



**AMENDED AND RESTATED BYLAWS OF
BALLENA BAY TOWNHOUSE ASSOCIATION NO.1**

ARTICLE I: RECITALS AND DEFINITIONS

Section 1.1. Name and Principal Office of Association

The name of this corporation is Ballena Bay Townhouse Association No. 1 and shall be referred to herein as the "Association." The principal office of the Association will be located at the office of the Association Manager, or such other place within a reasonable distance from the Development as the Board may from time to time designate by resolution.

Section 1.2. Association Is Nonprofit

The Association has been formed pursuant to the California nonprofit corporation law and shall operate as a nonprofit mutual benefit corporation.

Section 1.3. Specific Purpose

The specific and primary purpose of this Association shall be to maintain, manage and repair the Common Area and Common Facilities within that certain real estate common interest development located in the County of Alameda, State of California, commonly referred to as Ballena Bay, to maintain individual Lots to the extent and in the manner more particularly described in the Declaration, to enforce the terms and conditions of the Declaration and the Rules and policies adopted (from time to time) by the Board of Directors, and otherwise to enhance and promote the use and enjoyment of the Common Areas and Common Facilities by the Owners in common.

Section 1.4. Definitions

(a) Member in Good Standing. "Member in Good Standing" means a Member of the Association who is current in the payment of all dues, assessments, fines, penalties and other charges imposed in accordance with the Governing Documents and who is in compliance with all of the provisions of the Governing Documents (i.e., not being disciplined Under Article XII of the Declaration for Governing Documents violations). No hearing is required for loss of Member in Good Standing status of a Member due to delinquent assessments, but in every other case the notice and hearing required under Article XII of the declaration is required before a Member will be considered not to be a Member in Good Standing. A "Member in Good Standing" is a "Member eligible to vote" for purposes of these Bylaws.

(b) Person. The term "Person" means and includes any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.

(c) Resident. "Resident" means any Person who resides in a dwelling within the Development whether or not such Person is a Member of the Association as defined in the Declaration.



(d) Definitions Incorporated by Reference. All terms used herein that are defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

ARTICLE II: MEMBERSHIP AND MEMBERSHIP RIGHTS

Section 2.1. Members of the Association

Every Owner of a Lot within the Development is a Member of the Association. Only Owners of Record of a Lot within the Development shall be Members. Membership in the Association is appurtenant to, and may not be separated from, ownership of any Lot. Membership in the Association shall not be transferred, encumbered, pledged, alienated or hypothecated in any way, except upon the transfer or encumbrance of the Lot to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Lot. Any attempt to make a prohibited transfer of a membership in the Association is void.

Section 2.2. Term of Membership

Upon becoming the Owner of a Lot, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as the ownership of said Lot ceases for any reason. The Owner's membership interest appurtenant to the Lot shall automatically transfer to the Lot's new Owner(s) upon the sale, conveyance or other transfer of an Owner's interest in a Lot, and the prior Owner shall cease being a Member and shall lose all right of membership in the Association.

Section 2.3. Multiple Ownership of Lot

(a) One Membership Vote Per Lot. Ownership of a Lot shall give rise to a single membership vote in the Association. Accordingly, if more than one Person owns a Lot, all of these Persons shall be deemed to be one Member for voting purposes, although all such Owners shall have equal rights (as Members) to use and enjoy the Common Areas and Common Facilities. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Lot.

(b) Voting by Multiple Owners. If joint Owners are unable to agree by majority vote among themselves as to how their vote or votes are to be cast, they shall lose their right to vote on the matter in question. If multiple Owners of a Lot attempt to vote the membership attributable to said Lot in an inconsistent fashion, the Secretary or other Person or Persons designated as inspectors of election by the Board of Directors may refuse to count any ballot pertaining to that Lot.

Section 2.4. Furnishing Evidence of Membership

A Person shall be entitled to exercise the rights of a Member once the Association has received notice in writing that said Person is qualified to be a Member as set forth in Section 2.1, above, and, if requested by the Board, has provided the Board with evidence of such qualification in the form of a copy of a recorded grant deed (certified by the Office of the Recorder for Alameda County) or a currently effective policy of title insurance. Exercise of membership rights shall be further subject to the provisions regarding record dates set forth in Sections 3.4 and 4.5, below.

Section 2.5. Right to Use and Enjoyment of Common Areas



Subject to the provisions hereof and the provisions of the Declaration and/or other Governing Documents, a Member and the individuals of a Member's family who also reside within the respective Member's Lot shall have the right to and be entitled to the use and enjoyment of all Common Areas, roads, and Common Facilities within the Development.

ARTICLE III: MEMBERSHIP VOTING

Section 3.1. Single Class of Membership

The Association shall have one class of voting membership.

Section 3.2. Member Voting Rights

On each matter submitted to a vote of the Members, each Member shall be entitled to cast one vote for each Lot owned by such Member (subject to limitations found in Section 3.3, below). Single memberships in which two (2) or more Persons have an indivisible interest shall be voted as provided in Section 2.3, above. Each vacancy on the Board to be filled by a vote of the Members shall be considered a separate "matter submitted to a vote of the Members" for purposes of this section.

Section 3.3. Eligibility To Vote

Only Members in Good Standing shall be entitled to vote on any issue or matter presented to the Members for approval. A Member's good standing for the purpose of voting shall be determined as of the record date established in accordance with subsection 3.4(n), below. A Member who owns more than one Lot shall be ineligible to cast any vote whatsoever if that Member is delinquent in the payment of assessments with respect to any such Lot.

Section 3.4. Manner of Casting, Collecting and Tabulating Votes

(a) Definition of Written Ballot. A "written ballot" for purposes of this section is a ballot that is mailed or otherwise distributed to every Member entitled to vote on the matter and that complies with the requirements of this Section and California Civil Code Section 1363.03 or comparable superseding statute.

(b) Election by Written Ballots Only. All elections or other votes by the Members shall be conducted by means of secret written ballots mailed to the Members, collected and tabulated pursuant to this Section 3.4. If laws passed after the adoption of these Bylaws by the Members should require that elections be conducted in a manner other than described in this Section 3.4, the Board shall adopt an amendment to these Bylaws that incorporates the required procedure and, pursuant to Section 12.1(a) below, such amendment shall not require a vote of the Members.

(c) Balloting Time Requirements. In the case of any matter or issue submitted to the Members for approval, the Board shall distribute the written ballot to every Member entitled to vote on the matter at least thirty (30) days prior to the final date the written ballots are to be received to be counted. The time fixed for the return of written ballots may be extended if the Board so notifies the Members in the balloting materials originally sent to Members. A shorter period for return of ballots may be established by Board resolution for any matter to be voted upon except the election or removal of Directors, assessments requiring Member approval, amendments to the Governing Documents, or the grant of exclusive use of Common Area property to a Member.



(d) Content of Written Ballots

(i) **Written Ballots in General.** Any written ballot distributed to the Members to vote on any issue shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposed action. For election of Directors, the ballots shall set forth the names of all qualified candidates whose names have been placed in nomination at the time the ballot is issued.

(ii) **Specification of Time for Return of Written Ballot.** All written ballots shall state the time by which the ballot must be received in order to be counted (See Subsection (c), above).

(e) **Identification of Member Casting Ballot.** The ballot shall not on its face provide any method for identifying the Member voting. Instead, a double envelope system shall be used in which the completed ballot is placed in an sealed envelope, which is then placed in another sealed envelope. The Member voting shall sign the outside envelope and indicate the address of the Lot for which the ballot is being cast.

(f) **Cumulative Voting.** Cumulative voting for elections of Directors is not permitted.

(g) **Proxies.** Proxies shall not be used for any election under this Section 3.4.

(h) **Solicitation Provisions.** All solicitations of written ballots shall indicate (A) the number of responses needed to meet the quorum requirement for valid action; (B) the time by which the written ballot must be received by the Association in order to be counted; and (C) in the case of any written ballot distributed to vote on matters other than the election of Directors, the percentage of affirmative votes necessary to approve the measure submitted for membership approval. If the period for the return of written ballots is extended, the Board can, in its discretion, announce to the Members the aggregate votes for or against the proposal received as of the extension date.

(i) **Inspectors of Election.** The Board shall appoint one or three persons to act as Inspector(s) of Election for all member votes regarding selection or removal of Directors, assessments requiring member approval, amendments to the Governing Documents or the grant of exclusive use of Common Area property to a Member. An Inspector or Inspectors may be appointed for other elections at the discretion of the Board. Inspectors shall not be a member of the Board or a candidate for the Board or related to a Director or candidate for the Board. The Association Manager, the Association's counsel or accountant or any other person not expressly disqualified under this subsection may serve as an Inspector. The duties of the Inspector or Inspectors shall be to receive ballots and determine their validity, count and tabulate all votes, determine when voting shall be concluded, determine the results of the election, and perform any other acts necessary to assure the fairness of the election. The Association Rules may clarify and expand upon the duties of Inspectors so long as such Rules are consistent with California law. If an election for a matter other than selection or removal of Directors, assessments requiring Member approval, amendments to the Governing Documents or the grant of exclusive use of Common Area property is conducted pursuant to this Section 3.4 and an Inspector of Election is not appointed by the Board, the duties of the Inspector under this section shall be assumed by the Association Manager or the Secretary of the Association. Any Inspector of Election appointed under this Section may appoint and oversee additional persons to verify signatures and to count and tabulate votes, so long as such additional persons meet the qualification for Inspectors of Election set forth in this Section and in the Association Rules.



(j) Notification of Results of Balloting Process. For all Member votes regarding assessments requiring Member approval, election or removal of Directors, amendments to the Governing Documents or the grant of exclusive use of Common Area property to a Member, the vote shall be counted and tabulated by the Inspector or Inspectors of Election in public at a properly noticed meeting of the Board or of the Members. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within fifteen (15) days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements for valid action, the Board shall so notify the Members.

(k) Tabulation of Votes Prior to Completion of Balloting. The Board may, at its discretion, at a regular or special meeting open to the Members, request the Inspector(s) of election to count the valid ballot envelopes received to date on a matter for which a ballot (other than for election of Directors) has been distributed to the Members even though the deadline for return of the ballots has not yet passed. The Inspector(s) shall count the valid ballot envelopes without opening them and announce the results at the meeting of the Board. The Board, based upon the votes received to date, may extend the deadline for return of the ballots by a reasonable time.

(l) Prohibition of Revocation. Once cast (i.e., received by the inspector, Association Manager or Secretary), a written ballot may not be revoked.

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

(n) Persons entitled to Cast Written Ballots. Those persons identified in the records of the Association as Members of the Association on the day the first written ballot in a vote or election is mailed out, and who are otherwise entitled to vote, are entitled to receive and cast a written ballot in the vote or election.

(o) Additional Balloting Procedures. The Board shall adopt election rules, which shall become part of the Association Rules, incorporating the procedures set forth in this section and such other procedures and requirements not inconsistent with this section or California law that the Board considers appropriate for the conduct of a fair election.

Section 3.5. Requirements for Valid Member Action

The following quorum requirements describe the minimum number of written ballots which must be received in order to take any valid Member action. Assuming this minimum number of ballots is received, the vote of a majority of those submitting ballots shall determine the outcome of the election, provided, however, that where California law or the Governing Documents require approval of a particular matter by a greater percentage of the Members, that higher percentage shall govern.

(a) Assessment Increases or for Removal of Directors. In the case of a written ballot conducted for the purpose of voting on assessment increases requiring membership approval (See Article V of the Declaration) or to remove a Board member or the entire Board, the quorum requirement for valid action on the proposal shall be the percentage specified in Civil Code section 1366 or comparable superseding statute. That quorum requirement is currently a majority of all Members.



(b) No Quorum Requirement for Election of Directors or IRS Resolution. There shall be no quorum requirement for the election of Directors. The candidate(s) receiving the most votes shall be elected notwithstanding the number of ballots received. The annual IRS Resolution (required by IRS Ruling 70-604) shall also not require a quorum, but shall be adopted if the majority Members casting valid written ballots pursuant to Section 3.4 approve it.

(c) Amendment of Governing Documents. Nothing in this section shall be interpreted to change the minimum number of votes required to amend the Governing Documents of the Association, which shall be as set forth in the Governing Document to be amended.

(d) Quorum for Valid Action on All Other Matters. In the case of a vote of the Members conducted for any purpose other than to vote on the matters described in Section 3.5(a), Section 3.5(b) or Section 3.5(c) above, the quorum shall be 33 1/3% of the Members eligible to vote.

ARTICLE IV: MEMBERSHIP MEETINGS

Section 4.1. Place of Meeting

Meetings of the Members shall be held within the Development or at such other reasonable place within Alameda County as may be selected by the Board of Directors.

Section 4.2. Annual Meeting

There shall be no annual meeting of the Members. However, special meetings may be called from time to time for informational purposes.

Section 4.3. Special Meetings

(a) Persons Entitled To Call Special Meetings. A majority of a quorum of the Board, the President of the Association or five percent (5%) or more of the Members may call a special meeting of the Members at any time.

(b) Procedures for Calling Special Meetings Requested by Members.

(i) Form of Written Request. In order to call a special meeting by five percent (5%) or more of the Members, a request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic, or facsimile transmission to the President, the Vice President or the Secretary of the Association or to the Association Manager. The written request shall bear the signatures of all requesting Members and the Member(s) circulating the request shall append a written, signed certification to the request attesting to the validity of the signatures. In order to count as a valid signatory, a Member signing said request must be eligible to vote.

(ii) Action by Association. Upon receipt of the request by the Association, notice shall be promptly given to the Members, in accordance with the provisions of this Article, that a meeting will be held, and the date, time and purpose for such meeting, which date shall be not less than thirty-five (35) nor more than ninety (90) days following the receipt of the request. If notice of the meeting is not given to the Members within twenty (20) days after the Association's receipt of the request, the Members requesting the meeting may give the



notice. The right of the requesting Members to notice and call said meeting on their own initiative shall not arise until after the twenty (20) day period has elapsed.

(iii) Use of Written Ballot in Lieu of Special Meeting. If the requested special meeting is for the purpose of conducting a Member vote on any matter, the Board shall instead distribute a written ballot pursuant to Section 3.4 above in lieu of calling a special meeting of Members. The written ballot shall be distributed to the Members within twenty days of receipt of the written request by the Association. The ballot shall include a deadline for return that is not more than ninety (90) days from the date of receipt of the written request. The Members submitting the request shall, as a group, be entitled to submit a written statement of their reasons for requesting the Member action which shall be included with the ballot. Such statement shall not, unless authorized by the Board, exceed five pages. One or more members opposing the action being proposed by the written ballot shall also be entitled to have a written statement as to his/her/their position included with the ballot materials. Such statement or statements shall not, unless authorized by the Board, exceed a total of five (5) pages. Unless the Board determines otherwise, the Members submitting the request shall be responsible for payment of the Association's actual cost for copying such statements and for any additional mailing costs.

(iv) Subsection Not Applicable to Meetings Called by President or Board. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the President.

Section 4.4. Notice of Members' Meetings

(a) Requirement That Notice Be Given. Notice of all annual and special meetings of the Members shall be sent or otherwise given in writing to all Members.

(b) Time Requirements for Notice. The notice of membership meetings shall be given in the manner specified in subparagraph (e) of this Section, not less than ten (10) nor more than ninety (90) days before the date of the meeting. If notice is given by mail and the notice is not given by first-class, registered, or certified mail, the notice shall be given not less than twenty (20) days (nor more than ninety (90) days) before the meeting.

(c) Minimum Requirements Regarding Contents of Notice. The notice of any membership meeting shall specify the place, date, and hour of the meeting. In the case of an annual meeting, the notice shall also describe those matters that the Board of Directors, at the time of giving the notice, intends to present for action by the Members; but any proper matter may be presented at the meeting for action by the Members so long as a quorum is present. In the case of a special meeting, the notice shall also state the general nature of the business to be transacted, and contain a statement that "no other business may be transacted at the special meeting."

(d) Manner of Service. Notice of any meeting of Members shall be given either personally or by first-class mail, telegraphic, or other written communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. If no address appears on the Association's books and no other address has been given, notice shall be deemed to have been given if either (i) notice is sent to that Member by first-class mail or telegraphic or other written communication to the Association's principal office, or (ii) notice is published at least once in a newspaper of general circulation in Alameda County. Notice shall be deemed to have been given at the time when the notice is delivered personally or deposited in the mail (postage prepaid) or sent by telegram or other means of written or electronic communication to the recipient. If authorized by the Board, any such notice may be given by email transmission to those Members who have submitted a written authorization for



all notices to be delivered by such means and have provided a valid email address. Any such notice by email shall conform to the requirements of Corporations Code Section 7511 or comparable superceding statute.

(e) Affidavit of Mailing. An affidavit of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary of the Association or the Association Manager, and if so executed, shall be filed and maintained in the minute book of the Association. Such affidavit shall constitute prima facie evidence of the giving of notice.

Section 4.5. Record Dates for Member Notice and Giving Consents

(a) Persons entitled to Notice of Members' Meetings. Those persons identified in the records of the Association as Members of the Association on the business day preceding the day on which notice of a Members' Meeting is given are entitled to receive notice of the meeting.

(b) Persons entitled to Exercise Other Legal Rights. Those persons who are identified in the records of the Association as Members of the Association on the date the Board passes a resolution relating to or establishing rights of the Members as to any other matter shall be entitled to exercise such rights.

(c) Rights of Eligible First Mortgagees. The voting and notice rights of Eligible First Mortgagees shall be as set forth in the Declaration.

Section 4.6. Conducting Meetings.

All Member meetings shall be conducted in accordance with a recognized system of parliamentary procedure or such other parliamentary procedures as the Association may choose to adopt. If the Association has not adopted parliamentary procedures and a dispute arises that cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

ARTICLE V: BOARD OF DIRECTORS

Section 5.1. General Board Powers

Subject to the limitations set forth in any of the Association's Governing Documents or California law relating to such actions that require Member approval, the business and affairs of the Association shall be vested in and exercised by the Association's Board of Directors, including, in particular, all powers and duties set forth in the Declaration and other Governing Documents. Subject to the limitations expressed in Section 8.1 (pertaining to Committees), below, and any restrictions set forth in the Declaration, the Board may delegate the management of the activities of the Association to any Person or Persons, management company, or committee, provided that notwithstanding any such delegation the activities and affairs of the Association shall continue to be managed and all Association powers shall continue to be exercised under the ultimate direction of the Board.

Section 5.2. Number and Qualification of Directors

The Board of Directors shall consist of seven (7) Persons each of whom shall be both an Owner and a Member in Good Standing. All Directors and candidates for Director must be residents of the Development. No more than one Owner of the same Lot may serve on the Board at the same time.



Section 5.3. Term of Office

The Directors of this Association shall serve for a term of two (2) years. Each Director, including a Director elected to fill a vacancy on the Board, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified. A Person may not serve consecutive terms as a Director, provided, however, that a person appointed or elected to complete the term of a Director who has died, resigned or been removed may run for election at the completion of the term of the Director who died or was removed or resigned.

Section 5.4. Nomination of Directors

(a) Good Standing Requirement for Candidacy and Election. To be eligible for nomination and to be elected to the Board, a candidate must be certified by the Association Secretary or Association Manager that (1) the candidate is a Member in Good Standing and (2) the candidate's Lot is current in the payment of Assessments both at the time the candidate's name is placed in nomination and as of the election date. All Directors must maintain their good standing status with the Association during their term of office or be subject to removal for cause pursuant to Subsection 5.6(c)(iv), below.

(b) Selection of Candidates. Prior to the date of the distribution of any ballot for any election of Directors, the Board (or a nominating committee selected by the Board) shall select qualified candidate(s) for election to the position(s) on the Board held by Directors whose term of office is then expiring (and for any vacant director position(s)). Prior to distribution of ballots for election of Director, the Board shall also send a request for nominations to all Members, with a notice of the last date for submitting such nominations. Any qualified Member may nominate himself or herself. All qualified persons so nominated shall be included on the ballot for election of Directors.

Section 5.5. Election of Directors

(a) Directors Elected by Written Ballot. Directors (except those appointed by the Board pursuant to Section 5.6 below and those elected by acclimation pursuant to subsection (c) below) shall be elected using the procedure set forth in Section 3.4 above. The deadline for return of ballots for the annual election of Directors shall be the same month each year. The Board shall determine the date of the meeting to open and tabulate the ballots.

(b) Determination of Election Results and Succession to Office. The Board of Director candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected as Directors. In the event there is a tie vote between those candidates who receive the lowest number of votes necessary to qualify for a Director position, the tie shall be broken by lot (e.g., the candidates drawing straws) or any other method agreed upon by the affected candidates. If the candidates cannot agree on a method for breaking the tie, a run-off election shall be conducted. If the terms of the Directors being replaced have expired (i.e. they have served the minimum time for which the Director was elected), the newly elected Directors shall take office immediately upon the announcement of the results of the election. If the terms of the Directors being replaced have not yet expired at the time of the announcement of the election results, the newly elected Directors shall take office on the day the current Directors' terms do expire.

(c) Election by Acclimation. In the event the number of qualified candidates for board positions equals the number of board positions to be filled by the election, the Inspector(s) of election may declare the candidates elected by acclimation, and written ballots for the election of directors shall not be distributed for that



year. Notice of the election by acclamation shall be provided to the Members in the same manner as the results of contested Director elections.

Section 5.6. Vacancies on Board of Directors

(a) Vacancies Generally. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation, or removal of a Director (under Subsections (b) through (d), below); (ii) an increase of the authorized number of Directors; or (iii) the failure of the Members to elect a sufficient number of Directors through the annual election to fill all the vacancies on the Board.

(b) Resignation of Directors. Any Director may resign, and such resignation shall be effective on giving written notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

(c) Authority of Board to Remove Directors. The Board of Directors shall have the power and authority to remove a Director and declare his or her office vacant if he or she:

(i) has been declared of unsound mind by a final order of court;

(ii) has been convicted of a felony;

(iii) has been found by a final order or judgment of any court to have breached any duty under Corporations Code Sections 7233-7236 (relating to the standards of conduct of Directors);

(iv) fails to maintain the Director's "Member in Good Standing" status for a period of ninety (90) consecutive days or longer;

(v) fails to attend three (3) consecutive regular meetings of the Board of Directors that have been duly noticed in accordance with California law; and/or

(vi) repeatedly fails and/or refuses to vote (and/or abstain from voting) on matters before the Board of Directors.

(d) Authority of Members to Remove Directors. Except as otherwise provided in Subsections

(c) or (e) of this Section, a Director may be removed from office prior to expiration of his or her term only by the affirmative vote of a majority of the Members returning written ballots pursuant to Section 3.4, so long as the number of valid written ballots returned equals or exceeds the quorum required by the Bylaws. Any membership action to recall or remove a Director shall be conducted in accordance with the following procedures:

(i) A written petition must be presented in person to the President, Vice President, or Secretary of the Association and must carry the signatures of Members in Good Standing who represent at least five percent (5%) of the Members. Such petition must set forth the reason(s) the petitioners are seeking the Director's removal; the signature and Lot address of each petitioner in his or her own handwriting; the name(s) of the



sponsor(s) of the petition; and must fulfill all other requirements of law. The sponsors circulating the petition shall append a written, signed certification to the petition attesting to the validity of the signatures.

(ii) Within twenty (20) days after receipt of such petition, the Board shall distribute a written ballot (pursuant to Section 3.4) to vote upon the requested recall. The deadline for return of the written ballot shall be not less than thirty-five (35) nor more than ninety (90) days after the petition is presented to the Board.

(iii) If the Board fails to act within twenty (20) days of receipt of the petition, the Members initiating the petition may conduct such election on their own initiative without Board approval or sanction. The right of the requesting Members to conduct such an election on their own initiative shall not arise until after the twenty (20) day period has elapsed.

(iv) The Director(s) whose removal is being sought shall have the right to rebut the allegations contained in the petition orally, in writing, or both. If the rebuttal is in writing, it shall be mailed by the Association together with the recall ballot (See Section 3.4, above).

(v) If the quorum requirement for a valid membership action is not satisfied or if the vote in favor of recall does not satisfy the requirements of Section 3.4(o), above and/or Subsection 5.6(d)(vii), below the removal action will have failed.

(vi) In order to preserve Association assets, if a recall attempt fails, the Members' right to another recall vote for the same Director(s) shall not arise until six (6) months has elapsed from the date of the last recall vote.

(vii) Unless the entire Board of Directors is removed from office by a vote of the Members, an individual Director shall not be removed unless (a) the number of valid written ballots returned equals or exceeds the requisite quorum and (b) a majority of the Members returning written ballots vote for the Director's removal. The majority requirement is satisfied only if the number of votes cast by Members for the Director's removal is greater than the sum arrived at by using the following formula: $(X \div 2) + 1$, where X equals the total number of Members responding by written ballot.

(viii) If the removal/recall of the entire Board is approved by a vote of the Members, a ballot shall be distributed to the Members pursuant to Section 3.4 of the Bylaws as soon as reasonably possible after the tabulation of the results of the recall election. The current Board members shall continue to serve until a new Board is elected, but may conduct only the necessary routine business of the Association. No new contracts or contract renewals, and/or no extraordinary expenses may be authorized until the new Board members take office.

(e) Removal by Court Action. The Superior Court of Alameda County may, in response to a suit filed by any Director or at least five (5) Members in Good Standing, remove any Director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Association. The Association shall be made a party to any such action.

(f) Filling Vacancies. If a vacancy on the Board of Directors is created by a Member vote pursuant to Subsection (d), above, the vacancy shall be filled by a vote of the Members. If more than one Director vacancy is being filled, the Director positions will be filled so that the elected Director(s) with the most votes shall fill the Director position(s) with the longest remaining term of office. All other vacancies on the Board of Directors shall be filled by a majority vote of the remaining Directors (whether or not a quorum of Directors is



present). If the Directors fail to fill any vacancy, the Members may fill the vacancy by a vote of a majority of the Members returning valid ballots.

(g) Reduction in Number of Directors. No amendment to these Bylaws that reduces the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 5.7. Disputes as to Elections and/or Removal of Director(s)

Should any dispute arise as to whether one or more Director(s) were validly removed, elected and/or appointed, such dispute shall be subject to binding arbitration. The arbitrator appointed to decide the dispute shall be knowledgeable/experienced in the area of corporate law. The arbitration shall be held and the arbitrator's decision shall be made as soon as practical.

Section 5.8. Compensation

Directors, officers, and/or Members of Committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as the Board of Directors determines are just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.

ARTICLE VI: BOARD MEETINGS

Section 6.1. Place of Meetings

Regular and special meetings of the Board of Directors may be held at any place within or reasonably near the Development that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Notwithstanding the provisions of this Section, a regular or special meeting of the Board may be held at any place consented to in writing by all the Board Members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.

Section 6.2. Annual Meeting of Directors

Immediately after the newly elected Board members have taken office, the Board of Directors shall hold a regular meeting for the purpose of election of new officers by the new directors, and the transaction of other business. A separate notice of this meeting is required, unless such actions take place at the same Board meeting at which the ballots for directors are opened and tabulated.

Section 6.3. Other Regular Meetings

(a) Frequency of Regular Meetings. Other regular meetings of the Board shall be held at such time as shall from time to time be fixed by the Board of Directors. Ordinarily, regular meetings shall be conducted at least once every three (3) months.

(b) Notice Requirements. Notice of the time and place of all regular meetings of the Board shall be given to each Director at least four (4) days prior to the meeting by one of the following methods: (A) by personal delivery of written notice; (B) by first-class mail, postage prepaid; (C) by telephone communication (either directly to the Director or to a Person at the Director's home or office who would reasonably be expected to



communicate such notice promptly to the Director); (D) email transmission; (E) facsimile transmission; and/or (F) other electronic medium/method. All such notices shall be given or sent to the Director's mail address, email address or telephone number as shown on the records of the Association or as designated by that Director. However, notice of a regular meeting need not be given to any Board member who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in Section 6.11, below. Notice of the time and place of regular meetings, with an agenda for the meeting, shall also be posted in a prominent place or places within the Common Area at least four (4) days prior to the meeting. Notice of the time and place of regular meetings may also be published in the Association's newsletter and/or a mailing to all Members.

Section 6.4. Special Meetings of the Board

(a) Who May Call a Special Meeting. Special meetings of the Board of Directors may be called for any purpose at any time by the President or by any two (2) Directors.

(b) Notice of Special Meetings

(i) Manner of Giving. Notice of all special meetings of the Board shall be given to each Director by any of the following methods: (A) by personal delivery of written notice; (B) by first-class mail, postage prepaid; (C) by telephone communication (either directly to the Director or to a Person at the Director's home or office who would reasonably be expected to communicate such notice promptly to the Director); (D) email transmission; (E) facsimile transmission; and/or (F) other electronic medium/method.

All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Association or as designated by that Director. Notwithstanding the foregoing, notice of a special meeting need not be given to any Director who signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof as more particularly provided in Section 6.11, below.

(ii) Time Requirements. Notices sent to Directors by first-class mail shall be deposited in a United States mailbox at least four (4) days before the time set for the meeting. Notices to Directors given by personal delivery, telephone or other electronic medium/method shall be given at least forty-eight (48) hours before the time set for the meeting.

(iii) Notice to Members. Notice of the time, date and place of special meetings, with an agenda for the meeting, shall also be posted in a prominent place or places within the Common Area at least four (4) days prior to the meeting. Notice of the time and place of special meetings may also be published in the Association's newsletter and/or mailing to all Members.

Section 6.5. Emergency Meetings of the Board

The Board of Directors may also hold emergency Board meetings if there are circumstances that could not have been reasonably foreseen and that require immediate attention and possible action by the Board. Given the necessity of emergency Board meetings and the impracticability of providing notice, emergency Board meetings can be held without complying with the notice requirements set forth in Sections 6.3 and 6.4, above. If prompt or immediate action of the Board is necessary and there is insufficient time to comply with the notice requirements set forth in Sections 6.3 and 6.4, above, reasonable efforts shall nevertheless be made to



contact all Board Members regarding the proposed action in advance thereof, rather than relying on notification after the fact.

Section 6.6. Action Without Meetings or by Email

The Board may not take action on any item of business outside of a meeting and, except in an emergency, may not conduct a meeting by a series of electronic transmissions (e.g. email). Electronic transmissions may be used to conduct an emergency meeting if all members of the Board consent in writing to such action. The written consents must be filed with the Board minutes. Written consent to conduct an emergency meeting may be transmitted electronically.

Section 6.7. Executive Sessions

The Board shall be entitled to call and/or to adjourn from a general Board Meeting at any time for purposes of convening in executive session to discuss: (i) litigation in which the Association is or may become a party; (ii) matters relating to the formation of contracts with third parties; (iii) Member discipline; or (iv) personnel matters. The Board may also convene in executive session to meet with a Member at the Member's request regarding the Member's payment of assessments, as specified in Civil Code Section 1367.1 or comparable superceding statute. If a Member who may be subject to a fine, penalty and/or other form of discipline requests, the Board shall meet in executive session to discuss the imposition of the fine, penalty and/or other form of discipline. The Member who is the subject of the disciplinary proceeding shall be entitled to attend the executive session. If the Member will be represented by counsel at the disciplinary hearing, the Member must notify the Board of this fact at least five (5) days before the hearing. Prior to adjournment to executive session, a general statement of the nature of any and all business to be considered in executive session shall be given. If the Board is to meet solely in executive session, a notice and agenda for the meeting must be provided to the Members at least two days in advance, in the same manner as notices for other board meetings.

Section 6.8. Members' Rights

(a) Meetings Generally Open to Members. With the exception of executive sessions of the Board, any Member of the Association may attend and speak at any Board and/or Member meetings. The Board may establish a written policy that sets forth: (1) when during the meetings Members may speak;

(2) reasonable time limits for each speaker; and (3) the total time allowed for Members to speak. Unless a majority of the Directors expressly votes to allow further non-Director participation, the participation of Members who are not Directors is limited to the period described above and in any related Association Rule or Board policy.

(b) Board Meeting Minutes. Minutes shall be kept for all Board meetings. Taking into consideration the need to maintain confidentiality of matters discussed in executive sessions, any matter discussed in an executive session shall only be generally noted in the minutes of the Board meeting. The minutes (or draft minutes that are marked to indicate draft status, or a summary of the minutes) of any meeting of the Board of Directors, other than minutes of an executive session, shall be available to the Members within thirty (30) days following the Board meeting. Upon a Member's request (and payment of the Association's costs of copying and distribution), copies of the minutes (or draft minutes that are marked to indicate draft status, or a summary of the minutes) shall be provided to the requesting Member. Members shall be notified annually in writing of the Members' right to have copies of the minutes of any Board meeting and how and where those minutes may be obtained.



Section 6.9. Quorum Requirements

A majority of Directors currently elected and serving shall constitute a quorum for the transaction of business for any and all purposes, except to adjourn as provided in Section 6.10, below. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as may be required by law.

Section 6.10. Adjournment

A majority of the Directors present, whether or not a quorum exists, may adjourn any Board meeting to another time and place. If the meeting is adjourned for four (4) days or less, no notice of the rescheduled meeting is required. If the adjournment is for a period over four (4) days, then prior to the time of the rescheduled meeting, notice of adjournment to the new time and/or place shall be posted in a prominent place or places within the Common Area and given to the Directors who were not present at the time of the adjournment. Except as provided above, no other notice needs to be given.

Section 6.11. Waiver of Notice

Notice of a meeting need not be given to a director who provided a waiver of notice or consent to holding the meeting or an approval of the minutes thereof in writing, whether before or after the meeting, or who attends the meeting without protesting prior to the meeting or at the commencement of the meeting, the lack of notice to that Director. All such waivers, consents and approvals shall be made a part of the minutes of the meeting.

Section 6.12. Conducting Meetings

All Board meetings shall be conducted in accordance with a recognized system of parliamentary procedure or such other parliamentary procedures as the Association may choose to adopt. If the Association has not adopted parliamentary procedures and a dispute arises that cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

ARTICLE VII: OFFICERS

Section 7.1. Officers

The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer and such other officers as the Board may from time to time by resolution appoint. One Person may hold two (2) or more offices, except that the President and the Secretary can hold only one office each. The President, Vice President, Secretary and Treasurer shall be Directors of the Association.

Section 7.2. Election of Officers

The officers of the Association shall be elected by the Board at the first meeting of the Board following the annual election of Directors, or if ballots for election of Directors are opened and tabulated at a Board meeting



at that Board meeting. New officer positions may be created and filled at any meeting of the Board. Any vacant position may be filled at any meeting of the Board.

Section 7.3. Terms; Removal of Officers

Generally, the officers of the Association shall hold office for a period of one (1) year. Any officer may be removed by the Board with or without cause, at any regular or special meeting. Such removal may, in the discretion of the Board, be given immediate effect.

Section 7.4. Resignation of Officers

Any officer may resign at any time by giving written notice to the Board, the President and/or the Secretary. Any such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 7.5. Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled for the unexpired portion of the term by the vote of a majority of Board members present at a duly noticed Board meeting at which a quorum is also present.

Section 7.6. Duties

(a) President. The President shall be a member of the Board of Directors. The President shall be the Chief Executive Officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. The President shall preside at all meetings of the Board and the Members, shall have the general power and duties of management usually vested in the office of President of a corporation, together with such other powers, acts and duties as may be authorized by the Board or are set forth in the Bylaws, and shall see that orders and resolutions of the Board are carried out.

(b) Vice President. The Vice President shall be a member of the Board of Directors. In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall perform such other acts and duties and have such powers as from time to time may be prescribed by the Board or set forth in these Bylaws.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as are required by the Board. The Secretary need not be a member of the Board.

(d) Treasurer. The Treasurer shall be the Chief Financial officer of the Association and shall receive and deposit in appropriate accounts all monies of the Association; shall disburse such funds as are directed by the resolution of the Board of Directors; keep proper books of account; cause an annual audit or review of the Association books to be made by a public accountant at the completion of each fiscal year; prepare an annual budget; deliver



a statement for income and expenditures to the Membership annually; prepare all other financial reporting and accounting documents required by California law, and shall perform such other duties as are required by the Board.

Section 7.7. Delegation of Officers' Duties

The duties set forth above may be delegated to assistant officers, the Association Manager, or to other authorized agents or employees of the Association so long as the appropriate officer is ultimately responsible for oversight and supervision of such persons. Provided, however, that such persons may not be delegated the authority to sign checks or otherwise disburse Association funds or to execute contracts, promissory notes, leases or other written instruments on behalf of the Association, except by express resolution of the Board granting such specific authority to a particular person.

Section 7.8. Officers' Authority to Execute Contracts

The Board may, by resolution, authorize any officer(s) to enter into any contract in the name of, or on behalf of, the Association (pursuant to the Board's authority to enter into contracts as set forth in the Declaration). 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 and/or on any account.

ARTICLE VIII: COMMITTEES

Section 8.1 Committees

The Association may appoint committees to assist it in performing its duties under the Governing Documents. Said committees shall serve at the pleasure of the Board and shall have such authority as designated and granted by the Board with respect to matters within their area of assigned responsibility.

Section 8.2. Meetings and Actions of Committees

The meetings and actions of all Association committees shall be governed by, and held and taken in accordance with, the provisions of these Bylaws (concerning meetings of Directors) with such changes in the context of the specific provisions of the Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of meetings of a committee shall be given to any and all regular and alternate committee members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Association records. The Board of Directors may adopt Rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

Section 8.3. Effect of Committee Actions

All actions of any committee which is comprised in whole or in part of members who are not Directors shall be considered advisory to the Board and shall be scheduled on the agenda of the Board meeting next following the



committee's action or decision. At the next following Board meeting, the Board may act to affirm, rescind, or modify any and all committee actions, as the Board in its discretion deems appropriate.

ARTICLE IX: CONFLICTS OF INTEREST

Section 9.1. Conflicts of Interest.

(a) Decisions Involving Financial Interest of Association Official. No Association official (including Directors, officers, committee members and/or Association Manager) shall make, participate in making, or in any way attempt to use his or her official position to influence an Association decision in which said Association official knows, or has reason to know, that said official has a direct or indirect financial interest that is distinguishable from the financial interest of the Members of the Association generally. If any matter in which a Director has such an interest is to be voted upon by the Board, the Director shall notify the Board prior to the vote of his or her interest in the matter and shall abstain from voting on that matter.

(b) Litigation Involving Association, Board Members or Association Manager. No person who has instituted legal action against the Association or another Director may serve or continue to serve as a Director. No person who has instituted legal action against the Association Manager may serve or continue to serve as a Director unless such action has been authorized by a majority of Directors currently serving on the Board.

Section 9.2. Employees

The provisions of Section 9.1 shall not apply to an employee of the Association when he or she is negotiating his or her compensation or the terms of his or her employment.

Section 9.3. Enforcement

(a) Determination of Conflict of Interest by the Board. The Board shall determine, by a majority vote on the basis of all facts, whether a conflict of interest exists with respect to an Association decision. If the Board determines that a conflict exists, the Board may (by majority vote) refer the matter under discussion to a special committee of the Board, of which the Association official with the conflict of interest is not a member.

(b) Remedies for Violation. If an Association Director is found by the Board to have violated this Article by making, participating or attempting to use his or her position to influence an Association decision or by instituting or continuing to pursue litigation against the Association, another Director or the Association Manager, the Board may commence either a recall election by the Members or an action in the superior court to have the Director removed. If an Association officer (who is not a Director) is found by the Board to have violated this Article IX by making, participating or attempting to use his or her position to influence an Association decision, or by instituting litigation against the Association, a Director or the Association Manager, the Board may remove said officer from office.

Section 9.4. Applicability

The provisions of this Article shall not apply to contracts entered into on or before the date that these Bylaws are adopted by the Association.

ARTICLE X: ASSOCIATION RECORDS AND DISCLOSURES TO MEMBERS



Section 10.1. Standard for Association Financial Records

All Association books of account shall be maintained in accordance with generally accepted accounting principles.

Section 10.2. Budgets, Financial Statements and Other Disclosures

The following financial statements and related information for the Association shall be regularly prepared and copies thereof shall be distributed to each Member of the Association pursuant to the provisions of Civil Code Sections 1365.1-1365.5 or comparable superseding statutes:

(a) **Budget.** A pro forma operating budget for each fiscal year (or a summary of the pro forma operating budget with a written notice of the location where the full pro forma operating budget is available for Member review pursuant to Civil Code Section 1365(c) or comparable superseding statute);

(b) **Year-End Audit or Review.** A year-end audit or review of the Association's finances shall be performed by a licensee of the California State Board of Accountancy for any year in which an audit or review is required by Civil Code Section 1365(b) or comparable superseding statute. The year-end audit or review shall consist of at least the following items: (i) A balance sheet as of the end of the fiscal year;

(ii) An operating (income) statement for the just ended fiscal year; (iii) A statement of cash flows for the just ended fiscal year; (iv) A statement advising Members of the place where the names and addresses of the current Members are located; and (v) Any information required to be reported under Corporations Code section 8322 requiring the disclosure of certain transactions in excess of \$50,000 per year between the Association and any Director or officer of the Association and indemnifications and advances to officers or Directors in excess of \$10,000 per year;

(c) **Annual Statement Regarding Delinquency/Foreclosure Policy.** A statement setting forth the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of Assessments and/or violations of Governing Documents including the notice regarding assessments and foreclosure required by Civil Code Section 1365.1 or any comparable superseding statute; and

(d) **Annual Summary of Association's Insurance Coverage.** A summary of the Association's property, general liability, earthquake and flood, fidelity and other insurance policies, if any, with the information required by Civil Code Section 1365(e) or comparable superseding statute. The Association's disclosure obligations may be satisfied by distributing to the Members a copy of the policy declaration page, if that page presents the information specified above.

(e) **Notice of Requirements for Approval of Physical Changes.** As long as Civil Code Section 1378 or comparable superseding statute remains in effect, a statement of the requirements for Association approval of any physical changes to property, the types of changes requiring Association approval and the procedure used to review and approve or disapprove proposed changes.

(f) **Notice Regarding Alternative Dispute Resolution.** The summary required by Civil Code Section 1369.590 or comparable superseding statute regarding the Association's internal dispute resolution procedures and the formal ADR procedures set forth in Civil Code Sections 1369.510 - 1369.590 or comparable superseding statutes.



(g) Other Disclosures and Summaries. Such other disclosures and summaries as may be required by California law.

Section 10.3. Required Reserve Disclosures, Studies and Inspections

The Board shall also comply with the reserve disclosure, study and inspection requirements specified in Civil Code Sections 1365.2.5 and 1365.5, or comparable superceding statutes as long as the said statutes remain in force.

Section 10.4. Record Keeping

The Board shall keep or cause to be kept all Association books, records and papers, including all Governing Documents, at the principal business office of the Association or at such other place as the Board may designate.

Section 10.5. Fiscal Year

The Association's fiscal year shall be as determined by resolution of the Board.

ARTICLE XI: INSPECTION RIGHTS OF MEMBERS AND DIRECTORS.

Section 11.1. Member's Rights to Inspect

Members may inspect and copy only those Association records that California law requires be made available to Members. Such records for the current fiscal year and for the preceding two fiscal years shall be made available in accordance with the applicable law. The Association Rules may provide a procedure for requesting such inspections, copying costs and other related matters, provided, however, that such Association Rules shall conform to current California law and the Governing Documents.

Section 11.2. Director's Rights to Inspect

Every Director shall have the right to, at any reasonable time, inspect all Association books, records, documents, and minutes and/or the Association's physical property. The right of inspection by a Director includes the right to make extracts and copies of documents.

ARTICLE XII: AMENDMENTS

Section 12.1. Amendment of Bylaws

(a) Amendment by Board of Directors. The Board of Directors may, by a vote of a two-thirds (2/3rds) majority of all Directors, adopt amendments to these Bylaws when an amendment is needed to conform a particular provision or provisions of these Bylaws to changes in applicable California State law when said changes in applicable California State law are mandatory and nondiscretionary in nature. Before entertaining a motion to approve any such amendment(s), the Board shall receive a written opinion from the Association's legal counsel confirming that (1) a change or changes in California law necessitates a corresponding amendment to the Association's Bylaws to make the affected Bylaw provision(s) an accurate statement of current underlying California law and (2) the Association is bound by law to observe said change or changes in California law.



(b) Amendment by the Members. Except as provided in Subsection (a), above, these Bylaws may be adopted, amended, or repealed only by the affirmative vote of Members representing at least fifty-one percent (51%) of all Members in Good Standing. If any provision of these Bylaws requires the vote of a larger proportion (or all) of the Members, such provisions may not be altered, amended, or repealed except by such vote, unless otherwise specifically provided herein.

Section 12.2. Effective Date

Any amendment to these Bylaws shall become effective immediately upon approval by the Directors for amendments pursuant to subsection 12.1(a), and upon approval by the Members for amendments pursuant to subsection 12.1(b) above.

Section 12.3. Book of Bylaws and Distribution to Members

The Secretary of the Association shall certify adoption of any duly approved amendment to the Bylaws. Whenever new Bylaw(s) or amendment(s) are adopted, a copy of the Bylaw(s) (as amended or adopted) and the certification shall be inserted into the book of Bylaws maintained by the Association and distributed to all Members of the Association. If any Bylaw(s) are repealed, the date upon which the repeal was enacted shall also be stated in the book of Bylaws.

ARTICLE XIII: GENERAL PROVISIONS

Section 13.1. Manager

The Board may, from time to time, employ the services of an Association Manager (or management company) to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of California, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the Association Manager any of its day-to-day management and maintenance duties and powers under these Bylaws and the Declaration, provided that the Association Manager shall at all times remain subject to the general control of the Board.

Section 13.2. Notice Requirements

Any notice or other document permitted or required to be delivered as provided herein shall be delivered in the same manner as notices of member meetings, as set forth in these Bylaws.

Section 13.3. Construction and Definitions

Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law (Corporations Code Sections 7110 et seq.) and the Davis-Stirling Act (Civil Code Sections 1350 et seq.) shall govern the construction of these Bylaws. All provisions of these Bylaws shall be liberally construed together to promote and effectuate the fundamental concepts of this Association.

Section 13.4. No Waiver



Failure to enforce any provision of the Governing Documents shall not constitute a waiver of the right to enforce that provision subsequently.

Section 13.5. Captions and Titles

All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

Section 13.6. Conflicts With Other Documents

In the case of any conflict between the Articles and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between other Governing Documents and these Bylaws, the Bylaws shall control.

Section 13.7. State Law; Severability

Notwithstanding the provisions of Section 13.3, above, these Bylaws shall be deemed independent and severable. The invalidity or partial invalidity of any provision of these Bylaws shall not affect the validity or enforceability of any other provision of these Bylaws, which shall remain in full force and effect. In case any of the Bylaws conflicts with any provisions of the laws of the State of California, such conflicting Bylaws shall be null and void upon a court determination to such effect. All other Bylaws shall remain in full force and effect.

CERTIFICATE OF SECRETARY

The undersigned duly elected and acting Secretary of the mutual benefit nonprofit corporation, known as Ballena Bay Townhouse Association No. 1 , does hereby certify that the above and foregoing Bylaws were duly adopted by written consent of the Members of said Association pursuant to Section 13.4 of the current Bylaws on the 28th day of February, 2012 , and that the same does now constitute the Bylaws of Ballena Bay Townhouse Association No. 1 .

Eric Vaernes, Secretary