

**NOTICE REGARDING  
DISCRIMINATORY RESTRICTIONS**

(California Government Code §12956.1)

In accordance with California Government Code §12956.1, enacted effective January 1, 2000 by Senate Bill 1148, the Association includes with this governing document the following information:

**“If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void. Any person holding an interest in this property may request that the county recorder remove the restrictive covenant language pursuant to subdivision (c) of Section 12956.1 of The Government Code.”**

BYLAWS

OF

VALLEY BUSINESS PARK OWNERS ASSOCIATION

VALLEY BUSINESS PARK OWNERS ASSOCIATION

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BYLAWS  
OF  
VALLEY BUSINESS PARK OWNERS ASSOCIATION

ARTICLE I  
NAME AND DEFINITIONS

The name of the association is Valley Business Park Owners Association ("Association"). The definitions contained in the Declaration of Covenants, Conditions and Restrictions for Valley Business Park ("Declaration"), recorded in the Office of the Recorder, Alameda County, California, on September 14, 1982, as Instrument No. 82-138831 of the Official Records, as amended by the First Amendment to the Declaration, recorded in the Office of the Recorder, Alameda County, California, on April 28, 1983, as Instrument No. 83-070965 of the Official Records, and by the Second Amendment to the Declaration, recorded in the Office of the Recorder, Alameda County, California, on August 31, 1983, as Instrument No. 83-161363 of the Official Records, are incorporated herein by reference and shall apply to the terms used in these Bylaws.

ARTICLE II  
OFFICE

The principal office for the transaction of the business of the Association is hereby fixed and located in the City of Pleasanton, in the County of Alameda, State of

California. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another within said County.

ARTICLE III

ASSOCIATION ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

Section 3.1. Membership. The Owner of a Lot shall automatically, upon becoming the owner of same, be a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be held in accordance with the Articles and Bylaws.

Section 3.2. Transfer of Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of the Lot to which it is appurtenant, and then only to the new Owner, in the case of a sale, or Mortgagee, in the case of an encumbrance of such Lot. A Mortgagee does not have membership rights until he becomes an Owner by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to a new Owner, the Association shall have the right to record the transfer upon its books and thereupon any old membership outstanding in the name of the former Owner shall be null and void.

Section 3.3. Membership Classes and Voting Rights. The

Association shall have two (2) classes of voting membership:

3.3.1 Class A Members. Class A Members shall be all Owners of record. Each Owner of record shall be entitled to one vote for each square foot of land contained in his Lot. When more than one person are Owners of an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more votes than a Lot is entitled to be cast with respect to any Lot. The Association shall have no obligation to determine the voting rights among such Members. Notwithstanding the foregoing, Class A Members shall not have the right to vote until the Class B membership ceases.

3.3.2 Class B Members. The Class B Members shall consist only of Valley Business Associates, a California general partnership, which shall be entitled to cast all the votes of all the Members of the Association until the Class B membership ceases. The Class B membership shall cease on the recording in the Office of the Recorder of Alameda County of an amendment to the Declaration, executed only by Valley Business Associates, stating that the Class B membership has ceased.

Section 3.4. Voting for Election of Directors. Once the Class B membership ceases, there shall be cumulative voting

(as defined in Section 708 of the California Corporations Code) during election of Directors. Any Director may be removed from the Board, with or without cause, by a vote of the Members cast in the same manner as such votes may be cast for the election of Directors as set forth above.

Section 3.5. Assessments. Each Member in the Association shall be personally liable for the payment of such annual Assessments and special Assessments as may from time to time be fixed and levied by the Board of Directors pursuant to the provisions of Section 5.1.5; provided, however, that such levy must be applied in a uniform manner among all Members. The annual and special Assessments, together with such interest, costs, and attorneys' fees and costs incurred by the Association in the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such Assessment is made, the lien to be effective upon recordation of a notice of Assessment. Each such Assessment, together with interest, costs, and attorneys' fees and costs incurred by the Association in the collection thereof, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation of an Owner for delinquent Assessments shall not pass to his successors in title unless expressly assumed by them, but any lien of an Assessment shall remain a charge against the Lot except as to bona fide purchasers or encumbrancers for

value without notice and as set forth in Section 3.6.6. No Owner of a Lot may exempt himself from liability for an Assessment by waiver of the use or enjoyment of the Common Area or by the abandonment of his Lot. The Association may temporarily suspend the voting rights of a Member who is in default in payment of any Assessment, after notice and hearing as provided in these Bylaws.

3.5.1 Date of Commencement of Annual Assessment.

Subject to the provisions of 5.1.5 hereof, the Association shall determine and fix the amount of the annual assessment against each Lot and send out written notice thereof to every owner at least sixty (60) days in advance of each annual assessment period. The due dates shall be established by the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and said certificate shall be conclusive evidence of such payment.

Section 3.6. Enforcement of Payment of Assessments.

3.6.1 Any annual or special Assessment levied against a Lot which is not paid when due shall become delinquent. With respect to each Assessment not paid within fifteen (15) days after its due date, the Association may, at its option, require the Owner to pay a late charge in a

sum to be determined by the Association. If any such Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the maximum rate permitted by law, and the Association may, at its option, bring an action at law or equity against the Owner personally obligated to pay the same, or in compliance with the notice provisions set forth below, to foreclose the lien against the Lot, either by power of sale by an action or at law. There shall be added to the amount of such Assessment the late charge and all costs of foreclosing the lien, including interest and attorneys' fees and costs. Each Owner vests in the Association, its successors and assigns, the right and power to exercise the power of sale or to bring all actions at law or equity or lien foreclosure against such Owner for the collection of such delinquent Assessments.

3.6.2 No action shall be brought to foreclose an Assessment lien or to proceed under the power of sale herein provided less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the Office of the County Recorder of Alameda County; said notice of claim must recite a good and sufficient legal description of the affected Lot, the record Owner or reputed Owner thereof, the amount claimed (which may, at the Associ-

ation's option, include interest on the unpaid Assessment at the maximum rate permitted by law, plus attorneys' fees and costs and expenses of collection in connection with the debt secured by said lien) and the name and address of the claimant.

3.6.3 When a Notice of Assessment has been recorded against a Lot, such Assessment shall constitute a lien on that Lot prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage with first priority over other mortgages) made in good faith and for value. The lien, when delinquent, may be enforced by foreclosure by the Association, its attorney or other authorized person, after failure by the Owner to pay such lien in accordance with its terms. Any such sale provided for above is to be conducted in accordance with the provisions of Sections 2924-2924h of the Civil Code of the State of California applicable to the exercise of powers of sale in mortgages and deeds of trust or in any other manner permitted or provided by law. The Association, acting on behalf of the Owners, shall have the right to bid for the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid Assessments, costs and attorneys fees, or any combination thereof, shall be maintainable without foreclosure or waiving the lien securing the same.

3.6.4 Upon the timely curing of any default for which a notice of claim of lien was recorded by the Association, the Association may record an appropriate release of such notice upon payment by the defaulting Owner of a fee determined by the Association, not to exceed Five Hundred Dollars (\$500.00), to cover the costs of preparing and recording said release.

3.6.5 The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and shall not exclude any other rights and remedies which the Association may have hereunder and at law or in equity.

3.6.6 Sale, transfer, lease or assignment ("transfer") of any Lot shall not affect the Assessment lien. However, the transfer of any Lot pursuant to Mortgage foreclosure shall extinguish the lien of such Assessment as to payments which became due prior to such transfer (except for an Assessment lien recorded prior to the Mortgage). No transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof. Such unpaid share of Assessments shall be deemed to be Common Expenses collectible from the Owners of all of the Lots, including the transferee pursuant to Mortgage foreclosure, his successors or assigns.

ARTICLE IV

MEETINGS OF MEMBERS

Section 4.1. Place of Meeting. All meetings of Members shall be held at the principal office of the Association, or at such other place in the County of Alameda as may be fixed from time to time by resolution of the Board of Directors.

Section 4.2. Annual Meetings. The annual meeting of Members of the Association shall be held each year at 6:00 p.m. on the second Monday of the third month following the close of the Association's fiscal year; provided, however, that should said day fall upon a legal holiday, then any such annual meeting of Members shall be held at the same time and place on the next succeeding day which is not a legal holiday.

Section 4.3. Special Meeting. Special meetings of Members for any purpose may be called at any time by the President, by the Board of Directors, by the Class B Members, or by any two or more Members thereof, or by one or more Members holding not less than five percent (5%) of the voting power of Class A Members of the Association.

Section 4.4. Notices of Meetings.

4.4.1 Written notice of meetings, annual or special,

shall be given to each Member entitled to vote at that meeting, either personally or by sending a copy of the notice by United States Mail, postage prepaid, to his address appearing on the books of the Association or supplied by him to the Association for the purpose of notice. All such notices shall be sent to each Member entitled thereto not less than ten (10) and not more than thirty (30) days before each meeting, and shall specify the place, the day and the hour of such meeting, and in case of special meetings, the general nature of the business to be transacted.

4.4.2 When any meeting of Members, either annual or special, is adjourned for thirty (30) days or more, notice of the time and place of the adjourned meeting shall be given as in the case of any original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, other than by announcement thereof at the meeting at which such adjournment is taken.

Section 4.5. Consent of Absentees. The transaction of any business at any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy,

and if, either before or after the meeting, each of the Members entitled to vote at that meeting, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 4.6. Quorum. The presence in person or by proxy of Members holding a majority of the voting power shall constitute a quorum for the transaction of all business at any annual or special meeting. A majority of the voting power of those Members present shall prevail at all such meetings. 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 or departure of certain Members, leaving less than a quorum present.

If, at the commencement of the meeting, no quorum is present or represented at the meeting, the Members may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented, and said Members shall have no power to transact any other business. The adjournment shall be to a date not less than five (5) and not more than thirty (30) days from the date at which no quorum is present or represented. If the time and place for the adjourned meeting is not fixed after

adjournment, notice of time and place of the adjourned meeting shall be given to Members as prescribed in Section 4.4.

Section 4.7. Proxies. Every Member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such Member or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, except that, in the case of any Member who has granted to a lessee a leasehold interest with respect to a Lot in which such Member holds the interest required for membership by Section 3.1, such Member may execute a written proxy in favor of such lessee which shall be valid for the remainder of the term of such lease, or the longest period permitted by law, whichever is shorter.

Section 4.8. Action Without Meeting. Any action which may be taken at a meeting of Members may be taken without a meeting if authorized by a writing signed by all Members entitled to vote at that meeting and filed with the Secretary of the Association, except as otherwise expressly provided in these Bylaws.

ARTICLE V

DIRECTORS

Section 5.1. Powers. Subject to the limitations of the Articles of Incorporation or these Bylaws, and of the California Corporations Code as to action to be authorized or approved by the Members, and subject to the duties of the Directors as prescribed by these Bylaws, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the Association shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, the Directors are vested with and shall have the following powers; to wit:

5.1.1 To select, appoint, and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation or these Bylaws, or both, to fix their compensation and to require from them security for faithful service when deemed advisable by the Board. Any contract with a firm or person appointed as a manager or managing agent shall not exceed a one (1) year term and shall provide for the right of the Association to terminate the same for cause on thirty (30) days' notice.

5.1.2 To conduct, manage and control the affairs and business of the Association, and to make and enforce

such rules and regulations therefor consistent with law, and with the Declaration, the Articles of Incorporation, or these Bylaws, as the Board may deem necessary or advisable;

5.1.3 To change the principal office for the transaction of the business of the Association from one location to another within the County of Alameda as provided in Article II; to designate any place within said County for the holding of any annual or special meeting or meetings of Members; to adopt and use a corporate seal, and to prescribe the form of certificate of membership, if any; and to authorize the issuance of memberships to such persons as shall be eligible for membership, as provided in Article III;

5.1.4 To appoint members of the Architectural Review Committee, or if no Architectural Review Committee is appointed, to serve as the Architectural Review Committee as provided in the Declaration;

5.1.5 To fix and levy from time to time Assessments upon the Members of the Association and to determine and fix the due date for the payment of such assessments and the date upon which the same shall become delinquent.

(a) The Assessments levied by the Board shall be used for the purposes set forth in the Declaration, to exercise the duties and powers of the Association, and for any other purpose, which in the reasonable

judgment of the Board, shall be for the common good of Valley Business Park. The Assessments may include amounts to establish a reserve fund;

(b) The amount of annual Assessments shall be determined by the Board after giving due consideration to the current maintenance costs and future needs of the Association. Written notice of the amount of the Assessments shall be sent to every Owner and the due date of the payment of same shall be set forth in said notice;

(c) In addition to the annual Assessments authorized above, the Board may levy, in any assessment year, a special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area or for extraordinary expenses incurred by the Association, including, without limitation, additional improvements to a sewage treatment or disposal facility, or both, as set forth in the Declaration and any Noncompliance Expenses incurred by the Association pursuant to Sections 5.2 and 6.2 of the Declaration. Special Assessments shall be levied on the same basis as annual Assessments, except where the special Assessment is against one or more Owners for Noncompliance Expenses or for disciplinary reasons;

(d) All Assessments, both annual and special, shall be charged to and divided among the Owners according to the ratio of the number of square feet contained within each Lot to the total square feet contained in all Lots, except a special Assessment levied against an Owner for Noncompliance Expenses incurred by Declarant or the Association pursuant to Sections 5.2 and 6.2 of the Declaration or a special Assessment levied against an Owner for disciplinary reasons;

(e) The Board may impose penalties against any Owner for failure to pay assessments or for violation of any provision of the Project Documents. Penalties may include but are not limited to: (i) fines, (ii) temporary suspension of voting rights, or other appropriate disciplinary action, or any combination thereof, provided that the accused Member is given notice at least fifteen (15) days before the proposed effective date of the imposition of said penalties and the opportunity to be heard by the Association, either orally or in writing, at least five (5) days before the proposed effective date of the imposition of said penalties, before a decision to impose the penalties is made;

5.1.6 To enforce the provisions of the Declaration, these Bylaws or other agreements of the Association;

5.1.7 To maintain such policy or policies of insurance as the Board of Directors of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members;

5.1.8 To grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Common Area and the Lots;

5.1.9 To contract for and to pay for maintenance, repair, gardening, and services relating to the Common Area and to contract for and to pay for Common Area improvements and facilities;

5.1.10 To establish and maintain, in the discretion of the Board of Directors, a working capital and contingency fund in an amount to be determined by the Board of Directors of the Association;

5.1.11 To delegate its powers according to law, and subject to the power of the Members to approve, change or repeal the Bylaws, to adopt these Bylaws;

5.1.12 To contract for and pay for reconstruction of Common Area improvements or facilities damaged or destroyed;

5.1.13 To tow away vehicles which are not properly parked in designated parking areas;

5.1.14 To acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of, real or personal property in connection with the affairs of the Association;

5.1.15 To grant variances from the covenants, restrictions and provisions of the Declaration, as provided in Section 9.1 of the Declaration;

5.1.16 To take whatever action is necessary to insure the health, safety, and efficient operation of Valley Business Park.

5.1.17 To 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 said lien, provided that said Member or Members be given notice at least fifteen (15) days prior to the proposed discharge and the reasons therefor, and the opportunity to be heard by the Association, either orally or in writing, not less than five (5) days before the proposed discharge, before a decision to discharge is made;

5.1.18 To 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;

5.1.19 To establish or cause to be established a maintenance district (hereafter referred to in this section as the "District") to maintain, repair, restore, manage and operate the Common Area pursuant to Section 15.1.6 of the Declaration. Upon formation of the District, the duty of the Association to maintain, repair, restore, operate and manage the Common Area or portions thereof included in the District shall terminate;

5.1.20 To enter any Lot in case of emergency, for the purpose of performing any act reasonably related to the performance by the Association of its responsibilities;

5.1.21 To contract for goods and/or services for the Common Area facilities and interests or for the Association, subject to limitations elsewhere set forth in the Project Documents;

5.1.22 To enter upon any Lot for the purpose of performing any task in connection with the enforcement of the Declaration, including without limitation inspections

for the purpose of determining whether or not the provisions of the Declaration have been or are being complied with, and taking whatever corrective action may be deemed necessary or proper, consistent with the provisions of the Declaration, or in connection with the maintenance of Valley Business Park, as provided in Article VII of the Declaration.

Section 5.2. Number and Qualification of Directors. The Board of Directors shall consist of three (3) Directors, until changed by amendment of the Articles or by an amendment to this Section 5.2, fixing or changing such number, adopted by the vote or written assent of Members entitled to exercise a majority of the voting power; but in no event shall there be less than three (3) Directors. A person may serve as a Director without being a Member of the Association.

Section 5.3. Election and Term of Office. The initial members of the Board of Directors shall consist of those Directors appointed by the incorporators of this Association. The Directors shall be elected at each annual meeting of Members, but if any such annual meeting is not held, or if the Directors are not elected thereat, the Directors may be elected at any special meeting of Members held for that purpose. All Directors shall hold office until their respective successors are elected.

Section 5.4. Vacancies.

5.4.1 Vacancies on the Board of Directors may be filled by action taken by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual meeting of Members, or at a special meeting called for that purpose.

5.4.2 A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director. If the Members shall increase the authorized number of Directors but shall fail to elect the additional Directors so provided for at the meeting at which such increase is authorized, or at an adjournment thereof, or in case the Members fail at any time to elect the full number of authorized Directors, a vacancy or vacancies shall be deemed to exist.

5.4.3 The Members may at any time elect Directors to fill any vacancy not filled by the Directors, and may elect the additional Directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of Directors.

5.4.4 If any Director tenders his resignation to the Board of Directors, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of Dir-

ectors shall have the effect of removing any Director prior to the expiration of his term of office.

Section 5.5. Place of Meetings. All meetings of the Board of Directors shall be held at the principal office of the Association, or at any other place or places within the County of Alameda designated at any time by resolution of the Board or by written consent of all Members of the Board.

Section 5.6. Organization Meetings. Immediately following each annual meeting of Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 5.7. Other Regular Meetings. Other regular meetings of the Board of Directors may be held without call at such place and day and hour as may be fixed from time to time by resolution of the Board of Directors; provided, that should said day fall upon a legal holiday, then the meeting which otherwise would be held on said day shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.

Section 5.8. Special Meetings - Notices.

5.8.1 Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman or by the President, or if they are unable or refuse to act, by the Vice President, or any two Directors.

5.8.2 Written notice of the time and place of special meetings shall be delivered personally to the Directors or sent to each Director by letter or by telegram, postage or charges prepaid, addressed to him at his address as it is shown upon the records of the Association. In case such notice is delivered personally it shall be delivered at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is mailed, it shall be deposited in the United States mail at or near the place in which the principal office of the Association is located at least four (4) days prior to the time of the holding of the meeting. If sent by mail or telegram, the notice shall be deemed to be delivered on its deposit in the United States mail or on its delivery to the telegraph company. Such delivery, mailing and telegraphing as provided herein shall be due, legal and personal notice to each such Director.

Section 5.9. Notice of Adjournment. Notice of adjournment of any Directors' meeting, either regular or special, need not be given to absent Directors, if the time and place are fixed at the meeting adjourned.

Section 5.10. Waiver of Notice. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 5.11. Quorum. A majority of the number of Directors as fixed by the Articles of Incorporation or these Bylaws shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision made or done by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.12. Adjournment. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular or special meeting of the Board.

Section 5.13. Consent of Board Obviating Necessity of Meeting. Notwithstanding anything to the contrary contained in these Bylaws, any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all Members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

Section 5.14. Fees and Compensation. No Director or officer shall receive any salary for his services as such officer or Director. Nothing herein contained shall be construed to preclude any Director or officer from serving the Association as agent, counsel, or in any capacity other than as such Director or officer, and receiving compensation therefor.

Section 5.15. Presiding Officer. The Members of the Board of Directors shall elect one of their number to act as Chairman and one of their number to act as Secretary. The Chairman shall preside at all meetings and the Secretary shall record the minutes of all meetings of the Board of Directors and of the Members.

ARTICLE VI

OFFICERS

Section 6.1. Officers. The officers shall be a President, a Vice President, a Secretary and a Treasurer, which officers shall be elected by and hold office at the pleasure of the Board of Directors. Any two or more of such officers except those of President and Secretary, may be held by the same person. The office of President, and all other offices, may be held by someone who is not a Member of the Board of Directors.

Section 6.2. Election. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 6.3 or Section 6.5, shall be chosen annually by the Board of Directors at the organization meeting provided for in Section 5.6, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or until his successor shall be elected and qualified.

Section 6.3. Subordinate Officers. The Board of Directors may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

Section 6.4. Removal and Resignation.

6.4.1 Any officer may be removed, either with or without cause, by the vote of a majority of all the Directors then in office at any regular or special meeting of the Board at which a quorum is present.

6.4.2 Any officer may resign at any time by giving written notice to the Board of Directors or to the President or to the Secretary of the Association. Any such resignation shall take effect as of the date of the 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.

Section 6.5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by the Board of Directors for the unexpired portion of the term. Vacancies occurring in offices appointed at the discretion of the Board may or may not be filled as the Board shall determine.

Section 6.6. President. The President shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. The President may, but need not, be the Chairman of the Board of Directors. He shall be ex-officio a member of all standing committees, if any, and shall have

the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6.7. Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon the office of President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board of Directors or the Bylaws.

Section 6.8. Secretary.

6.8.1 The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of Directors and Members, with the time and place of the holding of same, whether regular or special, and if special, how authorized, notice thereof given, the names of those present at the meetings of Directors, the number of memberships present or represented at Members' meetings and the proceedings thereof.

6.8.2 The Secretary shall keep, or cause to be kept, at the principal office a membership register showing

the following: (1) the names and addresses of all members of the Board of Directors; (2) the names of the Members and their addresses; (3) the property to which each membership relates; (4) the number of votes represented by each Member; (5) the number and date of membership certificates issued, if any; and (6) the number and date of cancellation of membership certificates, if any. If required by the City of Pleasanton, the Secretary shall prepare, or cause to be prepared, and deliver to the Pleasanton City Clerk's Office, a current ledger containing the name, address and telephone number of the Association's property manager, if any, and the Members of the Association's Board of Directors.

6.8.3 The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors 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 of Directors or by these Bylaws.

Section 6.9. Treasurer.

6.9.1 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 Member, officer or Director.

6.9.2 The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors, shall render to the President and Directors whenever they request it, an account of all 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 of Directors or these Bylaws.

## ARTICLE VII

### MISCELLANEOUS

Section 7.1. Record Date and Closing Membership Register.  
The Board of Directors may fix a time, not exceeding fifteen (15) days preceeding the date of any annual or special meeting of 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. For the purpose of determining such record date, the Board of Directors may close the books of the Association against transfer of membership during the whole, or any part, of any such period.

Section 7.2. Inspection of Corporate Records. The membership register, the books of account, and minutes of meetings of the Members and Directors' meetings shall be open to the inspection of the Directors and Members at reasonable times from time to time and in the manner provided in the Corporations Code of the State of California relating thereto.

Section 7.3. Checks, Drafts, Etc. 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 of Directors.

Section 7.4. Contracts, Etc., How Executed. The Board of Directors, 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 of Directors, 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 7.5. Annual Report. The Board of Directors shall cause a copy of an annual report to be sent to each Member of the Association not later than one hundred twenty (120) days subsequent to the close of the fiscal or calendar year of the Association. Said report shall consist of the following:

7.5.1 A balance sheet as of the end of the fiscal year;

7.5.2 An operating statement for the fiscal year;

7.5.3 A statement of changes in financial position for the fiscal year; and

7.5.4 Any information required to be reported under Section 8322 of the California Corporations Code.

At the Board's discretion, an annual report may be prepared by either an independent accountant or by the Association. If it is prepared by the Association, it shall be accompanied by a certificate of an authorized officer of the Association that the report was prepared without audit from the books and records of the Association.

Section 7.6. 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 7.7. Annual Independent Audit. At the Board's discretion, an annual independent audit of the account or accounts of the Association or any management body may be made, and, if made, a copy of such audit shall be available for the inspection of each Member, officer and Director of the Association at the office of the Association after completion thereof.

Section 7.8. Singular Includes Plural. Wherever the context of these Bylaws requires same, the singular shall include the plural and the masculine shall include the feminine.

## ARTICLE VIII

### AMENDMENTS

Section 8.1. Powers of the Members. The Bylaws of this Association may be adopted, amended or repealed and new Bylaws adopted by the written consent of Members entitled to exercise a majority of the voting power, or at a meeting duly called for said purpose by the vote of a majority of the voting power represented at said meeting, provided a quorum is present. Any such proposed amendment shall be submitted to each Member together with the advance notice of said meeting.

Section 8.2. Powers of Directors. Subject to the the Members to adopt, amend or repeal these Bylaws as provided in Section 8.1, at any special or regular meeting of the Board of Directors, the Board of Directors may adopt, amend or repeal any of these Bylaws except that only by a vote of the Members, as provided in Section 8.1, may the following Bylaws be amended or changed:

(a) The provisions of Section 5.2, relating to the Number of Directors;

(b) The provisions of Sections 3.1, 3.2, 3.3 and 3.4, relating to Membership, Transfer of Membership, Membership Classes and Voting Rights, and Voting for Election of Directors; and

(c) The provisions of Sections 3.5 and 3.6 relating to Assessments and Enforcement of Payment of Assessments.

Section 8.3. 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.

ARTICLE IX

INDEMNIFICATION

Each Director and officer shall be indemnified by the Association and the Members against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, except in cases of fraud, gross negligence or bad faith of the Director or officer in the performance of his duties.