

The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board required by the Bylaws or by law to be given, and he shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

Section 9 - Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The books of account shall at all reasonable times be open to inspection by any director or by any Member. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all of his transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws

ARTICLE VII

Miscellaneous

Section 1 - Record Date and Closing Membership Register. The Board may fix a time, in the future, not exceeding fifteen (15) days nor less than ten (10) days preceding the date of any annual or special meeting of the Members, as a record date for the determination of the Members entitled to notice of and to vote at any such meeting, and in such case only Members of record on the date so fixed shall be entitled to notice of and to vote at such meeting, notwithstanding any transfer of any membership on the books of the Association after any record date so fixed. In determining the Members of record on said record date, the Board shall not be required to recognize any Member who has not executed and delivered a Membership Agreement on or before said date. For the purpose of determining such record date, the Board may close the books of the Association against transfer of membership during the whole, or any part, of any such period.

Section 2 - Inspection of Corporate Records.

(a) The membership register, books of account and minutes of Meetings of the Members, of the Board and any committees of the Board, shall be made available for inspection and copying by any Member or his duly-appointed representative at any reasonable time and for a purpose reasonably related to his interest as a Member, at the principal office of the Association or such other place within the Covered Property as the Board shall prescribe, all as provided in the Corporations Code of the State of California and the California Civil Code.

(b) The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records by the Member desiring to make the inspection; hours and days of the week when such inspection may be made; and payment of the cost of reproducing copies of documents requested by a Member.

(c) 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, all as provided in the Corporations Code of the State of

California, and the California Civil Code. Without limiting the generality of the foregoing, the right of inspection by a director includes the right to make extracts and copies of documents.

Section 3 - Checks and Drafts All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such officer or officers and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 4 - Contracts; How Executed. The Board, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 5 - Annual Report and Other Financial Information.

(a) The Board shall cause an annual report to be sent to each Member within one hundred twenty (120) days after the close of the Association's fiscal year as required by Corporations Code Section 8321. Such report shall contain a balance sheet; as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year, accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the Association that such statements were prepared without audit from the books and records of the Association.

(b) The Board shall cause to be sent to each Member not less than thirty (30) days before the beginning of each fiscal year a pro forma operating statement (budget) for such fiscal year prepared in compliance with Civil Code Section 1365.

(c) Upon written request of a Member, the Board shall cause to be mailed to such Member a copy of the latest annual report or any semiannual quarterly income statement which the Association has prepared and a balance sheet as of the end of the period. The foregoing shall not require the preparation of a quarterly or semiannual income statement or balance sheet, but such periodic statements or balance sheets, if prepared, shall be accompanied by the report thereon, if any, of any independent accountants engaged by the Association or the certificate of an authorized officer of the Association that such statements or balance sheets were prepared without audit from the books and records of the Association.

Section 6 - Inspection of Bylaws The Association shall keep in its principal office for the transaction of business the original or a copy of the Bylaws as amended, certified by the Secretary, which shall be open to inspection by all of the Members at all reasonable times.

Section 7 - Annual Independent Review. An annual independent review of the account or accounts of the Association or any management body shall be made, for any fiscal year in which the Association's gross income exceeds Seventy-Five Thousand Dollars (\$75,000). A copy of such review shall be available for the inspection of each Member, officer or director of the Association.

Section 8 - Singular Includes Plural. Wherever the context of these Bylaws requires same, the singular shall include the plural and the masculine shall include the feminine.

Section 9 - Conflict. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE VIII

Amendments

Section 1 - Powers of Members. These Bylaws may be adopted, amended or repealed by the vote or written assent of a majority of the voting power of the Members present and entitled to vote at a meeting of Members duly called for such purpose, provided the proposed amendment has been submitted to each Member together with the advance notice of said meeting.

Section 2 - Powers of Directors. Subject to the right of the Members to adopt, amend or repeal these Bylaws, as provided in this Article, at any special or regular meeting of the Board, the Board may adopt, amend or repeal any of these Bylaws, except that only by a vote of the Members, as provided in this Article, may the following Bylaws be amended or changed:

- (a) The provisions of the Sections entitled "Membership", "Voting Rights" and "Association Rules; Enforcement" of the Article entitled "Members";
- (b) The provisions of the Sections entitled "Annual Meetings", "Special Meetings" and "Notices of Meetings" of the Article hereof entitled "Meetings of Members";
- (c) The provisions of the Sections entitled "Number and Qualification of Directors", "Records", "Election and Term of Office", and "Cumulative Voting" of the Article hereof entitled "Directors";
- (d) The provisions of the Sections entitled "Inspection of Corporation Records", "Annual Independent Audit" and "Annual Report" of the Article hereof entitled "Miscellaneous"; and
- (e) The provisions of this Article.

Section 3 - Record of Amendments. Whenever an amendment or new Bylaw is adopted it shall be placed in the book of Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

Section 4 - FHA / VA Approval. If so provided in the Declaration, or any amendments thereto or in any Supplementary Declaration recorded pursuant thereto, no amendment to these Bylaws shall be effective without the prior approval of the FHA and/or VA.

[CERTIFICATE OF SECRETARY APPEARS ON NEXT PAGE]