

**BY-LAWS  
OF  
ROSAMOND SKYPARK ASSOCIATION**

Updated Version  
As approved by vote of the Members at the General  
Membership Meeting held on January 16th, 2001

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3 **BY- LAWS**

4  
5 **OF**

6  
7 **ROSAMOND SKYPARK ASSOCIATION**

8  
9 **ARTICLE I**

10  
11 **PLAN OF OWNERSHIP**

12  
13 Section 1.01. Name.

14 The name of the corporation is Rosamond Skypark Association  
15 (the "Association"). The principal office of the Association  
16 shall be located in Kern County, California.

17  
18 Section 1.02. Application.

19 The provisions of these By-Laws are applicable to the planned  
20 unit development known as Rosamond Skypark, located in the  
21 unincorporated area of the County of Kern, State of California.  
22 All present and future Owners and their families, lessees,  
23 future lessees, invitees, customers, licensees, employees and  
24 any other person who might use the facilities of the Properties  
25 in any manner are subject to the regulations set forth in these  
26 By-Laws and in the Declaration of Covenants, Conditions and  
27 Restrictions for Rosamond Skypark (the "Declaration") recorded  
28 or to be recorded in the Office of the Kern County Recorder and  
29 applicable to the Properties. The mere acquisition or rental of  
30 any Lot in the properties or the mere act of use or occupancy of  
31 any Lot shall signify that these By-Laws are accepted, ratified  
32 and shall be complied with.

33  
34 Section 1.03. Meaning of Terms.

35 Unless otherwise expressly provided in these By-laws, the  
36 capitalized terms in these By-Laws shall have the same meanings  
37 as are applied to such terms in the Declaration .

1  
2 ARTICLE II

3  
4 MEMBERSHIP VOTING

5  
6 Section 2.01. Voting Rights.

7 (a) The Association shall have a single class of  
8 voting membership, which shall consist of all Owners.

9  
10 (b) All voting rights shall be subject to the  
11 restrictions and limitations provided in these By-Laws, the  
12 Articles of Incorporation and the Declaration.

13  
14 Section 2.02. Quorum.

15 Unless otherwise expressly provided in these By-Laws, the  
16 presence in person or by proxy of at least fifty-one percent of  
17 the voting power of the Members shall constitute a quorum of the  
18 Members. The Members present at a duly called or held meeting at  
19 which a quorum is present may continue to do business until  
20 adjournment, notwithstanding the withdrawal of enough Members to  
21 leave less than a quorum.

22  
23 Section 2.03. Proxies.

24 Votes may be cast in person or by proxy and all proxies must  
25 be in writing. Every proxy shall be revocable and shall  
26 automatically cease after completion of the meeting for which  
27 the proxy was filed. Only members of the Association may be  
28 designated as proxy-holders.

29

## ARTICLE III

## MEMBER MEETINGS AND ADMINISTRATION

## Section 3.01. Association Responsibilities.

In accordance with the provisions of the Declarations the Association shall have the responsibility of administering the Properties, approving the annual budget, establishing and collecting all assessments applicable to the Properties and arranging for overall architectural control of the Properties.

## Section 3.02. Place and Time of Meetings of Members.

Meetings of the Members shall be held on the Properties or such other suitable place as proximate thereto as practicable in Kern County, California and at a time which is convenient to the Members as may be designated by the Board. Unless unusual conditions exist, meetings of Members shall not be held outside of Kern County.

## Section 3.03. Regular Meetings of Members.

Regular meetings of the Members shall be held at least once each calendar year on or about the anniversary date of the first annual meeting. At each regular meeting there shall be elected by ballot of the Members a Board of Directors of the Association, in accordance with the requirements of Section 4.05. The Members may also transact such other business of the Association as may properly come before them. Each first mortgagee of a Lot in the Properties may designate a representative to attend all regular meetings of the Members.

## Section 3.04. Special Meetings of Members.

It shall be the duty of the Board to call a special meeting of the members, as directed by resolution of a majority of a quorum of the Board, or upon receipt by the Secretary of a petition signed by Members representing at least five percent of the total voting power of the Members. The notice of any special meeting shall be given within twenty days after adoption of such resolution or receipt of such petition and shall state the day, hour and place of such meeting and the purpose thereof. The special meeting shall be not less than thirty-five days nor more than ninety days after adoption of such resolution or receipt of such petition. No business shall be transacted at a special meeting except as stated in the notice. Each first Mortgagee of a Lot in the Properties may designate a representative to attend all special meetings of the Members.

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Section 3.05. Notice of Meetings to Members.

It shall be the duty of the Secretary to send a notice of each regular or special meeting by any means which is appropriate given the physical setup of the Properties, but unless deemed by the Board to be a hardship on the Association, by first-class mail at least ten but no more than ninety days prior to such meeting, stating the day, hour and place where it is to be held and in the case of a special meeting the purpose thereof, to each Member of record, and to each first mortgagee of a Lot which has filed a written request for notice with the Secretary. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section 3.05 shall be considered notice served forty-eight hours after said notice has been deposited in a regular depository of the United States mail. Such notice shall be posted in a conspicuous place on the Common Area, and such notice shall be deemed served upon a Member upon posting if no address for such Member has been then furnished the Secretary. The Board may fix a date in the future as a record date for the determination of the Members entitled to notice of and to vote at any meeting of Members. The record date so fixed shall be not less than ten days nor more than thirty days prior to the date of the meeting. Only Members who on the record date for notice of the meeting are entitled to vote thereat shall be entitled to notice of the meeting, notwithstanding any transfer of or issuance of membership certificates on the books of the Association after the record date.

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Section 3.06. Adjourned meetings.

If any meeting of members cannot be organized because a quorum is not present, a majority of the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than five days nor more than thirty days from the time the original meeting was called, but may not transact any other business. At the adjourned meeting the quorum requirement shall be the presence in person or by proxy of the Members holding at least twenty-five percent of the total voting power of the Members. If a time and place for such adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason such date is changed after adjournment, notice of the time and place of the adjourned meeting must be given in the manner prescribed in Section 3.05. If, however, such an adjourned meeting is actually attended in person or by proxy by Members having less than one-third of the voting power of the Members, notwithstanding the presence of a quorum, no matter may be voted upon except such matters notice of the general nature of which was given pursuant to Section 3 05.

Section 3.07. Order of Business.

The order of business at all meetings of the Members shall be as follows: (i) roll call to determine the voting power represented at the meeting, (ii) proof of notice of meeting or waiver of notice, (iii) reading of minutes of preceding meeting, (iv) reports of officers, (v) reports of committees, (vi) election of inspector of elections (at annual meetings or special meetings held for such purpose), (vii) election of Directors (at annual meetings or special meetings held for such purpose), (viii) unfinished business and (ix) new business. Meetings of Members shall be conducted by the officers of the Association in order of their priority.

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Section 3.08. Action Without Meeting.

Any action which may be taken at a regular or special meeting of the Members (except for the election of Directors where cumulative voting is a requirement) may be taken without a meeting by written ballot of the Members if done in compliance with the provisions of Corporations Code section 7513. Ballots shall be solicited in the same manner as provided in Section 3.05 for the giving of notice of meetings of Members. Such solicitations shall specify (i) the number of responses needed to meet the quorum requirements, (ii) the percentage of approvals necessary to approve the action and (iii) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to select a choice between approval and disapproval of each matter and shall provide that, where the Member specifies a choice, the vote shall be cast in accordance therewith. Receipt within the time period specified in the solicitation of a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting and a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast shall constitute approval by written ballot.

Section 3.09. Consent of Absentees.

The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had 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 of the Members not present in person or by proxy signs a written waiver of notice, a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 3.10. Minutes, Presumption of Notice.

Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

## ARTICLE IV

## BOARD OF DIRECTORS

## Section 4.01. Number and Qualification.

The affairs of the Association shall be governed and managed by a Board of Directors composed of five Persons, each of whom must be an Owner. The authorized number of Directors may be changed by a duly adopted amendment to the By-Laws. Directors and officers shall not receive any salary or compensation for their services as Directors and officers unless such compensation is approved by the vote or written assent of at least a majority of the voting power of each class of Members; provided, however, that (i) nothing herein contained shall be construed to preclude any Director from serving the Association in some other capacity and receiving compensation therefor and (ii) any director or officer may be reimbursed for his actual expenses incurred in the performance of his duties.

## Section 4.02. Powers and Duties.

The Board has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Members. The Board shall not enter into any contract with a third Person wherein such Person will furnish goods or services for the Common Area or Structural Maintenance Areas or for the Association for a term in excess of one year without the vote or written assent of a majority of the voting power of the Members, except for (i) any contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission and provided that the term of such contract shall not exceed the shortest term for which the supplier will contract at the regulated rate, (ii) a management contract the terms of which have been approved by the Veterans Administration or the Federal Housing Administration and (iii) prepaid casualty or liability insurance policies of less than three years' duration, provided that the policies permit short term cancellation by the Association.

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Section 4.03. Special Powers and Duties.

Without prejudice to the foregoing general powers and duties and such other powers and duties as are set forth in the Declaration, the Board is vested with and responsible for the following powers and duties:

(a) The power and duty to elect, select, appoint and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation, the Declaration and these By-Laws and to require from them security for faithful service when deemed advisable by the Board, and to fill vacancies on the Board, except for vacancies created by the removal of a Director, which shall be filled in accordance with Section 4.08; provided, however, that the payment of compensation to officers, agents, employees or members of the Association, except for the reimbursement of expenses incurred by them in carrying on the business of the Association, shall require the vote or written assent of a majority of the Members.

(h) The power and duty to conduct, manage and control the affairs and business of the Association and to make and enforce such rules and regulations therefor consistent with law, the Articles of Incorporation, the Declaration and these By-Laws as the Board may deem necessary or advisable.

(c) The power but not the duty to change the principal office for the transaction of the business of the Association from one location to another within the County of Kern, as provided in Article I, to designate any place within said County for the holding of any annual or special meeting of Members consistent with the provisions of Section 3.02 and to adopt and use a corporate seal and to alter the form of such seal from time to time as the Board in its sole judgment may deem best, provided that such seal shall at all times comply with the provisions of law.

(d) By vote or written assent of at least two-thirds of the voting power of the Members, the power but not the duty to borrow money and to incur indebtedness for the purposes of the Association and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

1  
2 (e) The power and duty to fix and levy from time to  
3 time Common Assessments and Special Assessments upon Members, as  
4 provided in the Declaration, to fix and levy from time to time  
5 in any fiscal year Capital Improvement Assessments and  
6 Reconstruction Assessments applicable to that year only for  
7 capital improvements or reconstruction and to determine and fix  
8 the due date for the payment of any such assessments and the  
9 date upon which the same shall become delinquent; provided,  
10 however, that whenever the aggregate Capital Improvement  
11 Assessments and Reconstruction Assessments in any fiscal year  
12 exceed five percent of the budgeted gross expenses of the  
13 Association for that fiscal year, such excess shall require the  
14 vote or written assent of a majority of the voting power of the  
15 Members provided further, however, that such assessments shall  
16 be fixed and levied only to provide for the payment of the  
17 Common Expenses of the Association and taxes and assessments  
18 upon real or personal property owned, leased, controlled or  
19 occupied by the Association, for the payment of expenses for  
20 labor rendered or materials or supplies used and consumed or  
21 equipment and appliances furnished for the maintenance,  
22 improvement or development of such property or for the payment  
23 of any and all obligations in relation thereto, or in performing  
24 or causing to be performed any of the purposes of the  
25 Association for the general benefit and welfare of its Members,  
26 in accordance with the provisions of the Declaration. The Board  
27 is hereby authorized to incur any and all such expenditures for  
28 any of the foregoing purposes and to provide, or cause to be  
29 provided, adequate reserves for replacements as it shall deem to  
30 be necessary or advisable in the interest of the Association or  
31 welfare of the Members. The funds collected by the Board from  
32 the members, attributable to replacement reserves, for  
33 maintenance costs which cannot normally be expected to occur on  
34 an annual basis and for capital improvements shall at all times  
35 be held in trust for the Members and shall not be commingled  
36 with other assessments collected from the Members. Disbursements  
37 from such trust reserve fund shall be made only in accordance  
38 with the provisions of the Declaration. Such Common Assessments,  
39 Reconstruction Assessments, Special Assessments and Capital  
40 Improvement Assessments shall be fixed in accordance with the  
41 provisions of the Declaration. Should any Member fail to pay  
42 such assessments before delinquency, the Board in its discretion  
43 is authorized to enforce the payment of such delinquent  
44 assessments as provided in the Declaration.

1           (f) The power and duty to enforce the provisions of  
2 the Declaration, the Articles of Incorporation, these By-Laws  
3 and other instruments or agreements of the Association or  
4 relating to the ownership, management and control of the  
5 Properties.

6  
7           (g) The power and duty to pay taxes and assessments  
8 which are, or could become, a lien upon the Common Area or  
9 Structural Maintenance Areas, or any part thereof.

10  
11           (h) The power and duty to contract for and pay for, as  
12 reasonably necessary, fire, casualty, blanket liability,  
13 malicious mischief, vandalism, errors and omissions, liquor  
14 liability and other insurance insuring the Members, the  
15 Association, the Board and other interested parties, in  
16 accordance with the provisions of the Declaration, covering and  
17 protecting against such damages or injuries as the Board deems  
18 advisable, which may include, without limitation, medical  
19 expenses of persons injured on the Common Area.

20  
21           (i) Subject to Section 4.02, the power and duty to  
22 contract for and pay for goods and services for the Common Area  
23 and the Structural Maintenance Areas, or any part thereof, and  
24 the facilities located thereon, for Lots only to the extent not  
25 separately metered or charged, and for the Association,  
26 including, without limitation, maintenance, legal, accounting,  
27 gardening and common utilities services, materials and supplies  
28 and other Common Expenses, to employ personnel necessary for the  
29 operation of the Properties, including legal and accounting  
30 services, and to contract for and pay for Improvements on the  
31 Common Area.

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33  
34           (j) The power but not the duty to delegate its powers  
35 to committees, officers or employees of the Association as  
36 authorized by the Declaration, the Articles of Incorporation and  
37 these By-Laws and according to law and to adopt these By-Laws.

38  
39           (k) The power but not the duty to grant easements  
40 where necessary for utility and other purposes over the Common  
41 Area for the benefit of the Members.

1  
2 (1) The power and duty to adopt such rules and  
3 regulations as the Board may deem necessary for the management  
4 of the Properties, which rules and regulations shall become  
5 effective and binding after (i) they are adopted by a majority  
6 of the Board at a meeting called for that purpose or by the  
7 written assent of such number of Directors attached to a copy of  
8 the rules and regulations of the Association and (ii) they are  
9 posted in a conspicuous place in the Common Area. Such rules  
10 and regulations may concern, without limitation, use of the  
11 Common Area, signs, collection and disposal of refuse, minimum  
12 standards of property maintenance consistent with the  
13 Declaration and the procedures of the Architectural Committee  
14 and any other matter within the jurisdiction of the Association  
15 as provided in the Declaration; provided, however, that such  
16 rules and regulations shall be enforceable only to the extent  
17 that they are consistent with the Declaration, the Articles of  
18 Incorporation and these By-Laws, and such rules and regulations  
19 may not be used to amend any of said documents.  
20

21 (m) The power and duty to keep, or cause to be kept, a  
22 complete record of all acts and corporate affairs of the  
23 Association and to present a statement thereof to the Members at  
24 the annual meeting of the Members and at any other time that  
25 such statement is requested by at least ten percent of the  
26 Members who are entitled to vote.  
27

28 (n) The power and duty to prepare, or cause to be  
29 prepared, budget and financial statements for the Association as  
30 required by the Declaration, the Articles of Incorporation and  
31 these By-Laws.  
32

33 (o) The power but not the duty to appoint a membership  
34 committee composed of at least one Director and at least one  
35 Member at large. The membership committee shall be responsible  
36 for contacting all purchasers of Lots in the Properties as soon  
37 as any transfer of title to a Lot is discovered. The membership  
38 committee shall further attempt to establish initial contact  
39 with all Members who are delinquent in the payment of any  
40 assessments or other charges due the Association.

1  
2           (p) The power but not the duty to sell property of the  
3 Association; provided, however, that the prior vote or written  
4 assent of a majority of the voting power of the Members must be  
5 obtained to sell during any fiscal year any property of the  
6 Association having an aggregate fair market value greater than  
7 five percent of the budgeted gross expenses of the Association  
8 for that fiscal year.

9  
10           (q) The power and duty to initiate and execute  
11 disciplinary proceedings against Members for violations of  
12 provisions of the Declaration, the Articles of Incorporation and  
13 these By-Laws in accordance with the procedures set forth  
14 therein.

15  
16           (r) The power and duty to enter upon any Lot as  
17 necessary for the construction, maintenance or emergency repair  
18 for the benefit of the Owners or the Common Area.

19  
20           Section 4.04. Management Agent. The Board may engage for  
21 the Association a professional management agent at a  
22 compensation established by the Board to perform such duties and  
23 services as the Board shall authorize. Such must provide for  
24 termination by either party for cause upon no more than thirty  
25 days' written notice, and without cause or payment of a  
26 termination fee, upon no more than ninety days' prior written  
27 notice.

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Section 4.05. Election and Term of Office.

Directors shall be elected by secret written ballot. At the first annual meeting of the Members, new Directors shall be elected by the Members as provided in these By-Laws, and all positions on the Board shall be filled at that election. In the event that an annual meeting is not held or the Board is not elected thereat, the Board may be elected at any special meeting of the Members held for that purpose. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. The term of office of each Director elected at the first annual meeting and the term of office of each Director elected to fill a vacancy created by the expiration of the term of office of the respective past Director shall be one year. The term of office of each Director elected to fill a vacancy created by the death, resignation, removal or judicial adjudication of mental incompetence of his predecessor shall be the balance of the unserved term of his predecessor. Any person serving as a Director may be re-elected, and there shall be no limitation on the number of terms during which he may serve. Subject to the last sentence in this Section 4.05(a), for any election in which more than two positions on the Board are to be filled, a Member may cumulate his votes as follows: each Member may cast a number of votes equal to the Member's share of the voting power as set forth in the Declaration, multiplied by the number of Directors to be elected. No Member shall be entitled to cumulate votes for a Director or Directors unless such Director's name or Directors' names have been placed in nomination prior to the voting and the Member has given notice at the meeting prior to the voting of the Member's intention to cumulate votes. If any one Member has given such notice, all Members may cumulate their votes for directors in nomination.

1 Section 4.06. Books and Audit.

2 (a) The Board shall cause to be regularly prepared,  
3 maintained and distributed to the Members as provided below a  
4 full set of books and records showing the financial condition of  
5 the affairs of the Association in a manner consistent with  
6 generally accepted accounting principles, regardless of the  
7 number of members or the amount of assets of the Association. A  
8 pro forma operating statement (budget) for each fiscal year  
9 consisting of at least the following information shall be  
10 distributed to the Members not less than forty-five days and not  
11 more than sixty days before the beginning of the fiscal year:

12 (i) estimated revenue and expenses on an accrual basis, (ii) the  
13 amount of the total cash reserves of the Association currently  
14 available for replacement and major repair of facilities on the  
15 Common Area and Structural Maintenance Areas and for  
16 contingencies, (iii) an itemized estimate of the remaining life  
17 of, and the methods of funding to defray the costs of repair,  
18 replacements or additions to major components of the Common Area  
19 and facilities thereon and Structural Maintenance Areas for  
20 which the Association is responsible, and (iv) a general  
21 statement setting forth the procedures used by the Board in the  
22 calculation and establishment of reserves to defray the costs of  
23 repair, replacements or additions to major components of the  
24 Common Area and the Structural Maintenance Areas for which the  
25 Association is responsible. Thereafter the Board shall prepare  
26 and distribute to each Member, and to any institutional first  
27 Mortgagee of a Lot in the Properties upon request, within one  
28 hundred twenty days after the close of the Association's fiscal  
29 year, an annual report containing the following information. (i)  
30 a balance sheet as of the end of the fiscal year, (ii) an  
31 operating (income) statement for the fiscal year, (iii)  
32 statement of changes in financial position for the fiscal year,  
33 (iv) any information required to be reported under Corporations  
34 Code section 8322 and (v) for any fiscal year in which the gross  
35 income to the association exceeds \$75,000, a copy of the review  
36 of the annual report prepared in accordance with generally  
37 accepted accounting principles by a licensee of the California  
38 State Board of Accountancy. In any fiscal year where such  
39 independent audit is not required the annual report shall  
40 include the certificate of an authorized officer of the  
41 Association that such statements were prepared from the books  
42 and records of the Association without independent audit or  
43 review. Each Owner of a Lot shall furnish a prospective  
44 purchaser with a copy of the most recent financial statements  
45 distributed to him in accordance with this Section 4.06(a).

1  
2 (b) All books, records and papers of the Association,  
3 including, without limitation, the membership register, books of  
4 account and minutes of the meetings of the Members, the Board  
5 and all committees of the Board shall be made available for  
6 inspection and copying by any Member or his duly appointed  
7 representative, at any reasonable time and for a purpose  
8 reasonably related to his interest as a Member, at the principal  
9 office of the Association or at such other place within the  
10 Properties as the Board may prescribe. The Board shall establish  
11 reasonable rules with respect to (i) notice to be given to the  
12 custodian of the records by the Member desiring to make the  
13 inspection, (ii) hours and days or the week when such an  
14 inspection may be made and (iii) payment of the cost of  
15 reproducing copies of documents requested by a Member. Every  
16 Director shall have the absolute right at any reasonable time to  
17 inspect all books, records and documents of the Association and  
18 the physical properties owned or controlled by the Association.  
19 The right of the inspection by a Director shall include the  
20 right to make extracts and copies of documents.

21  
22 Section 4.07. Vacancies.

23 Vacancies in the Board caused by any reason other than the  
24 removal of a Director by a vote of the Members of the  
25 Association shall be filled by vote of the majority of the  
26 remaining Directors, even though they may constitute less than a  
27 quorum, and each person so elected shall be a Director until a  
28 successor is elected at the next annual meeting of the Members  
29 or at a special meeting of the Members called for that purpose.  
30 A vacancy or vacancies shall be deemed to exist in the case of  
31 death, resignation, removal or judicial adjudication of mental  
32 incompetence of any Director or in case the members fail to  
33 elect the full number of authorized Directors at any meeting at  
34 which such election is to take place. Any vacancy not filled by  
35 the Directors may be filled by vote of the Members at a special  
36 meeting of the Members called for such purpose.

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Section 4.08. Removal of Directors.

At any regular or special meeting of the members duly called, any one or more of the Directors may be removed with or without cause by vote of a majority of the voting power of each class of Members and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. If more than one Director is to be removed at any one time, each member may accumulate his votes and vote for or against such removal of one or more of the Directors, exercising a number of votes equal to his share of the voting power as set forth in the Declaration, multiplied by the number of Directors sought to be removed. Where the entire Board is not removed at one time, no Director shall be removed at any meeting prior to the expiration of his term if the number of votes cast against his 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 votes entitled to be voted were cast) and the entire number of Directors authorized at the time of the Director's most recent election were then being elected. If any or all of the Directors are so removed at a meeting, new Directors may be elected at the same meeting.

Section 4.09. Organization Meeting of Board.

The first regular meeting of a newly elected Board shall be held within ten days of election of the Board at such place as shall be fixed and announced by the Board at the meeting at which such Directors were elected for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting; provided, however that (i) a majority of the whole Board shall be present when the time and place are announced at the membership meeting and (ii) the meeting is held on the same day and at the same place as the meeting of the Members at which the newly constituted Board was elected.

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Section 4.10. Regular Meetings of Board.

Regular meetings may be held at such time and place within the Properties as shall be determined from time to time by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meetings shall be held no less frequently than quarterly; provided further, however, that the place of such meetings shall ordinarily be within the Properties unless in the judgment of the Board a larger meeting room is required than exists within the properties, in which case the meeting room selected shall be as close as practicable to the Properties. Notice of the time and place of regular meetings of the Board shall be given to each Director personally or by mail, telephone or telegraph at least four days prior to the date named for such meeting and shall be posted at a prominent place or places within the Common Area. Regular meetings of the Board shall be open to all Members, provided that members who are not Directors may not participate in any deliberation or discussion at such regular meetings unless expressly so authorized by a vote of a majority of a quorum of the Board.

Section 4.11. Special Meetings of Board.

Special meetings may be called by the President or by any two Directors other than the President. At least seventy-two hours' notice shall be given to each Director personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and the purpose of the meeting, and shall be posted at a prominent place or places within the Common Area. If served by mail, each such notice shall be sent, postage prepaid, to the address of each Director reflected on the records of the Association and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director, as required by law and as provided herein. Special meetings of the Board shall be open to all members, provided that Members who are not Directors may not participate in any deliberation or discussion at such special meetings unless expressly so authorized by a vote of a majority of a quorum of the Board.

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Section 4.12. Waiver of Notice.

Before or at any meeting of the Board of Directors, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall be a waiver by him of personal notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if (i) a quorum be present, (ii) notice to the Members of such meeting was posted as provided in Section 4.10 or Section 4.11, as the case may be, and (iii) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 4.13. Action Without Meeting.

The Board shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors, and such consents shall be filed with the records of the Association. An explanation of the action so approved shall be posted at a prominent place or places within the Common Area within three days after the written consents of all Directors have been obtained.

Section 4.14. Quorum and Adjournment.

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

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2 (b) The Board of Directors may, with the approval of a  
3 majority of a quorum of the Directors, adjourn a meeting and  
4 reconvene in executive session to discuss and vote upon  
5 personnel matters, litigation in which the Association is or may  
6 become involved and orders of business of a similar nature. The  
7 nature of any and all business to be considered in executive  
8 session shall first be announced in open session.

9  
10 Section 4.15. Fidelity Bonds.

11 The Board may require that all officers and employees of the  
12 Association handling or responsible for Association funds shall  
13 furnish adequate fidelity bonds. The premiums on such bonds  
14 shall be paid by the Association.

15  
16 Section 4.16. Committees.

17 The Board, by resolution, may from time to time designate  
18 such committees as it shall desire and may establish the  
19 purposes and powers of each such committee created. The  
20 resolution designating and establishing the committee shall  
21 provide for the appointment of its members and a chairman, shall  
22 state the purposes of the committee and shall provide for  
23 reports, termination, and other administrative matters as deemed  
24 appropriate by the Board.

25  
26 ARTICLE V  
27 OFFICERS  
28

29 Section 5.01. Designation.

30 The principal officers of the Association shall be a  
31 President, Vice President, Secretary and Treasurer, all of whom  
32 shall be elected by the Board. The Board may appoint an  
33 Assistant Treasurer, Assistant Secretary and such other officers  
34 as in their judgment may be necessary. Officers other than the  
35 President need not be Directors. One Person may hold more than  
36 one office.

37  
38 Section 5.02. Election of Officers.

39 The officers of the Association shall be elected annually by  
40 the Board at the organization meeting of each new Board, and  
41 each officer shall hold his office at the pleasure of the Board  
42 until he shall resign, be removed, otherwise be disqualified to  
43 serve or until his successor shall be elected and qualified to  
44 serve.

45

1           Section 5.03. Removal of Officers.

2           Upon an affirmative vote of a majority of the Board, any  
3 officer may be removed, either with or without cause, and his  
4 successor elected at any regular meeting of the Board or at any  
5 special meeting of the Board called for such purpose. Any  
6 officer may resign at any time by giving written notice to the  
7 Board, to the President or to Secretary of the Association. Any  
8 such resignation shall take effect at the rate of receipt of  
9 such notice or at any later time specified therein, and unless  
10 otherwise specified in said notice, acceptance of such  
11 resignation by the Board shall not be necessary to make it  
12 effective.

13  
14           Section 5.04. Compensation.

15           Officers, agents and employees shall receive such reasonable  
16 compensation for their services as may be authorized or ratified  
17 by the Board; provided, however, that no officer shall receive  
18 any compensation for services performed in the conduct of the  
19 Association's business unless such compensation is approved by  
20 the vote or written assent of at least a majority of the voting  
21 power of the Members; and provided further, however, that (i)  
22 nothing herein contained shall be construed to preclude any  
23 officer from serving the Association in some other capacity and  
24 receiving compensation therefor and (ii) any officer may be  
25 reimbursed for his actual expenses incurred in the performance  
26 of his duties. Appointment of any officer, agent or employee  
27 shall not of itself create contractual rights of compensation  
28 for services performed by such officer, agent or employee.

29  
30           Section 5.05. President.

31           The President shall be the chief executive officer of the  
32 Association. He shall preside at all meetings of the Association  
33 and of the Board. He shall have all of the general powers and  
34 duties which are usually vested in the office of the President  
35 of an association, including, without limitation, the power,  
36 subject to the provisions of Section 4.16, to appoint committees  
37 from among the Members from time to time as he may in his  
38 discretion decide is appropriate to assist in the conduct of the  
39 affairs of the Association. The President shall, subject to the  
40 control of the Board, have general supervision, direction and  
41 control of the business of the Association. The President shall  
42 be ex officio a member of all standing committees, and he shall  
43 have such other powers and duties as may be prescribed by the  
44 Board or these By-Laws.

45

1 Section 5.06. Vice President.

2 The Vice President shall take the place of the President and  
3 perform his duties whenever the President shall be absent or  
4 disabled or whenever the President refuses or is unable to act.  
5 If neither the President nor the Vice President is able to act,  
6 the Board shall appoint some other member of the Board to so act  
7 on an interim basis. The Vice President shall also perform such  
8 other duties as shall from time to time be imposed upon him by  
9 the Board or these By-Laws.

10  
11 Section 5.07. Secretary.

12 The Secretary shall keep the minutes of all meetings of the  
13 Board and the minutes of all meetings of the Association at the  
14 principal office of the Association or at such other place as  
15 the Board may order. The Secretary shall keep the seal of the  
16 Association in safe custody and shall have charge of such books  
17 and papers as the Board may direct, and the Secretary shall, in  
18 general, perform all of the duties incident to the office of  
19 Secretary. The Secretary shall give, or cause to be given,  
20 notices of meetings to the Members and to the Board required by  
21 these By-Laws or by law to be given. The Secretary shall  
22 maintain a record book of Owners, listing the names and  
23 addresses of Owners, as furnished to the Association, and such  
24 books shall be changed only at such time as satisfactory  
25 evidence of a change in ownership of a Lot is presented to the  
26 Secretary. The Secretary shall perform such other duties as may  
27 be prescribed by the Board or these By-Laws.

28  
29 Section 5.08. Treasurer.

30 The Treasurer shall be the chief financial officer of the  
31 Association, shall have responsibility for Association funds and  
32 securities and shall be responsible for keeping, or causing to  
33 be kept, full and accurate accounts, tax records and business  
34 transactions of the Association, including accounts of all  
35 assets, liabilities, receipts and disbursements in books  
36 belonging to the Association. The Treasurer shall be responsible  
37 for the deposit of all moneys and other valuable effects in the  
38 name and to the credit of the Association in such depositories  
39 as may from time to time be designated by the Board. The  
40 Treasurer shall disburse the funds of the Association as may be  
41 ordered by the Board, in accordance with the Declaration, shall  
42 render to the President and Directors, upon request, an account  
43 of all of his transactions as Treasurer and of the financial  
44 conditions of the Association and shall have such other powers  
45 and perform such other duties as may be prescribed by the Board

1 or these By-Laws.  
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4 ARTICLE VI  
5 OBLIGATIONS OF THE MEMBERS  
6

7 Section 6.01. Assessments.  
8

9 (a) All Members are obligated to pay, in accordance  
10 with the provisions of the Declaration, all assessments imposed  
11 by the Association, to meet all expenses of the Association.  
12

13 (b) All delinquent assessments shall be enforced,  
14 collected or foreclosed in the manner provided in the  
15 Declaration.  
16

17 Section 6.02. Maintenance and Repair.  
18

19 (a) Every Member must perform promptly, at his sole  
20 most and expense, such maintenance and repair work within his  
21 own Lot and Dwelling Unit, as required under the provisions of  
22 the declaration. As further provided in the Declaration, all  
23 plans for alterations and repair of structural or utility  
24 bearing portions of the buildings housing the Dwelling Units  
25 must receive the prior written consent of the Architectural  
26 Committee. The Architectural Committee shall establish  
27 reasonable procedures for the granting of such approval in  
28 accordance with the Declaration.  
29

30 (b) As further provided in the Declaration, each  
31 member shall reimburse the Association for any expenditures  
32 incurred in repairing or replacing any portion of the Common  
33 Area or other properties owned or controlled by the Association  
34 which are damaged through the fault of such Member or his  
35 family, guests, lessees or invitees. Such expenditures shall  
36 include all court costs and reasonable attorneys' fees incurred  
37 in enforcing any provision of these By-Laws or the Declaration.

## ARTICLE VII

## AMENDMENTS TO BY-LAWS

## Section 7.01. Amendments to By-Laws.

These By-Laws may be amended by the Association by the vote or written assent of Members representing at least a majority of a quorum, provided, however, that the specified percentage of a quorum or of the voting power of the Members necessary to amend a specific section or provision of these By-Laws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that section or provision. The prior written approval of seventy-five percent of all institutional holders of first deeds of trust of record made in good faith and for value on Lots in the Properties must be secured before any amendment to these By-Laws which affects the matters listed in Article VIII of the Declaration may take effect, and this sentence may not be amended without such prior written approval. The term "institutional holder" as used herein shall mean a mortgagee which is a bank or savings and loan association or established mortgage company or other entity chartered under federal or state laws, any corporation or insurance company or any federal or state agency.

## ARTICLE VIII

## MORTGAGEES

## Section 8.01. Notice to Association.

Every Member who mortgages his Lot shall notify the Association through the Manager, or through the Secretary in the event there is no Manager, of the name and address of his Mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Lots." Any such Member shall likewise notify the Association as to the release or discharge of any such mortgage.

## Section 8.02. Notice of Unpaid Assessments.

The Board shall at the request of a Mortgagee of a Lot report any unpaid assessments due from the Owner of such Lot, in accordance with the provisions of the Declaration.

1  
2 ARTICLE IX

3  
4 CONFLICTING PROVISIONS

5  
6 Section 9.01. Conflicting Provisions.

7 In case any of these By-Laws conflict with any provisions of  
8 the laws of the State of California, such conflicting By-Laws  
9 shall be null and void upon final court determination to such  
10 effect, but all other By-Laws shall remain in full force and  
11 effect. In case of any conflict between the Articles of  
12 Incorporation and these By-Laws, the Articles of Incorporation  
13 shall control. In the case of any conflict between the  
14 Declaration and these By-Laws, the Declaration shall control.

15  
16 ARTICLE X

17  
18 INDEMNIFICATION OF DIRECTORS AND OFFICERS

19  
20 Section 10.01.

21 Indemnification of Directors and Officers. The Board may  
22 authorize the Association to pay expenses incurred by, or to  
23 satisfy a judgment or fine levied against, any present or former  
24 Director, officer, employee or agent of the Association to the  
25 extent and under the circumstances provided in the Declaration.  
26  
27

ARTICLE XI

MISCELLANEOUS

Section 11.01 Checks, Drafts and Documents.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 11.02. Execution of Documents.

The Board may authorize any officer or officers or agent or agents to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit or to render it liable for any purpose or in any amount.

Section 11.03. Inspection of By-Laws.

The Association shall keep in its office for the transaction of business the original or a copy of these By-Laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members and all first Mortgagees in accordance with Section 4.06.

Section 11.04. Fiscal Year.

The fiscal year of the Association shall be determined by the Board and, having been so determined, is subject to change from time to time as the Board shall determine.

Section 11.05. Membership Book.

The Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Member. Termination or transfer of membership shall be recorded in the book together with the date on which membership ceased or was transferred in accordance with the provisions of the Declaration.

## ARTICLE XII

## NOTICE AND HEARING PROCEDURE

## Section 12.01. Suspension of Privileges.

In the event of an alleged violation of the Declaration, these By-Laws or the Rules and Regulations of the Association, and after written notice of such alleged failure is delivered personally or mailed to the Member or any agent of the Member ("respondent") alleged to be in default in the manner herein provided, by first-class mail or by certified mail return receipt requested, or both, the Board shall have the right, after affording the respondent an opportunity for an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of all Directors on the Board, to take any one or more of the following actions: (i) levy a Special Assessment as provided in the Declaration, (ii) suspend, restrict or condition the right of said Member to use any recreational facilities owned, operated or maintained by the Association, (iii) suspend said Member's voting privileges as a Member, as further provided in the Declaration or (iv) record a notice of noncompliance encumbering the Lot of the respondent; provided, however, that the Board shall not be empowered to suspend, restrict or condition an Owner's right to full use and enjoyment of his Lot and Dwelling Unit as a result of any such violation except by judgment of a court or decision arising out arbitration or on account of judicial foreclosure or sale by means of the powers set forth in a Deed of Trust for failure of such Owner to pay any assessment duly levied in accordance with the Declaration. No monetary penalties, other than as provided in Articles VII or VIII of the Declaration or this Article XII, shall be imposed upon an Owner for unpaid assessments or as a result of any such violation. Any such suspension shall be for a period of not more than thirty days for any noncontinuing infraction, but in the case of a continuing infraction, including nonpayment of any assessment after the same becomes delinquent, may be imposed for so long as the violation continues. The failure of the Board to enforce the rules and Regulations of the Association, these By-Laws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by these By-Laws shall be cumulative and none shall be exclusive. However, any Member must exhaust all available internal remedies of the Association prescribed by these By-Laws or by the Rules and Regulations of

1 the Association before that Member may resort to a court of law  
 2 for relief with respect to any alleged violation of the  
 3 Declaration, these By-Laws or the Rules and Regulations of the  
 4 Association by another Member, provided that the foregoing  
 5 limitation pertaining to exhausting administrative remedies  
 6 shall not apply to the Board or to any Member where the  
 7 complaint alleges nonpayment of Common Assessments, Special  
 8 Assessments, Capital Improvement Assessments and Reconstruction  
 9 Assessments.

10  
 11 Section 12.02. Written Complaint.

12 A hearing to determine whether a right or privilege of the  
 13 respondent under the Declaration or these By-Laws should be  
 14 suspended or conditioned or whether a Special Assessment should  
 15 be levied shall be initiated by the filing of a written  
 16 complaint by any Member or by any officer or Director with the  
 17 President or other presiding member of the Board. The complaint  
 18 shall constitute a written statement of charges which shall set  
 19 forth in ordinary and concise language the acts or omissions  
 20 with which the respondent is charged and a reference to the  
 21 specific provisions of the Declaration, these By-Laws or the  
 22 Rules and Regulations of the Association which the respondent is  
 23 alleged to have violated. A copy of the complaint shall be  
 24 delivered to the respondent in accordance with the notice  
 25 procedures set forth in the Declaration, together with a  
 26 statement which shall be substantially in the following form:

27  
 28 "Unless a written request for a hearing signed by or  
 29 on behalf of the person named as respondent in the accompanying  
 30 complaint is delivered or mailed to the Board of Directors  
 31 within fifteen days after the complaint, the Board of Directors  
 32 may proceed upon the complaint without a hearing, and you will  
 33 have thus waived your right to a hearing. The request for a  
 34 hearing may be made by delivering or mailing the enclosed form,  
 35 entitled 'Notice of Defense' to the Board of Directors at the  
 36 following address:

37 \_\_\_\_\_.  
 38 You may, but need not, be represented by counsel at any or all  
 39 stages of these proceedings. If you desire the names and  
 40 addresses of witnesses or an opportunity to inspect any relevant  
 41 writings or items on file in connection with this Matter in the  
 42 possession, custody or control of the Board of Directors, you  
 43 may contact \_\_\_\_\_.

1 The respondent shall be entitled to a hearing on the merits of  
2 the matter if the "Notice of Defense" is timely filed with the  
3 Board. The respondent may file a separate statement by way of  
4 mitigation, even if he does not file a "Notice of Defense."  
5

6 Section 12.03. Notice of Hearing.

7 The Board shall serve a notice of hearing, as provided  
8 herein, on all parties at least ten days prior to the hearing,  
9 if such hearing is requested by the respondent. The hearing  
10 shall be held no sooner than thirty days after the complaint is  
11 mailed or delivered to the respondent as provided in Section  
12 12.02. The notice to the respondent shall be substantially in  
13 the following form but may include other information:  
14

15 "You are hereby notified that a hearing will be held  
16 before the Board of Directors of the Rosamond Skypark  
17 Association  
18 at \_\_\_\_\_  
19 \_\_\_\_\_

20 on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ at the  
21 hour of \_\_\_\_\_, upon the charges made in the complaint  
22 served upon you. You may be present at the hearing, may but need  
23 not be represented by counsel, may present any relevant  
24 evidence, and will be given full opportunity to cross-examine  
25 all witnesses testifying against you. You are entitled to  
26 request the attendance of witnesses and the production of books,  
27 documents or other items by applying to the Board of Directors  
28 of the Rosamond Skypark Association.

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Section 12.04. Hearing.

The hearing shall be held before the Board in executive session pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or director who mailed or delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. No action against the Member arising from the alleged violation shall take effect prior to the expiration of (i) fifteen days after the Member's receipt of the notice of hearing and (ii) five days after the hearing required herein.

ADOPTION

We, the undersigned, are all of this Association and hereby consent to, and do, adopt the foregoing By-Laws, consisting of xx pages, as the By-Laws of this Association.

Dated: \_\_\_\_\_, 2001

\_\_\_\_\_  
, Director

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, Director

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, Director

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CERTIFICATE OF SECRETARY

i, the undersigned, do hereby certify that:

- 1. I am the duly elected and acting Secretary of Rosamond Skypark Association, a California nonprofit corporation Skypark (the "Association"); and
- 2. The foregoing By-Laws comprising xx pages, including this page, constitute the By-Laws of the at the meeting of the Board of Directors on \_\_\_\_\_, 2001.

IN WITNESS THEREOF, I have hereunto affixed the seal of the Associating this \_\_\_\_\_ day of \_\_\_\_\_ 2001.

\_\_\_\_\_

, Secretary

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EXHIBIT E

LEGAL  
DESCRIPTION  
ANNEXABLE AREA

The east half of the east half of the southwest quarter of  
Section 13, Township 9 North, Range 13 West, M.D.B.& M., Kern  
County, California.

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EXHIBIT F

PROVISIONS TO BE INCLUDED IN  
ANY BLANKET ENCUMBRANCE

RELEASE CLAUSE:

1. On Trustor's request, Beneficiary shall furnish a request for partial reconveyance to Trustee, who shall give a partial reconveyance from its lien on individual residential lots within Tract No. 4558, upon payment of sums on account of the principal of the Note, plus interest to the date of payment, or on Trustor's demand based on previous payment of sums required by the Note. The order of release for the individual residential lots within Tract No. 4558 shall be such order as specified by Trustor, and the release price for each such-lot shall be \$\_\_\_\_\_. Payments for reconveyances, except periodic payments required by the Note, shall be applied to the final payment on the Note.

2. Beneficiary shall sign and execute, at the sole cost and expense of Trustor, any and all documents that may be required to effect or confirm such release under paragraph 1 above, provided that such documents comply with the provisions of these release provisions.

SUBORDINATION CLAUSE:

1. This Deed of Trust is expressly subject to and subordinate to that certain Declaration of Covenants, Conditions and Restrictions executed by Trustor dated \_\_\_\_\_, 1985, and

1 recorded on \_\_\_\_\_, 1985 in Book \_\_\_\_\_, Page of the  
2 Official Records of Kern County, California.

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4 2. Beneficiary shall sign and execute, at the sole cost  
5 and expense of Trustor, any and all documents that may be  
6 required to effect or confirm such subordination.

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