

**AMENDED AND RESTATED BYLAWS OF
RANCHO DEL CIERVO HOMEOWNERS ASSOCIATION
A California Nonprofit Mutual Benefit Corporation**

ARTICLE 1. ORGANIZATION AND PURPOSE

§ 1.1 THE CORPORATION. Rancho Del Ciervo Homeowners Association (“the corporation”) is a California nonprofit mutual benefit corporation that is the homeowners association for the housing development known as Rancho Del Ciervo Tract No. 10,145 in the unincorporated portion of the County of Santa Barbara, California. The corporation is the successor in interest to Rancho Del Ciervo Estates, a dissolved California corporation, and to its successor, Rancho Del Ciervo Improvement Association; and the corporation exercises the rights and responsibilities of the aforesaid entity(ies) as set forth in the Declaration of Restrictions (as amended) for the housing development tract.

§ 1.2 PURPOSE OF CORPORATION. The purpose of the corporation shall be to protect and promote the welfare and the interests of the members, including the right, but not the obligation, to enforce the Declaration of Restrictions.

ARTICLE 2. PRINCIPAL OFFICE. The Board of Directors (below called the “Board”) shall determine, and may change, the location of the corporation’s principal office.

ARTICLE 3. MEMBERSHIP

§ 3.1 ELIGIBILITY. There shall be two classes of members: Resident members and Owner members. Individuals or entities meeting the requirements of § 3.2 or § 3.3 shall be automatically eligible for the respective class of membership. Membership shall be confirmed in writing by an authorized officer of the corporation when an eligible Resident or Owner submits a notice on the form prescribed by the Board. A membership so issued shall continue until it is cancelled as provided by these bylaws.

§ 3.2 RESIDENT MEMBERS. Resident members shall include all persons and their immediate families who reside in Tract No. 10145 in the County of Santa Barbara, State of California, who do not own the lot on which they reside.

§ 3.3 OWNER MEMBERS. Owner members shall be those persons who are of record as full or partial interest owners of the 176 lots in Tract No. 10145 in the County of Santa Barbara, State of California.

§ 3.4 RESIGNATION. Any member may resign by filing a written resignation with the secretary. Resignation shall not relieve a member of unpaid dues, or other charges previously accrued.

§ 3.5 TRANSFER OF MEMBERSHIP. The Board may provide for the transfer of memberships, subject to such restrictions or limitations and fees as the Board

deems appropriate, including transfer upon the death, dissolution, merger, or reorganization of a member.

§ 3.6 CANCELLATION OF MEMBERSHIP. The Board may cancel, or temporarily suspend, a membership for nonpayment of fees, periodic dues, or assessments or for conduct which the Board shall deem inimical to the best interests of the corporation, including, without limitation, flagrant violation of any provision of these Bylaws or failure to satisfy membership qualifications. The Board shall give the member who is the subject of the proposed action 30 days' prior notice of the proposed action and the reasons therefor. The member may submit a written statement to the Board regarding the proposed action not less than five days before its effective date. Before the effective date of the proposed action, the Board shall review any statement so submitted and shall determine the mitigating effect, if any, of the information contained in it on the proposed action. A suspended member shall not be entitled to exercise any of the voting rights set forth in § 4.1 of ARTICLE 4 during the period of suspension. A cancelled membership shall end on the effective date of the cancellation.

§ 3.7 GOOD STANDING. Any member who shall fail to pay any installment of fees, periodic dues, or assessments for more than 90 days after their due date shall not be in good standing and shall not be entitled to vote as a member.

ARTICLE 4. CLASS RIGHTS

§ 4.1 VOTE. All Owner members shall have one vote for each lot. Resident members shall have no vote and shall not be counted in the calculation of a Member vote required by these Bylaws.

§ 4.2 METHOD OF VOTING. Owner members holding divided or undivided interests therein, shall determine how their vote should be cast.

§ 4.3 PROXIES. An eligible member may vote by proxy if the proxy is in writing and it names the person to exercise the proxy and the term of validity of the proxy.

§ 4.4 ELIGIBILITY. The voting rights of an Owner member may be granted or withdrawn as stated elsewhere in these bylaws. To be eligible to vote, an Owner member must not be delinquent in payment of dues or assessments as of the date of the vote. The Secretary or Treasurer shall include the definition of delinquency in any notice of dues assessments.

ARTICLE 5. DUES AND ASSESSMENTS

§ 5.1 DUES. Annual dues shall be determined by the Directors up to a maximum value set by the affirmative vote of two-thirds of eligible members present at Annual membership meetings.

§ 5.2 PAYMENT OF DUES. Annual dues are based on the calendar year and are payable in January.

§ 5.3 ASSESSMENTS. Assessments to cover special expenses for which adequate funds are not available shall be approved by a two-thirds affirmative vote of those eligible members present at a membership meeting.

ARTICLE 6. GOVERNANCE

§ 6.1 POWERS. Subject to limitations of the Articles of Incorporation ("Articles"), of these Bylaws, and of the California Nonprofit Mutual Benefit Corporation Law relating to action required to be approved by the members or by a majority of members, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board shall have these powers in addition to the other powers enumerated in these Bylaws:

- a. To select and remove all the other officers, agents, and employees of the corporation, prescribe qualifications, powers, and duties for them that are not inconsistent with law, the Articles, or these Bylaws, fix their compensation, and require from them security or otherwise provide for faithful service.
- b. To conduct, manage, and control the affairs and activities of the corporation and to make rules and regulations therefor not inconsistent with law, the Articles, or these Bylaws, as they may deem best.
- c. To adopt and use a corporate seal, to prescribe the forms of certificates of membership if certificates are to be issued and to alter their respective forms from time to time as the Board may deem best.
- d. To authorize the issuance of memberships of the corporation from time to time.
- e. To incur indebtedness for the purposes of the corporation.
- f. To carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage.

ARTICLE 7. DIRECTORS

§ 7.1 BOARD OF DIRECTORS. The board of directors shall consist of at least five and no more than ten members of this Association. The precise number of Directors shall be fixed from time to time by a vote of the members.

§ 7.2 DUTIES OF THE DIRECTORS. The Directors shall carry on the business of the Association and represent it as appropriate. They shall determine dues and assessments within the limits set by the membership; they shall appoint committees and perform other functions that seem appropriate.

§ 7.3 COMPENSATION. The Directors shall serve without compensation, unless compensation is approved in advance by a vote of at least two-thirds of the members present at a duly called and noticed meeting.

§ 7.4 ATTENDANCE. Each Director shall attend a minimum of 50% of all meetings in each year.

§ 7.5 VACANCIES. When the number, or anticipated number, of Directors falls below five (5), an Additional Membership Meeting may be called by the Directors for the purpose of electing additional Directors, to fill vacancies. When the number, or anticipated number, of Directors is at least five (5), vacancies may be filled by the Board of Directors at a duly scheduled Board Meeting. For example: If the member-approved Board size is seven (7), and there are five (5) Directors serving, the Board may appoint up to two new Directors; but if the serving Directors are four (4) or fewer, only the members may appoint new Directors, except as provided in § 9.3a. The term of a Director elected by the Board of Directors is only for the time period until the effective date of the term of a successor elected at the next Annual meeting, where any such Directors elected by the Board must stand for election to continue.

§ 7.6 COMMITTEES AND OTHER POSITIONS. Once the officer positions are filled, the president or Board may appoint the positions of: Architectural Review Committee Liaison, Hospitality Chair, Social Chair, Neighborhood Liaison, Parliamentarian and any other positions or committees the Board deems necessary or appropriate. The Board may delegate its authority to the committees, except the authority to:

- a. Approve any action for which the California Nonprofit Mutual Benefit Corporation Law also requires approval of the members or approval of a majority of all members;
- b. Fill vacancies on the Board or on any committee;
- c. Fix compensation of directors for serving on any committee;
- d. Amend or repeal bylaws or adopt new bylaws;
- e. Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- f. Appoint other committees of the Board or members of other committees;
- g. As otherwise provided by applicable law.

§ 7.7 ARCHITECTURAL COMMITTEE. The Architectural Committee prescribed by the Declaration of Restrictions is not a committee of the Board of Directors of the corporation. Its authorization and responsibilities arise solely from the Declaration of Restrictions. t

ARTICLE 8. NOMINATION AND ELECTION OF DIRECTORS

§ 8.1 ELIGIBILITY. All members are eligible for election to the office of Director. No more than 20% of Directors may be Resident members at the completion of their first election.

§ 8.2 TERM OF OFFICE. Directors shall serve two-year terms, or until the Director resigns.

§ 8.3 NOMINATION OF CANDIDATES FOR DIRECTOR. Any member may nominate a candidate for Director by submitting the name to the Secretary, first ascertaining that they are eligible and willing to serve. The number of nominees is not limited. Members may nominate themselves. Nominations may also be made from the floor at an Annual Meeting or a Board Meeting.

§ 8.4 ELECTIONS. Directors shall be elected at an Annual Membership Meeting, or by the Directors at a Board Meeting under the conditions of § 7.5 or § 9.3.

§ 8.5 VOTING. Each Owner member shall have one vote per lot for each Director vacancy to be filled. At most one vote per lot may be cast for a candidate, *i.e.* cumulative voting is not permitted.

§ 8.6 TERMINATION. Directors may be removed by one of two methods:

- a. A director may be removed from office by an affirmative majority vote of the membership at a meeting called for the purpose of electing or removing directors.
- b. An owner-member director is automatically removed from office 60 days after transfer of property title. A resident-member director is automatically removed from office 60 days after departure from the property. Directors removed for cause under this paragraph may continue to serve the Board as a non-voting volunteer, at the discretion of the Board, in order to complete any work in progress.

ARTICLE 9. OFFICERS

§ 9.1 OFFICERS. The Board of Directors shall choose from among themselves the following officers with duties as specified:

- a. **Chair.** The Chair of the Board, if there is one, shall prepare the agenda for, and preside over, all meetings of the Board of Directors and of the members.
- b. **President.** Subject to powers, if any, given by the Board to the Chair of the Board, if there be such an officer, the President is the general manager and chief executive officer of the corporation and has, subject to the control of the Board, general supervision, direction, and control of the business and officers of the corporation. The President shall, in the absence of the Chair of the Board, or if there be none, preside at all meetings of the members and of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and other powers and duties prescribed by the Board.
- c. **Vice Presidents.** In the absence or disability of the President, the Vice Presidents, if any be appointed, in order of their rank as fixed by the Board or,

if not ranked, the Vice President designated by the Board, shall perform all the duties of the President. A Vice President so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have other powers and perform other duties respectively prescribed for them by the Board.

- d. **Treasurer.** The Treasurer keeps or causes to be kept a register of Owners of Record, Owners in residence in the tract, and the status of Owner members as it pertains to dues and assessments, as well as Resident Members. The Treasurer sends or causes to be sent, all notices of dues or assessments, and collects all dues and assessments. The Treasurer disburses all monies due and payable as just debts of the Association; maintains accurate records of all funds; and report thereon at Board and membership meetings. The books of account shall at all times be open to inspection by any Director.
- e. **Secretary.** The Secretary keeps or causes to be kept, a record of all meetings of the Directors and their official actions outside of meetings, and a roster of active directors including the date of election for each director. The Secretary shall have such records available for examination at membership meetings. The Secretary prepares and delivers, or causes to be delivered, communications to owners and residents, and notifies members of pertinent business of the Association.

§ 9.2 TERM OF OFFICE. Officers elected at an Annual Membership Meeting shall serve terms of two years, commencing on the first day of January after the election. Officers appointed in between Annual Membership Meetings shall serve for the remainder of the same term.

§ 9.3 ELECTION TO OFFICE. Election to office at a membership meeting called for the purpose of electing Directors is effective as follows:

- a. When the number of candidates is less than or equal to the number of open Director positions on the Board, Director candidates receiving a majority of the ballots cast shall be elected to office and announced. Any unfilled seats may be filled by the Board of Directors thereafter.
- b. When the number of candidates is greater than the number of open Director positions on the Board, the Director candidates receiving the largest number of votes shall be elected to office and announced.

§ 9.4 REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by the Board at any time. Any removal of an officer shall be without prejudice to his or her rights, if any, under any contract of employment.

Any officer may resign at any time by giving written notice to the corporation addressed and sent to the Board, the President, or the Secretary, but without prejudice to the rights, if any, of the corporation under any contract to which the

officer is a party. Any officer's resignation shall take effect on the date the resignation is received by the addressee or at any later time specified in the resignation and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective.

§ 9.5 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to that office, provided that vacancies may be filled as they occur and not on an annual basis.

ARTICLE 10. MEMBERSHIP MEETINGS

§ 10.1 ANNUAL MEETINGS. An annual meeting of all members of the Association shall be held in the last two months of the calendar year. The purpose of the meeting shall be to present an annual report, elect directors to begin service for the ensuing year, and for conducting other business as appropriate.

§ 10.2 NOTICE OF ANNUAL OR SPECIAL MEETINGS. Written notice of each annual or special meeting of members shall be given not less than 10 or more than 90 days before the date of the meeting to each member entitled to notice of it; provided, however, that if notice is given by mail and is not mailed by first-class, registered, or certified mail, the notice shall be given not less than 20 days before the meeting. The notice shall state the place, date and hour of the meeting, the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting, and (a) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (b) in the case of the annual meeting, those matters which the Board, at the time of the mailing of the notice, intends to present for action by the members, but, subject to the provisions of applicable law, any proper matter may be presented at the meeting for action by the members. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is sent to members.

Any approval of the members, other than unanimous approval by those entitled to vote, under the following sections of the California Corporations Code shall be valid only if the general nature of the proposal so approved was stated in the notice of meeting or in any written waiver of notice:

- a. removal of directors or reduction in number of directors;
- b. filling vacancies on the board resulting from removal by members;
- c. contracts in which a director has a material financial interest;
- d. certain amendments of the Articles of incorporation;
- e. election to wind up and dissolve; and
- f. certain distributions during winding up other than cash to a class of members.

Notice of a members' meeting shall be given either personally, by electronic transmission by the corporation, or by mail or by other means of written communication, addressed to a member at the address of the member appearing on the books of the corporation or given by the member to the corporation for the purpose of notice, or, if no such address appears or is given, at the place where the principal office of the corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal office is located. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

If any notice or report addressed to a member at the address of the member appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the member at that address, all future notices or reports shall be deemed to have been duly given without further mailing if the notice or report shall be available for the member upon written demand at the principal office of the corporation for a period of one year from the date of the giving of the notice or report to all other members.

Notice given by electronic transmission by the corporation as provided above shall be valid only if it complies with Corporations Code Section 20. Further, notwithstanding the foregoing, notice shall not be given by electronic transmission by the corporation as provided in this section after either of the following: (a) the corporation is unable to deliver two consecutive notices to the member by that means; or (b) the inability to so deliver the notice to the member becomes known to the secretary, any assistant secretary, the transfer agent or any other person responsible for giving the notice.

§ 10.3 ADJOURNED MEETINGS AND NOTICE THEREOF. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the votes represented at the meeting in person or by proxy, but in the absence of a quorum (except as provided in § 10.8 of this ARTICLE 10) no other business may be transacted at the meeting. No meeting may be adjourned for more than 45 days.

It shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at it, other than by announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting

(or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate). If, however, after adjournment, a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the adjourned meeting, is entitled to vote at the meeting, as in the case of the meeting as originally called.

§ 10.4 PROCEDURES. Meetings shall be conducted in a generally accepted manner with Roberts' Rules of Order used as a guide and authority in resolving questions of procedure. Simple majority voting shall prevail unless otherwise stated in these bylaws.

§ 10.5 BALLOT. The business of the Association shall be transacted by voice vote except upon a motion for a written ballot, duly seconded and affirmed by a majority present at an authorized meeting. Voting shall in all cases be subject to the provisions of Chapter 6 of the California Nonprofit Mutual Benefit Corporation Law.

§ 10.6 VERIFICATION. The Secretary shall verify the voting eligibility of each of the members.

§ 10.7 RECORD DATE. The Board may fix, in advance, a record date for the determination of the members entitled to notice of any meeting of members or entitled to exercise any rights in respect of any lawful action. The record date so fixed shall be not more than 60 days nor less than 10 days before the date of the meeting, nor more than 60 days prior before any other action. When a record date is so fixed, only members of record on that date are entitled to notice, to vote, or to exercise the rights for which the record date was fixed. A determination of members of record entitled to notice of a meeting of members shall apply to any adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting. The Board shall fix a new record date if the meeting is adjourned for more than forty-five (45) days.

If no record date is fixed by the Board, the record date for determining members entitled to notice of a meeting of members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. If no record date is fixed by the Board, members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting of members or, in case of an adjourned meeting, members on the day of the adjourned meeting who are otherwise eligible to vote are entitled to vote at the adjourned meeting of members. The record date for determining members for any purpose other than set forth in this § 10.7 or § 10.2 of this ARTICLE 10 shall be at the close of business on the day on which the Board adopts the resolution

relating thereto, or the sixtieth day before the date of such other action, whichever is later.

§ 10.8 QUORUM. A quorum shall consist of the eligible Owner members attending the meeting.

ARTICLE 11. MEMBER IMPROVEMENTS

§ 11.1 As used in this ARTICLE 11, “Improvement” means the type of construction or improvement projects undertaken by Owner members that must first be reviewed and approved by the Architectural Committee pursuant to the Declaration of Restrictions (as amended).

§ 11.2 Prior to initiating any Improvement (which includes the submission of a plan to the County of Santa Barbara, its Planning Commission, or any other government entity), an Owner member (the “Proponent”) shall deliver a notice, in writing, to each Owner (whether or not a member in good standing) of a lot within the subdivision that has a boundary lying within [two hundred] feet of any portion of the boundary of the Proponent’s lot (these Owners are the “neighbor Owners” hereafter). The notice must include a copy of the plans required for submission to the County or government entity, together with such information as may be reasonably necessary to communicate the nature, extent, composition and dimensions of the proposed Improvement and also the impact of the Improvement on the neighbor Owners’ use and enjoyment of their properties. The notice must also include an information meeting date and time, no earlier than ten days after the date of notice delivery, to be held at a place reasonably convenient for neighbor Owners. No information meeting will be required if all neighbor Owners waive, in writing, their right to attend the meeting. The notice shall also specify a deadline, at least fifteen days after the meeting date (or, the date of the last required meeting waiver, if earlier), for neighbor owners to submit in writing their objections to the proposed Improvement. The Proponent shall exercise good faith efforts to resolve the objections of the neighbor Owners (but shall not be required to incur obligations or costs not otherwise required by the Declaration of Restrictions, applicable laws or regulations, or the duly adopted rules of this corporation) prior to submitting the plan to the appropriate government entity(ies) or the Architectural Committee. For purposes of this § 11.2, delivery of the notice shall be performed by personal service or by certified U.S. mail delivery of the notice to the address of record of the Owner as shown on the books of the corporation; provided, that certified mail delivery will be deemed effective three days after it is mailed.

ARTICLE 12. BOARD OF DIRECTORS MEETINGS

§ 12.1 BOARD MEETINGS. The Board of Directors shall meet at least once every three months. The time and place shall be set by any majority of the Directors. The

meetings shall be open to any Owner member. Information as to time and place shall be given in advance to any Owner member who requests it.

§ 12.2 REGULAR MEETINGS. Immediately following each annual meeting of members, the Board shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business.

Other regular meetings of the Board shall be held without call or notice on dates and at times fixed by the Board.

§ 12.3 SPECIAL MEETINGS. Special meetings of the Board for any purpose or purposes may be called at any time by the Chair of the Board, the President, any Vice President, the Secretary, or any two directors.

Special meetings of the Board shall be held upon four (4)_days' notice by first-class mail or forty-eight (48)_hours' notice given personally by telephone, (including a voice messaging system or other system or technology designed to record and communicate messages) or by electronic transmission by the corporation as provided by Corporations Code § 20) or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. Any such notice shall be addressed or delivered to each director at the director's address as shown on the records of the corporation or as may have been given to the corporation by the director for purposes of notice or, if the director's address is not shown on the corporation's records or is not readily ascertainable, at the place where the meetings of the directors are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

§ 12.4 WAIVER OF NOTICE. Notice of a meeting need not be given to any director who provides a waiver of notice to holding the meeting or an approval of its minutes in writing, whether before or after the meeting, or who attends the meeting without protesting, prior before or at its commencement, the lack of notice to that director. All the waivers, consents, and approvals as to a Board meeting shall be filed with the corporate records or made a part of the minutes of the meeting.

§ 12.5 ACTION WITHOUT MEETING. Any action required or permitted to be taken by the Board may be taken without a meeting if all directors individually or

collectively consent in writing to the action. The consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

§ 12.6 RIGHTS OF INSPECTION. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

§ 12.7 BALLOT. The business of the Board shall be transacted by voice vote except upon a motion for a written ballot, duly seconded and affirmed by a majority present at an authorized meeting.

§ 12.8 QUORUM. Four (4) Directors shall constitute a quorum.

ARTICLE 13. DISSOLUTION OF THE ASSOCIATION

§ 13.1 DISSOLUTION. The Association may be dissolved by a majority vote of all Owner members and in accordance with the laws and regulations of the State of California governing such matters.

§ 13.2 DISTRIBUTION OF ASSETS. Upon dissolution and settlement of outstanding obligations, the assets of the Association shall be sold by action of the Board of Directors and the proceeds shall be distributed equally among the Owner members.

If the corporation is wound up and dissolved, the members of record at the time a certificate evidencing the corporation's election to wind up and dissolve is filed with the Secretary of State or, if no election to wind up and dissolve is made, at the time an order for winding up and dissolution of the corporation is entered, shall receive the assets of the corporation remaining after (a) return of any assets held upon a valid condition requiring return, transfer, or conveyance, which condition has occurred or will occur; (b) disposition of any assets held in a charitable trust in compliance with the provisions of any trust under which such assets are held; (c) payment, or adequate provision for payment, of all taxes, penalties, debts, and liabilities; and (d) compliance with other provisions of applicable law. Such distribution shall be prorated among the Owner members in the ratio of their voting rights (*i.e.*, one share for each lot owned)

The corporation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a member of any class, as set forth in ARTICLE 3, upon any person or entity who does not have the right to vote on any of the matters set forth in the ARTICLE 3 or for the selection of delegates who possess any such voting rights, but no such person or entity shall be a member within the meaning of California Corporations Code Section 5056 or ARTICLE 3.

ARTICLE 14. OTHER PROVISIONS

§ 14.1 INSPECTION OF CORPORATE RECORDS. Subject to Sections 8330, 8331, and 8332 of the California Nonprofit Mutual Benefit Corporation Law, a member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

- a. Inspect and copy the record of all the members' names, addresses, and voting rights, at reasonable times, upon five business days' prior written demand upon the corporation, which demand shall state the purpose for which the inspection is requested; or
- b. Obtain from the Secretary of the corporation, upon written demand and tender of a reasonable charge, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of a date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The Secretary shall make the membership list available on or before the later of 10 business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

The corporation may, within 10 business days after receiving a demand, as set forth above in paragraph (a) or (b) of this § 14.1, deliver to the person(s) making the demand a written offer of an alternative method of achieving the purpose identified in the demand without providing access to or a copy of the membership list. Any rejection of the corporation's offer shall be in writing and shall indicate the reasons the alternative proposed by the corporation does not meet the proper purpose of the demand made pursuant to paragraph (a) or (b) of this § 14.1.

The accounting books and records and minutes of proceedings of the members and the Board and committees of the Board shall be open to inspection upon written demand on the corporation of any member at any reasonable time for a purpose reasonably related to the member's interests as a member.

§ 14.2 INSPECTION OF ARTICLES AND BYLAWS. The corporation shall keep in its principal office in the State of California the original or a copy of its Articles and of these Bylaws as amended to date, which shall be open to inspection by members at all reasonable times during office hours. If the corporation has no office in the State of California, it shall upon the written request of any member furnish to that member a copy of the Articles or Bylaws as amended to date.

§ 14.3 ENDORSEMENT OF DOCUMENTS; CONTRACTS. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by any one of the Chair of the Board, the President or any Vice President, and by a second person who is the Secretary, an Assistant Secretary,

the Treasurer or an Assistant Treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may also be signed by any other person or persons in the manner from time to time determined by the Board. Unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

§ 14.4 CONSTRUCTION AND DEFINITIONS. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws.

ARTICLE 15. INDEMNIFICATION

§ 15.1 DEFINITIONS. For the purposes of this ARTICLE 15, “agent” means any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of that predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under § 15.4 or § 15.5 of this ARTICLE 15.

§ 15.2 INDEMNIFICATION IN ACTIONS BY THIRD PARTIES. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law (made applicable pursuant to Section 7238 of that Law), or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that that person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if the person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in

a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

§ 15.3 INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.

The corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law (made applicable pursuant Section 7238 of that Law) or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that that person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if the person acted in good faith, in a manner the person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this § 15.3:

- a. In respect of any claim, issue, or matter as to which the person shall have been adjudged to be liable to the corporation in the performance of the person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court shall determine;
- b. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- c. Of expenses incurred in defending a threatened or pending action that is settled or otherwise disposed of without court approval, unless the action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

§ 15.4 INDEMNIFICATION AGAINST EXPENSES. To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in § 15.2 or § 15.3 of this ARTICLE 15 or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

§ 15.5 REQUIRED DETERMINATIONS. Except as provided in § 15.4 of this ARTICLE 15, any indemnification under this ARTICLE 15 shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in § 15.2 or § 15.3 of this ARTICLE 15, by:

- a. A majority vote of a quorum consisting of directors who are not parties to the proceeding;
- b. Approval of the members, with the persons to be indemnified not being entitled to vote thereon; or
- c. The court in which the proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by the corporation.

§ 15.6 ADVANCE OF EXPENSES. Subject to applicable law (including but not limited to legal restrictions on use of the corporation's assets, required findings by or on behalf of the corporation, any applicable federal or state tax laws (including, if the corporation holds assets upon charitable trusts, its status with respect to such assets) and to the laws referred to in § 15.12 below, expenses incurred in defending any proceeding by one or more of the Directors or the Officers named in these Bylaws shall and other agents may to the maximum extent permitted by the foregoing considerations be advanced by the corporation before final disposition of the proceeding upon receipt of an undertaking by or on behalf of the agent to repay that amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this ARTICLE 15.

§ 15.7 OTHER INDEMNIFICATION. No provision made by the corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of members or directors, an agreement, or otherwise, shall be valid unless consistent with this ARTICLE 15. Nothing contained in this ARTICLE 15 shall affect any right to indemnification to which persons other than those directors and officers may be entitled by contract or otherwise.

§ 15.8 FORMS OF INDEMNIFICATION NOT PERMITTED. No indemnification or advance shall be made under this ARTICLE 15, except as provided in § 15.4 or § 15.5c, in any circumstances in which it appears:

- a. That it would be inconsistent with a provision of the Articles, these Bylaws, a resolution of the members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- b. That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

§ 15.9 INSURANCE. The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in that capacity or arising out of the agent's status

as such whether or not the corporation would have the power to indemnify the agent against that liability under the provisions of this ARTICLE 15. Subject to applicable law (including but not limited to legal restrictions on use of the corporation's assets, required findings by or on behalf of the corporation, any applicable federal or state tax laws (including, if the corporation holds assets upon charitable trusts, its status with respect to such assets) and to the laws referred to in § 15.12 below), the corporation shall use reasonable efforts in good faith to obtain and maintain general liability insurance (to the extent generally available on commercially reasonable terms) on behalf of the Directors and Officers of the corporation, including but not limited to insurance as contemplated by Section 5047.5 of the California Corporations Code.

§ 15.10 NONAPPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFIT PLANS. This ARTICLE 15 does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the corporation as defined in § 15.1 of this ARTICLE 15. The corporation shall have power to indemnify that trustee, investment manager, or other fiduciary to the extent permitted by Section 7140(e) of the California Public Benefit Corporation Law.

§ 15.11 MEETINGS OF THE BOARD. On written request to the board by any agent seeking indemnification under these bylaws or the California Nonprofit Mutual Benefit Corporation Law, the Board shall promptly convene a meeting and in good faith decide whether the applicable standard(s) have been met and, subject to any required findings and other constraints, if any, upon its power to provide such indemnification, if they have been met, shall promptly authorize such indemnification.

§ 15.12 FEDERAL AND STATE EXCULPATORY PROVISIONS. Nothing in this ARTICLE 15 shall limit or otherwise adversely affect the rights of qualifying agents of this corporation under the Federal Volunteer Protection Act of 1997, as amended, Section 5047.5 of the California Corporations Code or similar provisions of other laws or public policies limiting such liability, as now in effect or as any thereof may be amended.

§ 15.13 SEPARABILITY. Each and every paragraph, sentence, term, and provision of this is separate and distinct so that if any paragraph, sentence, term, or provision shall be held to be invalid or unenforceable for any reason, its invalidity or unenforceability shall not affect the validity or enforceability of any other paragraph, sentence, term, or provision of this. To the extent required, any paragraph, sentence, term, or provision of this may be modified by a court of competent jurisdiction to preserve its validity and to provide the claimant with, subject to the limitations set forth in this and any agreement between the corporation and the claimant, the broadest possible indemnification permitted under applicable law.

ARTICLE 16. AMENDMENTS.

These Bylaws may be amended or repealed by approval of the members or by approval of the Board; provided, however, that members must approve any action that would: (a) materially and adversely affect the rights of members as to voting, dissolution, or redemption, or transfer of memberships; (b) increase or decrease the number of memberships authorized in total or for any class; (c) effect an exchange, reclassification, or cancellation of all or any part of the memberships (other than within the maximum and minimum of a variable board); (d) authorize a new class of membership; or (e) specify or change a fixed number of directors or the maximum or minimum number of directors or change from a fixed to a variable number of directors or vice versa. The power of members to approve the repeal or amendment of Bylaws is subject to the further approval of the members of a class if that action would: (a) materially and adversely affect the rights, privilege, preferences, restrictions, or conditions of that class as to voting, dissolution, redemption, or transfer of memberships in a manner different than that action affects another class; (b) materially and adversely affect that class as to voting, dissolution, redemption, or transfer of memberships by changing the rights, privileges, preferences, restrictions, or conditions of another class; (c) increase or decrease the number of memberships authorized for that class; (d) increase the number of memberships authorized for another class; (e) effect an exchange, reclassification, or cancellation of all or part of the memberships of that class; or (f) authorize a new class of memberships.

CERTIFICATION BY SECRETARY

I, the undersigned Secretary of the Corporation, certify that the foregoing Bylaws were approved by the Board of Directors on April 11, 2018 and by the members on May 23, 2018.

Date: May 24, 2018



Secretary