

AMENDED BYLAWS OF
ASPEN CREEK OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

1.1 Name and Location. The name of the corporation is **Aspen Creek Owners Association**, hereinafter referred to as the “Association.” The principal office of the Association shall be located at the Aspen Creek Condominium Project, or at such other place as may be designated by the Board. The Board is hereby granted full power and authority to change said principal office from one location to another.

ARTICLE II

DEFINITIONS

2.1 Incorporation. The definitions contained in the Declaration are incorporated by reference herein.

2.2 Declaration. “Declaration” shall mean and refer to the **Second Amended and Restated Declaration of Covenants, Conditions and Restrictions** applicable to the Project commonly known as Aspen Creek recorded in Mono County, and subsequent amendments thereto.

2.3 Precedence and Conflicts. The Declaration of Covenants, Conditions and Restrictions shall be the primary governing document of the Association. The Bylaws of the Association shall be subordinate to the Declaration. In case of conflict between the Declaration and the Bylaws, the Declaration shall govern.

ARTICLE III

MEETING OF MEMBERS AND VOTING

3.1 Annual Meetings. The annual meeting of the Members shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association’s fiscal year. Subsequent annual meetings of the Members shall be held within thirty (30) days of the same day of the same month of each year thereafter at such time as the Board directs. The nominal date set by past precedent is mid-August of each year.

3.2 Special Meetings. Special meetings of the Members shall be promptly scheduled at any time by the Board in response to the vote of a majority of the Board of Directors, or in response to a request by the President of the Board, or upon written request of the Members representing five percent (5%) of the total voting power of the Association.

If a special meeting is called by Members other than the Board of Directors, the request shall be submitted in writing, specifying the general or specific nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail to the President or Secretary of the Association. The Officer receiving the request shall cause notice to be promptly given to the Members entitled to vote, in accordance with the provisions of Section 3.3 of this Article, that a meeting will be held, and the date for such meeting, which date shall not be less than thirty five (35) days nor more than ninety (90) days following the receipt of the request. Per the California Corporations Code § 7511(c), if the notice is not given within the twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this paragraph shall be construed as limiting, fixing or affecting the time when a meeting of the Members may be held when the meeting is called by action of the Board or by an Officer, as aforesaid.

3.3 Notice and Place of Meetings. Except as specifically noted in Section 3.2 with regard to special meetings requested by at least five percent of the Members, written notice of each meeting of the Members, annual or special, shall be given by, or at the direction of, the Secretary, or his agent, when the meeting has been called pursuant to Section 3.2 above, by mailing a copy of such notice, first class mail, postage prepaid, at least thirty five (35) but not more than ninety (90) days before such meeting to each First Lender requesting notice and to all Members, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the following proposal(s): (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; (c) amending the Articles of Incorporation; (d) approving a contract or transaction in which a Director has a material financial interest. Meetings shall be held at a meeting place in the State of California as determined by the Board of Directors in the sole exercise of its discretion. The Board shall make every reasonable effort to locate the meeting place to the convenience of the most Members.

3.4 Quorum. The presence either in person or by proxy, at any meeting of Members entitled to cast one-half (1/2) plus one (1) of the total voting power of the Association (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting), shall constitute a quorum for any action except as otherwise provided in the Declaration, or these Bylaws. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that twenty-five percent (25%) of the total voting

power of the Association remains present in person and/or by proxy. Notwithstanding anything herein to the contrary, for purposes of obtaining membership approval of special assessments or increases in annual assessments as may be required by Section 4.4 of the Declaration, a quorum means more than fifty percent (50%) of the voting power of the Association.

3.5 Proxies. At all meetings of Members, each Member entitled to vote shall have the right to do so either in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Condominium, or upon receipt of written notice by the Secretary of the Board of the death or judicially declared incompetence of a Member prior to the counting of the vote, or upon the expiration of eleven (11) months from the date of the proxy. The Board shall meet to determine how proxies held for it are to be voted for any or all issues for the next meeting of Members at a date and time after the notice of the meeting has been furnished to Members and prior to commencement of that meeting. The specific date and time for that Board meeting, within these parameters, shall be determined by the Board. Members shall receive notice of this Board meeting as specified in these Bylaws and the meeting shall be held in accordance with the terms of the Common Interest Development Open Meeting Act (Civil Code §§ 1363.03 and 1363.05), as those Sections may be amended from time to time. Any form of proxy distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters listed in the Agenda to be acted upon. The proxy shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy also shall identify the person or persons authorized to exercise the proxy and the length of time it will be valid. In addition, the voting by proxy shall comply with any other applicable requirements of California Corporations Code §§ 7514 and 7613, as such Sections may be amended or renumbered from time to time.

3.6 Membership and Voting. Members shall be all Owners and shall be entitled to one (1) vote for each condominium owned. Members may own more than one (1) membership in the Association by complying with the qualifications of membership as to more than one (1) condominium. When more than one (1) person holds an interest in any condominium, all such persons shall be Members. The vote for such condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any condominium. The Board may, but need not, issue appropriate membership certificates evidencing membership in the Association. Membership in the Association shall automatically terminate when such Member no longer holds an interest in a condominium entitling him to such membership.

3.7 Eligibility to Vote: Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's condominium(s) and not subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Declaration. A Member's good standing shall be determined as of the record date established in accordance with Section 3.8. The Association shall not be obligated to conduct a hearing in order to suspend a Member's

voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing. A Member shall maintain good standing if said standing has not been suspended by the provisions of these Bylaws and the Member has maintained a current filing with the Association of the following:

- a. the signature or signatures of the Owner(s) authorized to vote on behalf of the Member's condominium;
- b. address where all notices shall be sent; or
- c. a proxy that names the Owner's representative and lists said representative's address.

3.8 Record Dates:

A. Record Dates Established by the Board: For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date except as otherwise provided in the Articles, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. The record dates established by the Board pursuant to this Section shall be as follows:

(1) Record Date for Notice of Meetings: In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting.

(2) Record Date for Voting: In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(3) Record Date for Action by Written Ballot Without Meeting: In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(4) Record Date for Other Lawful Action: In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

B. Failure of the Board to Fix a Record Date: If the Board, for any reason, fails to establish a record date, the following rules shall apply:

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

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

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

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

(5) **Record Date Means as of Close of Business:** For purposes of this subparagraph B, a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

3.9 Action Without Meeting. Any action that may be taken at any annual or special meeting of Members (except the election of Directors) may be taken without a meeting in accordance with the provisions of California Corporations Code §§ 7513 and 7516, as such Sections may be amended or renumbered from time to time. Any form of written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice.

3.10 Conduct of Meetings: Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. Notwithstanding any other provision of law, notice of meetings of the Members shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. The order of business of all meetings of the Members shall be as follows: (a) roll call of Members present; (b) proof of notice of meeting or appropriate waiver; (c) reading of minutes of preceding meeting; (d) reports of Officers and Board Committees; (e) reports of managers, or managing agents; (f) election of Directors or Officers, if any are to be elected; (g) unfinished business; and (h) new business. Any Member shall be

permitted to speak at a meeting of the Association Members; however, the Board of Directors may establish a reasonable time limit for Members to speak before a meeting of the Board or Association Members.

3.11 Adjourned Meetings: When a Members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. No meeting may be adjourned for more than 45 days. At the adjourned meeting the Association may transact any business which might have been transacted at the original meeting. If after the 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 meeting, is entitled to vote at the meeting.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 General. The activities and affairs of this Association shall be administered and overseen by, and the powers of the Association exercised under the direction of, a Board of Directors. The Board may delegate the management activities to any management company, to a managing agent, or committee, provided however that the activities and affairs of the Association shall be directed, overseen and managed, and the corporate powers exercised, under the ultimate direction of the Board.

4.2 Number. The affairs of this Association shall be managed by a Board consisting of at least five (5) Directors, but not more than ten (10), all of whom must be Members of the Association, or an Officer, Director, employee or agent of a Member. The Board of Directors may provide for a larger number of Directors to be elected than five (5), if, in the discretion of the Board, the Board determines that the business of the Association could be handled more effectively with additional Directors, or if there is sufficient interest in the membership. The number of Directors to be elected shall be provided for in the notice of the Annual Meeting of Members and in the proxy form that is mailed therewith.

4.3 Term of Office. The term of each and every current Board Director shall expire automatically upon the election of a new Board at the first annual meeting of Members held after the adoption of these Bylaws. At that meeting, the election shall be conducted according to the terms of Article 5.2 "Election". At the next Annual Meeting of Members, that election shall also be conducted according to the terms of Article 5.2. Thereafter, elections shall be held at each successive Annual Meeting of Members to fill the then-expired Board positions and each elected Board Director shall serve a two year term. Unless vacated sooner, each Board Director, including any Director appointed by the Board to fill an unexpired term, shall hold office until a successor Director is elected, and the Director's term expires.

4.4 Qualification for Office: A Director must be a Member in good standing, not in violation of the current standards for collection of assessments, either regular or special; not subject to suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with this Declaration; not participating as a party in legal conflict with the Association, either by the initiation of a lawsuit or the threat thereof; nor convicted of a felony. Qualification for office must comply with the provisions of § 7151 of the Corporations Code.

4.5 Removal Without Cause; Vacancies. Unless the entire Board is removed from office by the vote of Association Members, an individual Director may be removed without cause only by a vote of a majority of a quorum of the Members in accordance with the provisions of the Corporations Code § 7222. In the event of death or resignation of a Director, the vacancy may be filled by approval of the Board at a duly held meeting, or by the sole remaining Director, in accordance with the provisions of § 7224 of the Corporations Code. The successor Director shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

4.6 Removal of Director For Cause. The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or who has been convicted of a felony, or for failing to attend more than one-half (1/2) of the duly noticed number of meetings in a fiscal year, or for failure to continue to meet the qualifications of a Director in Section 4.4, pursuant to Corporations Code § 7221. A vacancy created by the removal of a Director can be filled only by election of the Members. A Director determined to be in conflict of interest per the provisions of § 7233 of the Corporations Code shall not be entitled to participate in that issue before the Board.

4.7 Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for his or her actual expenses, if reasonable, that are incurred in the performance of his or her duties. For this provision, “compensation” means remuneration whether by way of salary, fee, or other consideration for services rendered, per the Corporations Code § 7231.5.

4.8 Indemnification and Limited Liability of Officers and Directors. The Association shall indemnify any present or former Director, Officer, employee or other agent of the Association to the fullest extent authorized under California Corporations Code § 7237, or any successor statute, and may advance to any such person funds to pay expenses (including attorney’s fees) that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to indemnification under this provision.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee may consist of elected Board Directors or Officers. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Notice to the Members of the Annual Meeting shall include the names of all those who are nominees at the time the notice is sent. The Nominating Committee may require a simple form delineating the nominee's qualifications for the Board. All candidates shall have reasonable opportunity to communicate their qualifications to Members and to solicit votes. Nominations, including self nominations, may also be made from the floor at the annual meeting. Any candidate nominated from the floor shall have reasonable time to communicate their qualifications and solicit votes. The use of Association funds for campaign purposes is prohibited (Corporate Code § 7526).

5.2 Election. The term of each and every current Board Director shall expire automatically upon the election of a new Board at the first annual meeting of Members held after the adoption of these Bylaws. At that meeting, five (or more as directed) new Board Directors shall be elected; the top three individuals (or more as directed) who receive the most votes shall serve two year terms, while the initial terms of the other two (or more as directed) shall be one year. At the next annual meeting of Members, an election shall be held for these two (or more as directed) Board positions, and the top two individuals (or more as directed) receiving the most votes at that election shall serve two year terms. Thereafter, elections shall be held at each successive annual meeting of Members to fill the then-expired Board positions and each elected Board Director shall serve a two year term. At each election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. In the event that there are more persons nominated for Directors than there are positions available, the persons receiving the highest number of votes shall be elected. Voting for Directors shall be by secret written ballot and comply with the provisions of California Civil Code §§ 1363.03, 1364.04, and 1363.05, and those of Corporations Code § 7615.

ARTICLE VI

MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at such place and at such hour as may be fixed from time to time by resolution of the Board. Board Meetings may be held in Mammoth Lakes or at a convenient place in Southern California. Notice of the time and place and agenda of meetings shall be communicated to Directors not less than ten (10) days prior to the meeting, and shall be posted at a prominent

place within the Common Area, on the Association's website, and filed with the Association's Accounting Service for mailing with the monthly Common Area Fee billing. Notice of any meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

6.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President (if any), Chief Financial Officer, or Secretary of the Association, or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first-class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; (d) by telegram, facsimile or electronic mail. Such notice shall be posted or communicated in a manner prescribed for notice of regular meetings and shall be sent to all Directors not less than ten (10) days prior to the scheduled time of the meeting. Notice may be given by mail, or delivery of the notice to each Condominium in the project, or by newsletter or similar means of communication. Notices sent by first-class mail shall be deposited into a United States mailbox at least six (6) days before the time set for the meeting.

6.3 Quorum. A majority of the Directors (but not less than three (3)), shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.4 Open Meetings. Except as provided in Sections 6.5 and 6.6, all meetings of the Board shall be open to all Members, in accordance with the provisions of Civil Code § 1363.05 as that Section may be amended or renumbered from time to time. The Agenda shall provide opportunity for any Member to speak. A reasonable time limit may be established by the Board of Directors.

6.5 Executive Session. The Board may, with approval of a majority of its Directors present at a duly called meeting in which a quorum for the transaction of business has been established, or, if all members of the governing body are present, by a majority vote of the Directors, adjourn a meeting and reconvene in executive session to discuss and vote upon litigation, matters relating to the formation of contracts with third parties, Member discipline, or personnel matters. The nature of any and all business to be considered in executive session shall first be announced in open session and shall be generally noted in the minutes of the Board of Directors. The Board shall meet in executive session, if requested by a Member who may be subject to a fine, penalty, or other form of discipline, and the Member affected shall be entitled to attend the executive session.

6.6 Electronic Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, including electronic mail, so long as all Directors receive proper notice of the meeting in accordance with Section 6.1 of these Bylaws, and so long as all Members receive notice of the meeting at least ten (10) days in advance of the meeting along with an explanation that the meeting is to be held by conference telephone or whatever similar communication equipment shall be used, and along with an opportunity for any owner who so desires to contact a specified person at a specified phone number to ask to be included in the meeting. Inclusion in the meeting shall be automatic for any Member properly requesting it. All Directors and Members participating in the meeting must be able to communicate with all of the other Members concurrently, and must have the means of participating in all matters before the Board. All Directors and Members attending such a meeting shall be deemed to be present in person at the meeting. All Electronic Meetings shall comply with the provisions of the Corporations Code § 7211(6). An explanation of the action taken at the meeting shall be posted at a prominent place within the Common Area within fourteen (14) days after the meeting, and posted on the Association's website.

6.7 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the Minutes, and (c) notice of all actions taken at the meeting be furnished to the Members by posting or otherwise available to the Members no later than fourteen (14) days after the completion of the meeting. Such notice to the Members shall inform them that they have fifteen (15) days of the date of the mailing of the notice to inform the Board of Directors in writing of their objection to the actions taken at such a meeting, and such notice shall further inform the Members that in the event they do so, all of said actions will be deemed to be null and void, and a new meeting will be calendared. The notice to Members shall further inform the Members that if no such objections are received by the Board of Directors in a timely manner, then the Members shall be deemed to have ratified and approved of the legality of the meeting in question. The waiver of notice or consent to be signed by each Director not present need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice. Such notice shall comply with Section 6.1 of these Bylaws.

6.8 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place of the adjourned meeting shall be furnished to all of the Directors and to all of the Members no less than ten (10) days before the time of the adjourned meeting. Further, such notice shall be posted at a prominent place within the Common Area, and on the Association's website not less than ten (10) days before the time of the adjourned meeting.

6.9 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, by conference call or otherwise, if all Directors of the Board, individually or collectively, consent to that action. Such action by

consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such consent or consents shall be filed with the Minutes of the proceedings of the Board. An explanation of the action taken shall be posted at a prominent place or places within the Common Area, and on the Association's website within fourteen (14) days after the written consents of all Board Directors have been obtained.

6.10 Definition of Meeting. "Meeting" includes any congregation of a majority of the Directors of the Board at the same time and place to hear, discuss, or deliberate upon any item of business scheduled to be heard by the Board, except those matters that may be discussed in executive session.

6.11 Order of Meetings. The order of all Board Meetings shall be as follows: (a) roll call of Directors present; (b) proof of notice of meeting or appropriate waiver; (c) reading of Minutes of preceding meeting; (d) reports of Officers and Board Committees; (e) reports of managers, or managing agents; (f) election of Officers, if any are to be elected; (g) unfinished business; and (h) new business. Any Member shall be permitted to speak at a meeting of the Board; however, the Board of Directors may establish a reasonable time limit for Members to speak.

ARTICLE VII

OFFICERS AND THEIR DUTIES

7.1 Enumeration of Officers. The Officers of this Association shall be a President, a Secretary, and a Chief Financial Officer, and such other Officers as the Board may from time to time by resolution create. All Officers shall at all times be Members of the Association. All Officers serve at the pleasure of the Board, subject to the conditions and restrictions enumerated in this Article.

7.2 Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. Officers shall be elected by majority vote of a quorum of the Board Directors.

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

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

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

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

7.7 Duties. The duties of the Officers are as follows:

A. President. The President shall preside at all meetings of the Members and the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall, subject to the control of the Board, have the general powers and duties of management usually vested in the office of the President of a California nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws. The President shall appoint all Committee Chairpersons. The President shall be an ex-officio member of all standing committees.

B. Vice President (if so elected by the Board). The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

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, or cause to be served, notice of meetings of the Board and of the Members; keep, or cause to be kept, appropriate current records showing the Members of the Association together with the addresses, and shall perform such other duties as required by the Board. Unless otherwise directed by the Members, the Secretary shall collect all proxies at the Annual Meeting or other Special Meeting of the Members, as provided above and in compliance with Corporations Code § 7514.

D. Chief Financial Officer. The Chief Financial Officer, or the Association's accountant acting under the supervision of the Chief Financial Officer, shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; shall prepare, or cause to be prepared, and shall distribute budgets and financial statements to each Member as required under these Bylaws, and by applicable laws. The Chief Financial Officer shall sign for all disbursement of funds of the Association. All Association disbursements shall require the signature of a second Officer, or a designate of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1 Duties: The Board of Directors shall undertake and fulfill the following duties:

A. Adopt Policies: The Board shall adopt policies of the Association which shall consist of such resolutions adopted by the Board of Directors that fulfill the purposes of the Association. Said policies will serve the membership and management as the statement of the specific objectives and purposes for which the Association exists.

B. Oversight and Review of Administration of Association Affairs: The Board shall review and direct the Officers and Managing Agent of the Association to assure that the policies of the Association are being accomplished in a reasonable and prudent manner and that the requirements for operation of the Project as set forth in the Project Documents and the laws applicable to the Project are fulfilled to the extent reasonable and appropriate.

C. Supervision: The Board shall supervise all Officers, agents and employees of the Association to see that their duties are properly performed.

8.2 Powers: The Board of Directors shall have power to:

A. Manager: Employ a manager, or managing agent, as provided in Section 5.2(C) of the Declaration. The Board may convey upon such manager, or managing agent, such authority as deemed necessary to conduct the business of the Association. Such business may include, but not be limited to, sub-contracting of routine work, provision for the continued welfare of the project, enforcement of Association Rules, and other such duties.

B. Adoption of Rules: Adopt rules in accordance with Section 5.2(D) of the Declaration. Such rules and regulations shall be consistent with, and in furtherance of, existing law, the Declaration, the Articles of Incorporation, and these Bylaws. Such rules and regulations shall be regularly published and distributed to all Members, and shall take effect as the Association Rules. The Board shall provide, or cause to be provided, proper notice whenever Association Rules are changed or modified per Civil Code § 1357.130.

C. Assessments, Liens and Fines: Levy and collect assessments and impose fines as provided in Section 5.2(F) of the Declaration, and in accordance with California Civil Code §§ 1365.1, 1367.1, 1367.4, and 1367.5. The Board in its discretion may adopt a list of specific fines and penalties for the violation by any Member of the provisions of the Declaration, the Articles, these Bylaws, and the Association Rules, including suspension of voting and other rights of Members; provided, however, that no such violation shall entitle the Board or the Association to cause forfeiture or abridgment of a Member's rights to full use and enjoyment of the Unit of his condominium, including all necessary access thereto.

D. Enforcement (Notice and Hearing): Enforce these Bylaws and/or the Declaration provided that at least fifteen (15) days' prior notice of any charges (other than Assessments) or potential discipline or fine and the reasons therefore are given to the Member affected, and that an opportunity is provided for the Member to be heard, orally or in writing not less than five (5) days before the imposition of the discipline or fine, said hearing to be before the Board. Such fines and penalties shall be binding upon all Members. Such remedy shall not be deemed to be exclusive and the Board shall have all such remedies as are provided for by applicable law. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Member as shown on the Association's records.

E. Contracts: Contract for goods and/or services in accordance with Section 5.2(K) of the Declaration, and Sections 8.2(F) and 8.3(A) of the Bylaws. The Board may at its discretion convey upon a manager, or managing agent, such authority as it deems necessary to contract for goods and/or services in the name of the Association, unless such delegation is expressly prohibited by Section 5.2(C) of the Declaration, or by Section 8.2(F) of these Bylaws.

F. Delegation: Delegate its authority and powers to Officers or employees of the Association or to a Managing Agent employed by the Association. The Board may not delegate the authority: (i) to make expenditures for capital additions or improvements chargeable against the reserve funds; (ii) to conduct hearings concerning compliance by an Owner or his or her tenant, lessee, guest or invitee with the Declaration or Rules and regulations promulgated by the Board; (iii) to make a decision to levy monetary fines, impose special Assessments against individual Condominiums, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; (iv) to make a decision to levy annual or special Assessments; or (v) to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. Any delegation shall be revocable by the Board at any time. The Directors of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the Managing Agent of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

G. Use of Common Area: Promulgate rules for the use of the Common Area in accordance with the terms of the Declaration.

H. Appointment of Trustee: Appoint a trustee to enforce assessment liens by power of sale as provided in the Declaration and in California Civil Code § 1367(b), as such Section may be amended or renumbered hereafter.

I. Other Powers: In addition to any other power contained herein, the Association may exercise the powers granted to a non-profit mutual benefit corporation as enumerated in California Corporations Code § 7140, as such Section may be amended or renumbered hereafter.

8.3 Prohibited Acts: The Board of Directors shall not take any of the following actions, except with the vote at a meeting of the Association, or by written ballot without a meeting pursuant to Corporations Code § 7513 (as such Section may be renumbered or amended hereafter) of a simple majority of the Members.

A. Contracts: Entering into a contract for the furnishing of goods or services for the Common Area or the Association for a term longer than one (1) year or, notwithstanding the term, where the amount to be paid to the vendor including, without limitation, amounts to be paid under contingent fee contracts, may reasonably be expected to exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which the contract is signed, and the contract is other than for the maintenance, repair, replacement or reconstruction of one or more elements of the Common Area, with the following exceptions:

(1) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration (if either has jurisdiction over the Project);

(2) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(3) Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits short rate cancellation by the insured;

(4) Lease agreements for laundry room fixtures and equipment of not to exceed five (5) years duration;

(5) Agreements for cable television services and equipment or satellite dish television services and equipment, of not to exceed five (5) years duration;

(6) Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five (5) years duration;

(7) A contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty, or other obligation upon ninety (90) days' written notice and termination to the other party.

All contracts shall comply with the provisions of the California Code of Regulations, Title 10, § 2792.21, unless otherwise approved by a majority of the voting power of the Association at a duly called meeting of the Members.

B. Aggregate Expenditures: Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;

C. Selling Property: Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;

D. Paying Compensation: Paying compensation to Directors of the Board or to the Officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a Member or Officer to be reimbursed for the actual expenses, if reasonable, that are incurred in the performance of his or her duties. For the purposes of this provision, "compensation" means remuneration whether by way of salary, fee, or other consideration for services rendered, per the Corporations Code § 7231.5.

ARTICLE IX

ASSOCIATION DUTIES AND RESPONSIBILITIES

9.1. Association Duties: The Association shall, as provided in these Bylaws or as the Board may otherwise direct through its Managing Agent or other contractors, undertake the following duties and responsibilities:

A. Maintenance: Perform the maintenance described in Section 5.1(A) of the Declaration;

B. Insurance: Maintain insurance as required by Section 8.8 of the Declaration;

C. Discharge of Liens: Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of the lien (after notice and hearing as required by these Bylaws);

D. Assessments: Fix, levy, collect and enforce Assessments as set forth in Article IV of the Declaration;

E. Expenses and Obligations: Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

F. Enforcement: Enforce these Bylaws and the Declaration;

G. Records: Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members; keep adequate and correct books and records of account, Minutes of proceedings of its Members,

Board and committees, and a record of its Members giving their names and addresses. Requests for inspection of records, or the creation of such reports or records, shall be consistent with the provisions of California Corporations Code §§ 8330, 8331, and 8332, as referenced by the California Civil Code § 1363(f), as they may be amended from time to time.

H. Contract: Contract for goods and/or services in accordance with Section 5.2(K) of the Declaration;

I. Financial Requirements: Comply with the Financial Requirements set forth in Article XII of these Bylaws.

ARTICLE X

COMMITTEES

10.1 Standing Committees. A Finance (Reserves) Committee shall annually review all capital projects and update cost estimates as required. The Finance Committee shall consist of the Chief Financial Officer and at least two others to be appointed by the President. An Architectural Control Committee shall be appointed by the President to review and recommend any changes to the general architecture of the project, or requested alterations by an owner. A Nominating Committee shall be appointed by the President as provided in Section 5.1 of these Bylaws. A Rules Committee may be appointed by the President to maintain and update Association Rules.

10.2 Other Committees. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

10.3 Limitations on Committees. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Corporations Law of California, also requires Members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; (f) approve any transaction to which the Association is a party and in which one (1) or more Directors have a material financial interest.

10.4 Purpose of Committees. The purpose of all committees shall be to assist the Board of Directors in the development of policies and to assist in the oversight and assessment of the Association policies. No committee shall be assigned, delegated or chartered in any manner which would authorize them to take final action in the name of the Association. No committee, officer of a committee or member of the committee shall act to take an action that is assigned to the Office of the President or other Officers of the Association. All committees shall report to the Board and shall serve at the pleasure of the Board. Committees of the Board shall not have authority to direct contractors, agents or Officers of the Association.

ARTICLE XI

BOOKS AND RECORDS

11.1 Inspection by Members. The membership register (including names, mailing addresses, telephone numbers and voting rights), books of account and Minutes of meetings of the Members, of the Board (and including drafts and summaries), and of committees shall be made available for inspection and copying by any Member of the Association, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his or her interest as a Member, per the provisions of Corporations Code § 8333, at the office of the Association or at such other place within the Project as the Board shall prescribe. Board Minutes shall be available to Members within thirty (30) days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the costs in making that distribution. The Association reserves the right to withhold any information, or provide redacted information, that is reasonably likely to lead to identity theft, fraud, or is privileged under law. Accounting books, records, and the minutes of proceedings of the Association may not be sold, or used for a commercial purpose, or any other purpose not related to a Member's interest as a Member. The Association may bring action against any person who violates this Section for injunctive relief and for actual damages caused by the violation, per Civil Code § 1365.2.

11.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

A. Notice: Notice to be given to the custodian of the records by the Member desiring to make the inspection;

B. Time Available: Hours and days of the week when such an inspection may be made;

C. Cost and Payment: Payment of the cost of reproducing copies of documents requested by a Member;

D. Access to Records: Access to, inspection of, or the creation of records shall be consistent with the terms of California Corporations Code §§ 8330, 8331, and 8332 and California Civil Code § 1363(f).

11.3 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Association.

11.4 Documents Provided by Board: Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide, or cause to be provided, the Owner of a condominium with a copy of the governing documents of the Project, a copy of the most recent budget and statements of the Association distributed pursuant to Section 12.1 of

these Bylaws, together with a true statement in writing from an authorized representative of the Association as to the amount of the Association's current regular and special Assessments and fees, as well as any assessments levied upon the Owner's interest which are unpaid on the date of the statement, including late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the Owner's condominium. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

ARTICLE XII

FINANCIAL REQUIREMENTS

12.1 Budgets and Financial Statements: The Association shall cause to be prepared and distributed budgets and financial statements to each Member as follows:

A. Pro Forma Operating Budget: A pro forma operating budget for each fiscal year shall be distributed not less than forty-five (45) nor more than sixty (60) days before the beginning of the fiscal year consisting of at least the following:

(1) Estimated revenue and expenses on an accrual basis;

(2) Summary of the Association's reserves based upon the most recent review or study conducted pursuant to Section 12.2, based only on assets held in cash or cash equivalents, which shall be printed in bold type and include all of the following:

(a) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component;

(b) As of the end of the fiscal year for which the study is prepared:

(i) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components;

(ii) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components;

(iii) The percentage that accumulated cash reserves actually set aside is of the current estimate of cash reserves necessary;

(iiii) If applicable, the amount of funds received from either a compensatory damage award or settlement to the Association from any person or entity for injuries to property, real or personal, arising out of any construction or design defects, and the expenditure or disposition of funds, including the amounts expended for the direct and indirect costs of repair of construction or design defects. These amounts shall be reported at the end of

the fiscal year for which the study is prepared as separate line items under cash reserves pursuant to the clause (ii). In lieu of complying with the requirements set forth in this clause, if the Association is obligated to issue a review of its financial statement pursuant to subdivision B, it may include in the review a statement containing all the information required by this clause.

(c) The percentage that the amount determined for purposes of Section (b) (ii) equals the amount determined for purposes of Section (b) (i).

(3) A statement as to both of the following:

(a) Whether the Board of Directors of the Association has determined or anticipates that the levy of one or more special Assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.

(b) The mechanism of mechanisms by which the Board of Directors will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacement or repairs, or alternative mechanisms.

(4) A general statement setting forth the procedures used in the calculation and establishment of those reserves to defray the future repair, replacement or additions to those major components that the Association is obligated to maintain. The report shall include, but need not be limited to, reserve calculations made using the formula described in paragraph (4) of subdivision (b) of California Civil Code § 1365.2.5, and may not assume a rate of return on cash reserves in excess of two (2) percent above the rediscount rate published by the Federal Reserve bank of San Francisco at the time the calculation was made.

A copy of the operating budget shall be annually distributed not less than 30 days nor more than 90 days prior to the beginning of the Association's fiscal year.

B. Financial Statement: The financial statement of the Association shall be prepared in accordance with generally accepted accounting principles and reviewed by a licensee of the California Board of Accountancy for any fiscal year in which the gross income to the Association exceeds seventy-five thousand dollars (\$75,000). A copy of the financial statement shall be distributed within 120 days after the close of each fiscal year. The financial statements shall consist of at least the following: (a) a balance sheet as of the end of the fiscal year; (b) an operating (income) statement for the fiscal year; and (c) a statement of changes in financial position for the fiscal year, unless otherwise provided for in the California Civil Code § 1365.

C. Budget Summary: In lieu of the distribution of the pro forma operating budget, the Board may elect to distribute a summary of the pro forma operating budget to all of its Members with a written notice that the pro forma operating budget is available at the business office of the Association or at another suitable location within the boundaries of the

development, and that copies will be provided upon request and at the expense of the Association. If any Member requests a copy of the pro forma operating budget required by subdivision A to be mailed to the Member, the Association shall provide the copy to the Member by first-class United States mail at the expense of the Association and delivered within five (5) days. The written notice that is distributed to each of the Association Members shall be in least 10-point bold type on the front page of the summary of the statement of the budget.

D. Statement of Policies and Practices: A statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of its assessments against its Members shall be annually delivered to the Members not less than thirty (30) days, nor more than ninety (90) days, immediately preceding the beginning of the Association's fiscal year.

E. Insurance Summary:

(1) A summary of the Association's property, general liability, and earthquake, flood and fidelity insurance policies, which shall be distributed not less than thirty (30) days nor more than ninety (90) days preceding the beginning of the Association's fiscal year that includes all of the following information about each policy:

- (a) The name of the insurer.
- (b) The type of insurance.
- (c) The policy limits of the insurance.
- (d) The amount of deductibles, if any.

(2) The Association shall, as soon as reasonably practicable, notify its Members by first-class mail if any of the policies described in paragraph (1) have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, as to any of those policies. If the Association receives any notice of non-renewal of a policy described in paragraph (1), the Association shall immediately notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

(3) To the extent that any of the information required to be disclosed pursuant to paragraph (1) is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it to all of its Members.

(4) The summary distributed pursuant to paragraph (1) shall contain, in at least 10-point boldface type, the following statement:

“This summary of the Association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and

payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association Members should consult with their individual insurance broker or agent for appropriate additional coverage.”

12.2 Reserve Studies: At least every three years the Board shall cause a study of the reserve account requirements of the Project to be conducted if the current replacement value of the major components which the Association is obligated to repair, replace, restore, or maintain is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board shall review this study, or cause it to be reviewed, annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

The study required by this Section shall at a minimum include:

A. Identification of Components: Identification of those components which the Association is obligated to repair, replace or restore, or maintain which, as of the date of the study, have a remaining useful life of less than thirty (30) years;

B. Probable Remaining Useful Life: Identification of the probable remaining useful life of the components identified in paragraph A as of the date of the study;

C. Estimated Cost: An estimate of the cost of repair, replacement, restoration, or maintenance of each component identified in paragraph A during and at the end of its useful life;

D. Annual Contribution Required: An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study; and

E. Percent Funded Computation: A computation of the percent funded, representing the percentage resulting from the amount of funds available at the study date, divided by the total amount revealed by the study as needed to fully fund the replacement cost of those identified components identified in paragraph A.

As used in this Section, “reserve account requirements” means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace, or restore those components which the Association is obligated to maintain.

12.3 Reserve Account Fund Management. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of major components which the Association is obligated to repair, restore, replace, or maintain (“Association Major Components”) and for which the reserve fund was established, or litigation involving Association Major Components. However, the Board may authorize the temporary transfer of money from a reserve fund to the Association’s general operating fund to meet short-term cash-flow requirements or other expenses, if the Board has provided notice of the intent to consider the transfer in a notice of meeting, which shall be provided as specified in Civil Code § 1363.05. The notice shall include the reasons the transfer is needed, some of the options for repayment, and whether a Special Assessment may be considered. If the Board authorizes the transfer, the Board shall issue a written finding, recorded in the Minutes of the Board, explaining the reason that the transfer is needed, and describing when and how the money will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Board may, after giving the same notice required for considering a transfer, and, upon making a finding supported by documentation that a delay would be in the best interests of the Project, delay the restoration until the time which the Board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this Section. This Special Assessment is subject to the limitation imposed by Section 4.4 of the Declaration. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment. When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of the Association of that decision in the next available mailing to all Members pursuant to § 5016 of the Corporations Code (as that Section may be renumbered or amended from time to time), and of the availability of any accounting of those expenses. The Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members of the Association at the Association’s office.

12.4 Reserve Account Withdrawal Restrictions: At least two (2) signatures shall be needed for the withdrawal of monies from the Association’s reserve accounts, who either shall be Officers of the Board or one (1) Officer of the Board and one (1) Director who is a member of the Board.

12.5 Review of Financial Records: The Board shall review on at least a quarterly basis a current reconciliation of the Association’s operating and reserve accounts, the current year’s actual reserve revenues and expenses compared to the current year’s budget, and an income and expense statement for the Association’s operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, “Reserve Accounts” shall mean monies that the Association’s Board has identified for use to defray the future repair or replacement of, or additions to, those major components which the Association is obligated to maintain.

12.6 Future Changes in Financial Records and Reserve Account Requirements:

The provisions of subsections 12.1-12.5 incorporate the statutory requirements of California Civil Code §§ 1365 and 1365.5. If said Sections are amended and/or supplemented in any manner, said Sections shall be amended in the same manner without the necessity of amending these Bylaws.

12.7 Investment of Reserve funds: Reserve funds shall be invested only in income producing accounts at properly chartered banks, or in other investments such as Certificates of Deposit, U. S. Government Bonds or Securities, or related institutional instruments, which are insured against loss.

ARTICLE XIII

MISCELLANEOUS

13.1 Amendments. These Bylaws may be amended only by the affirmative vote (in person or by proxy) or written consent of Members representing a majority of the voting power of the Association. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

13.2 Conflicts. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles shall control; and in the case of conflict between the Declaration and these Bylaws, the Declaration shall control.

13.3 Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the Association shall begin on the first (1st) day of October and end on the thirtieth (30th) day of September of each year.

CERTIFICATE

I, the undersigned, the duly elected and acting Secretary of Aspen Creek Owners Association, a California nonprofit mutual benefit corporation, do hereby certify that the foregoing Bylaws were adopted as the Bylaws of the Association on July 31, 2008, and that the same do now constitute the Bylaws of the Association.

This Certificate is executed under penalty of perjury on August 11, 2008, in Mammoth Lakes, California.

Dated: August 11, 2008

Wallace H. Johnson
Secretary

Conclusion of Amended Bylaws for Aspen Creek Owners Association