

AMENDED BYLAWS

1094

OF

CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located in the County of Alameda, State of California. The Board of Directors shall have full power and authority to change the principal office from one location to another within the county or outside the county if reasonably necessary. Any change shall be noted by the Secretary opposite this Article, but shall not be considered an amendment of these Bylaws.

ARTICLE II

DEFINITIONS

Section 2.1 Articles. The term "Articles" shall mean the Articles of Incorporation of CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

Section 2.2 Association. The term "Association" shall mean CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2.3 Board of Directors. The term "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 2.4 Common Area. The term "Common Area" shall mean all real property owned in common by the Members for the common use and enjoyment of the Owners, with the exception of the individual Units.

Section 2.5 Declaration. The term "Declaration" shall mean the Amended Declaration of Covenants, Conditions and Restrictions of CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION, recorded in the Office of the County Recorder of Alameda County, California, on April 28, 1994 as Instrument No. 94-166675, and any amendments or amended declarations thereto recorded subsequently.

Section 2.6 Development. The term "Development" shall mean all that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.7. Governing Documents. The term "Governing Documents" shall mean the Articles, Bylaws, Declaration and Rules of CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION.

Section 2.8. Member. The term "Member" shall mean each person or entity who is a record Owner of a fee or undivided fee interest in any Unit within the Development, except any such person or entity who holds an interest in a Unit merely as security for the performance of an obligation.

Section 2.9. Owner. The term "Owner" shall mean the record owner, whether one or more persons or entities, of any Condominium which is a part of the Development, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.10. Rules. The term "Rules" shall mean the rules and regulations governing the use, occupancy and management of the Development or any part thereof as adopted and published by the Board of Directors from time to time.

Section 2.11. Unit. The term "Unit" shall mean the elements of a Condominium that are not owned in common with other Owners, as more particularly set forth in the Declaration.

### ARTICLE III

#### MEMBERSHIP AND VOTING

Section 3.1. Membership. Membership in the Association shall include, and shall be limited to, all Owners of record of any Condominium located within the Development.

Section 3.2. Voting. Members shall be entitled to cast one (1) vote for each Condominium owned, as more particularly set forth in the Declaration.

Section 3.3. Suspension of Membership. A Member's voting rights and/or right to use the recreational facilities may be suspended as provided for in Article VIII, Section 8.1(B) herein.

### ARTICLE IV

#### MEETING OF MEMBERS

Section 4.1. Annual Meetings. The annual meeting of the Members shall be held on the first Tuesday of June of each year, at such time and place as shall be designated by the Board of Directors, upon proper written notice to all of the Members. If the day designated for the annual meeting of the Members falls on a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday.

Section 4.2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors or upon the written request of Members entitled to cast at least five percent (5%) of the total voting power of the membership.

Section 4.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 but not more than 90 days before such meeting, to each Member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4.4. Quorum. The presence at any meeting, in person or by proxy, of Members entitled to cast more than fifty percent (50%) of the votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting to a date not less than five (5) nor more than thirty (30) days from the date of the adjourned meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such continued meeting, a quorum shall exist if Members entitled to cast more than twenty-five percent (25%) of the votes of the membership are present in person or by proxy.

Section 4.5. Majority of Members. If a quorum is present, the affirmative vote of the majority of the Members present in person or by proxy at the meeting, entitled to vote and voting on any matter (except election of directors) shall be the act of the Members, unless the vote of a greater number is required by law or elsewhere in the Bylaws, Declaration or Articles.

Section 4.6. Proxies:

- A. Every Member entitled to vote may do so either in person or by one or more agents authorized by a written proxy signed by the Member and filed with the Secretary of the Association. Any proxy shall be for a term not to exceed eleven (11) months from the date of execution. Any proxy issued hereunder shall be revocable at any time, by: (1) delivery to the Secretary of a written notice of revocation; (2) a subsequent proxy executed by the Member and presented to the meeting; or (3) as to any meeting, by attendance at such meeting and voting in person by the Member executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmarks contained on the envelopes in which they are mailed. A proxy shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of the Member issuing the proxy, or upon termination of such Member's status as an Owner of a Unit. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise stated on the proxy. In no event shall a proxy be effective after three (3) years from the date of filing of the proxy.

B. Any proxy given with respect to any of the matters described in this subparagraph B shall be valid only if the proxy sets forth the general nature of the matter to be voted on. The matters subject to this requirement are:

- (1) Removal of directors;
- (2) Filling of vacancies on the Board;
- (3) Action to amend the Bylaws of the Association, to repeal, restrict or expand proxy rights;
- (4) Action to amend the Declaration;
- (5) Sale, lease, exchange, transfer or other disposition of all or substantially all of the Association's assets otherwise than in the regular course of the Association's activities;
- (6) Merger of the Association or amendment of an agreement of merger; or
- (7) Voluntary dissolution.

Section 4.7. Action Without a Meeting:

- A. Any action, other than the election of Directors, which may be taken at a regular or special meeting, may be taken without a meeting, if the Association distributes a written ballot to every Member entitled to vote. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association, which shall be a date not earlier than thirty (30) days after distribution of the written ballot to the Members;
- B. Approval by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot; and
- C. The ballot solicitation shall identify the number of responses needed to meet the quorum requirement and the percentage of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.

Section 4.8. Waiver of Notice or Consent by Absent Members:

- A. The transactions of any meeting of Members, either annual or special, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each Member entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of Members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 4.6B herein, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting;
- B. Attendance by a Member at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting which matters are required to be described therein pursuant to Section 4.6B, if that objection is expressly made at the meeting.

Section 4.9. Procedure at Meetings. Meeting of Members of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedure as the Association may adopt.

ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 5.1. Number. The affairs of this Association shall be managed by a Board of five (5) Directors, who shall be Members of the Association.

Section 5.2. Election and Term of Office. At each annual meeting of the Association, the Members shall elect Directors for terms of two (2) years each. Two (2) Directors shall be elected in odd numbered years and three (3) Directors shall be elected in even numbered years. A Director or Directors may be elected for a one year term at the first Member Meeting following adoption of these amended Bylaws. At all elections of Directors, cumulative voting shall be permitted, subject to the procedural prerequisites set forth in Section 7615(b) of the California Corporations Code. Each Director shall serve until the expiration of his or her term and thereafter until a successor is elected, or until the earlier death, resignation, or removal of a Director by the Members.

Section 5.3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association; provided, however, that no Director may be removed prior to expiration of his or her term (unless the entire Board is removed) when the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such Director, if voted cumulatively at an election at which the same total number of votes were cast (or, if such action is taken by written ballot, all memberships entitled to vote were voted), and the entire number of Directors authorized at the time of the affected Director's most recent election were then being elected. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

Section 5.4. Vacancies. A vacancy shall exist in the Board of Directors in the event of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Members fail to elect the full authorized number of Directors. The Board of Directors shall have the right to declare an office of a Director vacant if the Director (a) is found to be of unsound mind by a final order of a Court, (b) is convicted of a felony, or (c) fails to accept such office, either in writing or by attending a meeting as a Director within sixty (60) days after notice of election, or (d) is absent from three (3) consecutive Board meetings.

Section 5.5. Filling Vacancies. Any vacancy occurring on the Board of Directors may be filled by a vote of the majority of the remaining Directors, though they are less than a quorum of the Board, or by a sole remaining Director. A Director so chosen shall serve until the next annual meeting and election of his or her successor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

Section 5.6. Resignation. Any Director may resign as Director, which resignation shall be effective upon giving written notice to the President, the Secretary, or the Board, 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 or the Members may elect a successor to take office when the resignation becomes effective.

Section 5.7. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for reasonable out-of-pocket expenses incurred in the performance of such Director's duties.

Section 5.8. Indemnification. The Association shall indemnify any present or former Director, officer, employee or other agent of the Association to the fullest extent authorized under California Corporations Code section 7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was entitled to indemnification under this provision.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

Section 6.1. Nomination. Prior to election of the Board of Directors, the Board shall request nominations for election from the full Membership. Nominations may also be made from the floor at the annual meeting. Such nominations shall be made from among Members. Nominees shall be notified of the upcoming election at least thirty (30) days before the date of the election of Directors.

Section 6.2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted.

## ARTICLE VII

### MEETINGS OF DIRECTORS

Section 7.1. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten days of the election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 7.2. Regular Meetings. Regular meetings of the Board of Directors shall be held at least four times during each fiscal year, at a place within the Development, at a day and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. In the event the Board should determine that the business to be transacted by the Board does not reasonably justify monthly meetings, then regular meetings of the Board shall be held at such intervals as the Board may determine, but not less frequently than quarterly.

Section 7.3. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President, Vice-President, or Secretary of the Association, or by any two (2) Directors, other than the President.

Section 7.4. Notice. Written notice of the time and place of each meeting of the Board of Directors, setting forth any special business to be considered, shall be posted at a prominent place or places within the Common Area not less than four (4) days prior to a regular meeting and not less than forty-eight (48) hours prior to a special meeting. Prior to a special meeting notice shall be given to Members of the Board of Directors not less than four (4) days in advance, if mailed by first-class mail, or not less than forty-eight (48) hours in advance if delivered personally or by telephone or by telegraph; provided however that notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to

holding of the meeting. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted.

Section 7.5. Open Meetings. Regular and Special meetings of the Board of Directors shall be open to all Members of the Association; provided however, that Association Members who are not Directors may not participate in any deliberation, discussion or vote, unless expressly so authorized by the vote of a majority of a quorum of the Board of Directors. The Board of Directors may, with the approval of a majority of a quorum of the Directors, adjourn a meeting and reconvene in executive session not in the presence of the Members to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 7.6. Action Taken Without a Meeting. The Directors shall have the right to take any action without a meeting which they could take at a meeting, if the written approval of all of the Directors of such action is obtained. Such action may also be by telephonic conference, provided that each Director can hear all of the other Directors. Any action so approved shall have the same effect as though taken at a duly-called and noticed meeting of the Directors. Any action taken pursuant to the approval of a majority of the Directors shall be as valid as though taken at a meeting duly held after regular call and notice if, either before or after the action, each Director signs a written waiver of notice, approval of minutes of a meeting, or consent to the action so taken. All such waivers, approvals and consents shall be filed with the official records and minutes of the proceedings of the Board, and an explanation of the action taken shall be posted in a prominent place in the Common Area within three (3) days of the action.

Section 7.7. Quorum. Three (3) Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 7.8. 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 twenty-four (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.

Section 7.9. Minutes. The Minutes, draft Minutes or summary of the Minutes of any Board of Directors meeting, other than an executive session, shall be available to Members within thirty (30) days of the meeting.

## ARTICLE VIII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1. Powers. The Board of Directors shall have the power to:



- A. Adoption of Rules. Adopt, publish and enforce rules and regulations, as more particularly set forth in the Declaration, governing the use and management of the Development, the use of the Common Area and facilities thereon, and the personal conduct of the Members, their tenants, family members and guests;
- B. Enforcement (Notice of Hearing). Enforce these Bylaws and/or the Declaration; establish penalties for the infraction of the Articles, Bylaws, Declaration or Rules, not to exceed a maximum of \$50.00 per infraction; suspend a Member's right to use of the recreational facilities during any period in which such Member shall be in default in the payment of any assessment levied by the Association, and/or suspend a Member's voting rights and right to use of the recreational facilities for a period not to exceed thirty (30) days for any infraction of the Articles, Bylaws, Declaration or Rules; provided, however, that such monetary penalty or suspension shall be effective only after written notice to the affected Member has been given at least fifteen (15) days prior to the effective date of such penalty or suspension if personally delivered, or twenty (20) days if mailed by first-class mail. Such notice shall state the reasons for the penalty or suspension and shall provide the opportunity for a hearing before the Board of Directors, such hearing to be held at least five (5) days before the effective date of the penalty or suspension;
- C. Exercise all Powers. Exercise for the Association all powers, duties and authority vested in, or delegated to, this Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- D. Vacancy. Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- E. Managers, Consultants. Employ property managers, independent contractors, consultants and such employees as the Board deems necessary, and to prescribe the duties of the same;
- F. Maintenance. Enter any Unit, when necessary, in connection with maintenance, repair, or replacement for which the Association is responsible; provided that the Board shall provide the Unit Owner with reasonable prior notice, except in the case of a bona fide emergency;
- G. Assessments, Liens and Fines. Levy and collect assessments and impose fines as prescribed in the Declaration;

H. Contracts. The Board of Directors may, by resolution, authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association by any contract or agreement, or to pledge the credit of the Association, or to render the Association liable for any purpose or on any account. No contract with any person or entity to supply or furnish the Association with goods or services shall be for a term in excess of one (1) year, except upon the prior affirmative vote or written consent of a majority of the Members; provided, however, that the foregoing shall not apply to the following contracts:

- 1) A contract with a public utility company, if the rates charged for the materials or services to be furnished are regulated by the California Public Utilities Commission, the term of which contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;
- 2) Prepaid casualty and/or liability insurance policies for terms not to exceed three (3) years, which policy or policies shall permit short rate cancellation by the insured;
- 3) Lease agreements for laundry room fixtures or equipment for terms not to exceed five (5) years;
- 4) Contracts for cable television services or equipment, or satellite dish television services or equipment, for terms not to exceed five (5) years;
- 5) Contracts for the purchase or lease of burglar or fire alarm equipment, installation or services for terms not to exceed five (5) years; or
- 6) Management contracts for terms not to exceed three (3) years, which contracts contain provisions to terminate the contract without cause on thirty (30) days notice.

I. Sign Checks. Sign or co-sign all checks, promissory notes and security instruments of the Association as provided for in Section 11.2. Two signatures are required on all checks.

J. Delegation. Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate to the manager its authority to do any of the following:

- 1) To make expenditures for capital additions or improvements chargeable against the reserve funds;
- 2) To conduct hearings concerning compliance with the Declaration, Articles or Rules by an Owner or by such Owner's tenants, guests, family members or invitees;
- 3) To make a decision to levy monetary fines, impose special assessments against individual Units, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing;
- 4) To make a decision to levy regular or special assessments;  
or
- 5) To make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of assessments.

The Board may delegate to a manager any of its other duties, powers or functions. Any such delegation shall be revocable by the Board at any time. Any such manager may be either a person or a firm.

The Members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board;

- K. Use of Recreational Facilities. Limit the number of an Owner's guests who may use the recreational facilities and to charge reasonable admission or other fees for use of the same;
- L. Appointment of Trustee. Appoint a trustee to enforce assessment liens by power of sale as provided in the Declaration and in California Civil Code section 1367(b);
- M. Sell Association Property. Sell, transfer and convey the property of the Association, except that: (i) approval by vote or written consent of a majority of the Members shall be required when the sale, transfer or conveyance of any property exceeds in fair market value five percent (5%) of the budgeted gross expenses of the Association for the fiscal year or when the aggregate of all property sold in any fiscal year of the Association exceeds in fair market value five percent (5%) of the budgeted gross expenses of the Association for the fiscal year; and

- N. Other Powers. In addition to any other power contained herein, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in California Corporations Code section 7140.

Section 8.2. Duties. It shall be the duty of the Board of Directors, and the Board shall have the power, to:

- A. Records. Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- B. Financial Documents. Distribute budgets and financial statements annually to the Members as provided in the Declaration and by law;
- C. Procedures for Discipline. Deliver to the Members annually a copy of the procedures applicable to the imposition of monetary penalties and the suspension of a Member's rights and a copy of a statement of the policies and practices of the Association in enforcing lien rights and other legal remedies for default in the payment of assessments;
- D. Supervision. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- E. Assessments. To fix, levy, collect and enforce assessments as more fully set forth in the Declaration, and in particular to:
- 1) Fix the amount of the annual assessment against each Unit at least forty-five (45) days in advance of each annual assessment period;
  - 2) Send written notices of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
  - 3) Foreclose the lien against any Unit for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay the same; and
  - 4) Issue, or cause to be issued, upon demand by any proper person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge shall be made by the Board for the issuance of such certificate. If

a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment.

- F. Insurance. Procure and maintain adequate fire, liability and hazard insurance on property owned by the Association, as more fully set forth in the Declaration;
- G. Obtain Bonding. Cause all officers or employees having fiscal responsibilities to be bonded, in such sums and with such sureties as the Board shall determine. Bond premiums shall be paid by the Association;
- H. Maintenance. Cause the Common Area to be maintained, as provided in the Declaration;
- I. Utilities. Procure and pay for utilities for the Common Area;
- J. Taxes. Pay the property taxes assessed against the Common Area, if any, and pay any other taxes and/or assessments which are the obligation of the Association;
- K. Expenses. Pay expenses on behalf of the Association and, subject to the provisions of section 8.1(H) herein, contract for goods services necessary for the Association to carry out its duties; provided, however, that expenditures in the aggregate for capital improvements to the Common Area in any fiscal year shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, unless such contract or expenditures are approved by the vote or written consent of a majority of the Members present at a duly held meeting at which a quorum is present; and
- L. Other Duties. Perform all other duties and acts required by the Declaration, the Articles or these Bylaws.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

Section 9.1. Officers. The officers of the Association shall be a President, a Vice-President, Secretary and a Chief Financial Officer, who shall all be members of the Board of Directors, and such other officers as the Board of Directors may, from time to time, by resolution create.

Section 9.2. Election of Officers. The election of officers shall take place at the organizational meeting of the Board of Directors following each annual meeting of the Members.

Section 9.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he or she shall sooner resign, or shall be removed, or shall otherwise be disqualified to serve.

Section 9.4. Other Officers. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 9.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, to the President or to the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 9.7. Multiple Offices. One person may hold two or more offices, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as President.

Section 9.8. Duties. The duties of the officers shall be as follows:

- A. President. The President shall be the Chief Executive Officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and other officers of the Association. He/she shall preside at all meetings of the Members and at all meetings of the Board of Directors, shall have the general powers and duties of management usually vested in the office of the President of a Board, and shall have such other powers and duties as may be prescribed by the Board of Directors and the Bylaws, subject, however, to any limitations contained in the Declaration;
- B. Vice-President. In the event of the President's absence, disability or refusal to act, the Vice-President shall perform all of the duties of the President, and when so acting, shall have all of the power of, and be subject to, all of the restrictions upon the President. The Vice-President shall have such other power and perform such other duties as, from time to time, may be prescribed by the Board of Directors or the Bylaws;
- C. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office, or such other place as the Board of Directors may order, of all meetings of Directors and Members, with the time and place of holding, 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 and

votes present or represented at Members' meetings, and all the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors required by the Bylaws or by law to be given, and shall keep the books, records and documents of the Association and the corporate seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws;

- D. Chief Financial Officer. The Chief Financial Officer shall receive and deposit in appropriate accounts, at such banks, savings and loan, associations or other federally insured depositories as the Board shall determine, all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; may sign all checks, promissory notes and security instruments of the Association; shall keep or cause to be kept proper books of account; shall cause an annual review of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members of the Association at its regular Annual Meeting; and
- E. Other Officers. Other officers shall perform such duties as may from time to time be assigned to them by the President, the Board, or the officer to whom he or she is subordinate.

Section 9.9. Compensation. No officer shall receive compensation for any service he or she may render to the Association. However, any officer may be reimbursed for reasonable out-of-pocket expenses incurred in the performance of such officer's duties.

Section 9.10. Contracts. Subject to the provisions of Section 8.1(H) herein, the Board of Directors may, by resolution, authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association by any contract or agreement, or to pledge the credit of the Association, or to render the Association liable for any purpose or on any account.

## ARTICLE X

### COMMITTEES

Section 10.1. Appointment by Board. The Board may appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board may appoint other committees as it deems appropriate in carrying out its purpose. Committees, and the members thereof, shall serve at the pleasure of the Board.

Section 10.2. Authority. Any committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

- A. Take any final action on matters which under California Law or the Governing Documents also require Members' approval or disapproval;
- B. Fill vacancies on the Board of Directors or on any committee;
- C. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- D. Appoint any other committees of the Board of Directors, or appoint members to these committees;
- E. Expend corporate funds to support a nominee for director; or
- F. Approve any transaction (i) to which the Association is a party and one or more Directors have a material financial interest therein; or (ii) between the Association and one or more of its Directors or between the Association or any person in which one or more of its Directors have a material financial interest.

Section 10.3. Meetings and Action of Committees. Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VII of these Bylaws concerning meetings of Directors, with such changes in the context of those provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the operation of any committee not inconsistent with the provisions of these Bylaws.

## ARTICLE XI

### BOOKS, RECORDS, FUNDS AND ASSESSMENTS

Section 11.1. Record Keeping. The books, records and papers of the Association shall, upon written request and during reasonable hours, be subject to inspection by any Member for any purpose reasonably related to a Member's interest as a Member of the Association. The Declaration, the Articles of Incorporation, the Bylaws and Rules of the Association shall be available for inspection by any Member, upon five (5) days written notice, at the principal office of the Association. Copies of said documents may be purchased at reasonable cost.

Section 11.2. Checks, Drafts and Evidences of Indebtedness. All checks, drafts or other orders for payment of money and promissory notes, security instruments or other evidences of indebtedness issued in the name of or payable to the Association, shall be signed



or endorsed by two officers of the Association, and in the manner as specified by the Board of Directors; provided, however, that the signatures of two Board members shall be required for the withdrawal of funds from the Association's reserve accounts.

Section 11.3. Funds and Deposits. Funds of the Association shall be deposited from time to time to the credit of the Association in such banks, savings and loan associations, or other federally insured depositories as the Board of Directors shall determine.

Section 11.4. Assessments. Owners of Units within the Development are subject to Regular and Special Assessments as more fully set forth in the Declaration.

## ARTICLE XII

### MISCELLANEOUS

Section 12.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June of each year, unless otherwise determined by resolution of the Board of Directors.

Section 12.2. Amendments. These Bylaws may be amended by the affirmative vote or written consent of a majority of a quorum of Members present or voting in person or by proxy at a duly noticed Members' meeting..

Section 12.3. 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 mailed on the day a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Association or the Board, such address as the Board shall designate from time to time; if to a Director, such address given by such Director to the Secretary for the purpose of service of such notice; if to a Member, such address given by such Member from time to time to the Secretary for the purpose of service of such notice, or, if no such address has been given, to the Unit within the Development owned by such Member.

Section 12.4. Corporate Seal. The Association shall have a corporate seal in circular form having within its circumference the words: CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION, a California nonprofit corporation, incorporated April 14, 1981.

Section 12.5. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 12.6. Construction. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions of California law governing nonprofit mutual benefit corporations shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the

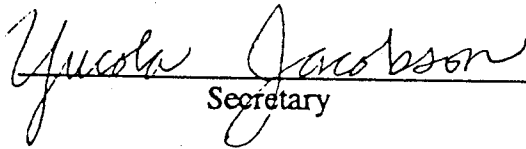
feminine and neuter, the singular number includes the plural, and the plural number includes the singular.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, and

That the within and foregoing Amended Bylaws of CASTILLEJA DEL ARROYO HOMEOWNERS ASSOCIATION were duly adopted on the 4<sup>th</sup> day of April, 1994, by the requisite consent of Members of the Association under the authority of Article XI, section 3 of the Bylaws, and that the within and foregoing do now constitute the Amended Bylaws of said corporation.

  
Secretary