

Cumulative voting is required for all elections in which two (2) or more positions are to be filled; provided, however, that all cumulative voting hereunder shall comply with the procedural prerequisites of California Corporations Code, Section 7615(b), as same may be amended, from time to time, which provides that no Member shall be entitled to cumulate votes for a candidate or candidates unless such candidate's or candidates' names have been placed in nomination prior to the voting, and a Member has given notice at the meeting prior to the voting of said Member's intention to cumulate votes. If any one (1) Member has given such notice, all Members (including Declarant) shall have the right to cumulate votes and give one (1) candidate, or divide among any number of candidates, a number of votes equal to the total number of votes to which said Member is entitled to vote upon other matters multiplied by the number of Directors to be elected.

6.3 Special Class A Voting Procedures. Notwithstanding any other provision herein or in any other document regarding this Project to the contrary, as long as a majority of the voting power of the Association resides in the Declarant, or so long as there are two (2) outstanding classes of membership in the Association, not less than twenty percent (20%) of the incumbents on the Board (one [1] Board member) shall be elected solely by the votes of Owners, other than the Declarant. The election of Directors shall be first held by the Members, other than Declarant, who shall elect the number of Directors to the Board which represents twenty percent (20%) of the Board (i.e., one [1] Director). Any Owner, with the exception of Declarant, shall be an eligible candidate for this special election. Such Director may be removed from the Board only by the vote or written assent of a majority of Members other than Declarant. Any vacancy caused by the resignation, removal or death of such Director may be filled only by the vote of a majority of the voting power of Members other than Declarant.

ARTICLE 7

MEETINGS OF DIRECTORS

7.1 Regular and Special Meetings. Regular meetings of the Board shall be held monthly, or as otherwise determined by the Board, but not less frequently than quarterly, and on such day and at such hour as may be fixed, from time to time, by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, or as otherwise determined by the Board. Notice of the time and place of a regular meeting shall be posted at a prominent place or places within the Association Property, and shall be communicated to the Directors at least four (4) days prior to the meeting unless the time and place of the meeting is fixed by the Directors and duly adopted herein; provided, however, that notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting. Special meetings of the Board shall be held when called by

the President of the Association or by two (2) Directors, other than the President, after not less than four (4) days' written notice to each Director by first class mail, or seventy-two (72) hours notice prior to the meeting delivered personally or by telephone or telegraph. The notice shall specify the time and place of the meeting and the nature of any special business to be transacted. Notice of a special meeting shall be posted as prescribed for notice of regular meetings; provided, however, that notice of the meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

7.2 Attendance by Members. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board may, with the approval of a majority of the Board's quorum, adjourn a Board meeting and reconvene in executive session, exclusive of all Members who are not Directors, to consider and discuss litigation in which the Association is or may become involved, contracts with third parties, personnel matters and other similar matters requiring confidentiality. Any matter discussed in executive session shall be generally noted in the minutes of such Board meeting. If the Association adopts or has adopted a policy of imposing any monetary penalty, including any fee, on any Member for a violation of the management documents or Rules and Regulations, including the imposition of a monetary penalty relating to the activities of a tenant, guest or invitee of such Member, the Board shall adopt and distribute to each Member, by personal delivery or first class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for Member discipline as set forth herein or in the Declaration. The Board shall not be required to distribute any additional schedule of monetary penalties unless there are changes from the schedule that was adopted and distributed to the Members pursuant to this Section. Upon request of the Member being disciplined, the Board shall adjourn to executive session and the Member shall be entitled to attendance at such session.

7.3 Attendance by Telephone. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all members participating in the meeting can hear one another. All such Directors shall be deemed to be present in person at such meeting.

7.4 Place of Board Meetings. The meetings of the Directors shall be held at the Project or as may be designated by the Board.

7.5 Availability of Minutes. The minutes, minutes proposed for adoption that are marked to indicate draft status or a summary of the minutes of any Board meeting, other than executive session, shall be available to Members within thirty (30) days of the meeting, and shall be distributed to any Member of the

Association upon request therefor and upon reimbursement of the Association's costs in making the distribution.

7.6 Action Without Meeting. The Board may take any action without a meeting if all members of the Board unanimously consent in writing to the action to be taken. If the Board resolves by unanimous written consent to take any such action, an explanation of the action taken shall be posted at a prominent place or places within the Association Property within three (3) days after the written consents of all Directors have been obtained.

7.7 Conduct of Meetings. The President of the Association shall preside over all meetings of the Board held during the Board's term of office. In the event the President shall be absent from any meeting, said meeting shall be presided over by such other Director as may be elected by a majority of a quorum of the Directors. The Secretary of the Association shall act as Secretary of the Board, but in the event the Secretary shall be absent, the President or presiding Director may appoint any person to act as Secretary for the meeting.

7.8 Quorum. A majority of the total number of Directors fixed by these By-Laws shall constitute a quorum for the transaction of business. Every act or decision done or 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.

ARTICLE 8

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1 Powers. The Board, for and on behalf of the Association, shall have the right and power to do all things necessary to conduct, manage and control the affairs and business of the Association. Subject to the provisions of the Articles, the Declaration and these By-Laws, the Board shall have all general powers authorized under the California Corporations Code and California Civil Code for nonprofit, mutual benefit corporations, and shall have the following specific powers:

a. Enforce the provisions of the Declaration and all contracts or any agreements to which the Association is a party;

b. Acquire, manage, maintain, repair and replace all Association Property and Improvements located thereon, including all personal property, in a neat, clean, safe and attractive condition at all times, and to pay all utilities, gardening and other necessary services for the Association Property, all as more specifically set forth in the Declaration;