be subject to the Association's right to offer a reasonable alternative to inspection within 10 days after receiving the Member's written demand (as more particularly set forth in section 8330 and following of the California Corporations Code).

(b) **Director Inspection Rights.** Every director shall have an absolute right at any reasonable time to inspect all books, records, documents and minutes of the Association and the physical properties owned by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

(c) Adoption of Reasonable Inspection Rules. The Board of Directors may establish reasonable rules with respect to: (i) notice of inspection; (ii) hours and days of the week when inspection may be made; and (iii) payment of the cost of reproducing copies of documents requested by the Member.

(d) Board Meeting Minutes. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors, other than an executive session, shall be available to the Members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member upon request and upon reimbursement of the Association's costs in making that distribution. Members shall be notified in writing at the time that the pro forma budget required by section 5 of article XII is distributed or at the time of any general mailing to the entire membership of the Members' right to have copies of the minutes of any Board meeting and how and where those minutes may be obtained.

Section 2. Robert's Rules of Order. In the event of a question or dispute concerning the procedural aspects of any meetings which cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

Section 3. Amendment or Repeal of Bylaws. Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the affirmative vote or assent by written ballot of a majority of the Members; provided that if any provision of these Bylaws requires the vote of a larger proportion or all of the Members, such provisions may not be altered, amended or repealed except by such greater vote, unless otherwise specifically provided herein. Any amendment to these Bylaws shall become effective immediately upon approval by the Members. The secretary of the Association shall certify adoption of any duly approved amendment to the Bylaws and a copy of said certificate and the amendment shall be included in the Association's corporate records.

Section 4. Notice Requirements. Any notice or other document 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 72 hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association or the Board of Directors at the principal office of the Association as designated from time to time by written notice to the Members; if to a director, at the address from time to time given by such director to the secretary for the purpose of service of such notice; if to a Member, at the address from time to time given by such Member to the secretary for the purpose of service of such notice, or, if no such address has been so given, to the address of any Lot within the Properties owned by such Member.

Section 5. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular. All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, secretary of the corporation known as Amador Pines Landowners Association, hereby certifies that the above and foregoing Restated Bylaws, consisting of 22 pages, were duly adopted by written ballot of the Members of the Association on February 10, 1995, and that they now constitute the Bylaws.

AMADOR PINES LANDOWNERS OF
UNITS 2 AND 5, INC., a California
nonprofit mutual benefit corporation

By *Druty H. Haskit*
(Secretary)