

AMENDED AND RESTATED BY-LAWS
OF
BRIDLE PATH HOMEOWNERS ASSOCIATION

ARTICLE I

PLAN OF LOT OWNERSHIP

Section 1. Name. The name of the corporation is BRIDLE PATH HOMEOWNERS ASSOCIATION, hereinafter referred to as the “Association”. The Principal offices of the corporation shall be located in-Ventura County, California.

Section 2. Lot Ownership. The “Project” is made up of the following Lots located in the County of Ventura, State of California: Lots 1 through 59 inclusive of Tract 2476 per Map recorded in Book 67, Page 85; Lots 1 through 55 inclusive of Tract 2576-1 per Map recorded in Book 70, Pages 91 through 97; Lots 56 through 113 inclusive of Tract 2576-2 per Map recorded in Book 71, Pages 1 through 6; Lots 114 through 176 inclusive of Tract 2576-3 per Map recorded in Book 73, Pages 41 through 50; Lots 180 through 254 inclusive of Tract 2576-4 per Map recorded in Book 78, Page 1; Lots 256 through 313 inclusive of Tract 2576-5 per Map recorded in Book 84, Pages 78 through 85; Lots 314 through 367 inclusive of Tract 2576-6 per Map recorded in Book 86, Pages 81 through 85; Lots 368 through 421 inclusive, 423 and 424 of Tract 2576-7 per Map recorded in Book 86, Pages 86 through 92; Lots 1 through 29 inclusive of Tract 4038-1 per Map recorded in Book 103, Pages 50 through 52; Lots 30 through 87 inclusive of Tract 4038-2 per Map recorded in Book 104, Pages 70 through 76; Lots 88 through 144 inclusive of Tract 4038-3 per Map as recorded in Book 108, Pages 1 through 5; Lots 145 through 152 inclusive of Tract 4038-4 per Map as recorded in Book 108, Pages 6 through 8; as recorded in the Office of the County Recorder of said County, and such additions as may hereafter be brought within the jurisdiction of this Association is submitted to the provisions of Title 6, Part 4, Division Second, of the California Civil Code.

Section 3. By-Laws Applicability. The provisions of these By-laws are applicable to the Project. The Project includes all of the Lots, including all of the land and all structures and improvements located thereon, all of the Common Area vested in the Association for the common use and enjoyment of the Members as defined and described in the Declaration of Establishment of Covenants, Conditions, Restrictions and Reservations recorded with the Ventura County Recorder on September 3, 1976 as Document No. 80448 (the “Declaration”), and all other land and improvements, if any, annexed to the Project in accordance with the Declaration.

Section 4. Personal Application. All present or future owners, tenants, future tenants, or their families, heirs, assigns, personal representatives, guests, invitees, or employees, or any other person that might use the facilities of the Project in any

manner, are subject to all of the rules, regulations and provisions set forth in these By-laws, the Declaration, the Articles of Incorporation of the Association (the "Articles"), and all rules and regulations duly adopted by the Board of Directors of the Association from time to time, including without limitation the Election Rules (the "Association Rules"), as the same may be amended from time to time. The Articles, By-Laws, Declaration and Association Rules are collectively referred to as the "Governing Documents".

The mere acquisition or rental of any Lot within the Project, or the mere act of occupancy of any Lot or any of the common properties within the Project, will signify that the owner, tenant, or occupant accepts, ratifies, and will comply with the Governing Documents.

ARTICLE II

MEMBERSHIP, VOTING, QUORUM, PROXIES

Section 1. Members of the Association. Every record owner ("Owner") of a Lot within the Project is a Member of the Association. Membership in the Association is appurtenant to the Owner's Lot and may not be separated from ownership of that Lot.

Section 2. Terms of Membership. Each Owner shall remain a Member as long as he or she continues to own one or more Lots within the Project.

Section 3. Multiple Ownership of Lots. Only one Membership vote is attributed to each Lot. Accordingly, if more than one person owns a Lot, each Owner shall be deemed a Member with all rights and privileges of Membership in the Association, but such Owners shall collectively constitute only one Member for purposes of voting. Fractional votes are not permitted. If joint Owners of a Lot cast inconsistent votes or otherwise attempt to vote on a matter in an inconsistent fashion, the Secretary or inspectors of election, as the case may be, may refuse to count or allow the vote pertaining to their Lot with respect to that matter.

Section 4. Furnishing Evidence of Membership. A person shall not be entitled to exercise the rights of a Member until such person has advised the Secretary in writing that he or she is qualified to be a Member under these By-laws and, if requested by the Secretary, has provided the Secretary with evidence of such qualification in the form of a certified copy of a recorded grant deed or a currently effective policy of title insurance. Exercise of membership rights shall be further subject to the rules regarding record dates for notice, voting, and actions by written ballot and eligibility for voting as set forth in these By-laws.

Section 5. Single Class of Membership. The Association shall have one class of Membership.

Section 6. Voting Rights.

- (a) Only Members in Good Standing (as defined in Article IX of these Bylaws) shall be entitled to vote on any issue or matter presented to the Members for approval.
- (b) Each Member in Good Standing shall be entitled to vote subject to the following rules:
 - (i) Co-Owners of a Lot are entitled to only one collective vote as described in Section 3 of this Article II.
 - (ii) An entity shall designate and register with the Secretary the person who shall be entitled to cast its vote.
 - (iii) A Member in Good Standing may cast a vote for each Lot owned. A Member with more than one vote shall be given a ballot for each vote.
- (c) No single vote shall be split into fractional vote.
- (d) Except for those matters requiring the secret ballot procedure provided in California Civil Code §1363.03, including the election of Directors, Membership voting at a meeting shall be by voice or by secret ballot, as determined by the presiding officer.
- (e) There shall be no cumulative voting.

Section 7. Quorum.

- (a) Matters Not Requiring a Quorum. Notwithstanding any provision contained in these By-laws or any other Governing Document, no quorum shall be required in connection with the election of Directors of the Association.
- (b) All Other Matters. Except as provided in subsection (a), above, all matters to be voted on by the Members shall require a quorum as provided herein. If a matter is to be voted on by written ballot as provided herein, then each ballot received in accordance the applicable requirements of these By-laws shall be treated as a Member present at a meeting for purposes of establishing a quorum. Except for any special quorum requirements expressly provided in these By-laws or required by applicable law, the presence in person or by proxy of Members in Good Standing entitled to cast at least fifty-one percent (51%) of the total votes entitled to be cast on the matter shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Owners present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at

which time the quorum requirement shall be reduced to forty-four percent (44%) of the Members entitled to vote. If after failing to reach a quorum at a second membership meeting on the same issue then the issue(s) is deemed null and void. Where the Owner of any lot is a corporation or partnership, the individual nominee of such corporation or partnership shall have the voting rights and the right to be elected to serve on the Board.

Section 8. Votes Required. Except as otherwise expressly provided in the Declaration or these By-laws, any action required or permitted to be taken by the Members pursuant to the Governing Documents may be taken by the affirmative vote of a majority of the votes represented in person or by proxy and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum), or by written ballot as provided in Article II, Section 10(b), below. Notwithstanding the foregoing, the following matters requiring the vote of the Members shall require the affirmative vote of at least two-thirds (2/3) of the votes represented in person or by proxy and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum), or by written ballot as provided in Article II, Section 10(b), below:

- (a) The levy of special assessments.
- (b) Subject to the Board's power to increase regular assessments in emergency situations as defined in California Civil Code Section 1366(b), the establishment or imposition of a regular assessment that is more than twenty percent (20%) greater than the regular assessment for the Association's immediately preceding fiscal year.
- (c) Board of Directors cannot transfer their power or give power of attorney to any outside agent without 2/3 vote of Members meeting quorum at a meeting. As used herein "agent" includes, but is not limited to, management agents and financial managers.
- (d) The Board of Directors shall not contract with a management company to perform any duties other than those outlined in Article IV section 8 unless approved by the Association with 2/3 vote of Members meeting quorum at a meeting.
- (e) The granting of easements on land owned or controlled by the Association.
- (f) The determination of whether or not to rebuild improvements after partial or total destruction.

Section 9. Proxies. Proxies shall not be permitted in the election of directors. Otherwise, at any meeting of the Members of the Association, each Member entitled to

vote may vote in person or by proxy, provided that any such proxy shall be in writing, executed by the Member entitled to vote or by his duly authorized attorney-in-fact and filed with the Secretary of the Association at or immediately before any meeting at which a vote by such proxy may be cast. No proxy shall be valid for longer than eleven (11) months from the date of its execution, unless otherwise expressly provided in said proxy. In no event shall a proxy be valid for more than seven (7) years from the date of its execution. All proxies shall be revocable and shall automatically cease to be valid upon the conveyance of the Lot owned by the Member executing or authorizing the execution of the proxy and shall be invalid during any period within which the voting rights of the Member executing or authorizing the execution of such proxy shall be suspended.

Section 10. Manner of Casting Votes.

- (a) Voting at Membership Meetings. Voting at any membership meeting may be by voice vote or by ballot; subject, however to the requirement for secret balloting for certain matters as provided in this Section.
- (b) Action by Written Ballot without a Meeting. In addition to voting in person or by proxy at a meeting, and subject to the requirements for secret balloting as provided below, any matter or issue requiring the vote of the Members may be submitted for vote by written ballot without the necessity of calling a meeting of the Members, so long as the following requirements are met:
 - (i) The determination to seek Member approval for Association actions in this fashion shall be made by a majority vote of the Board.
 - (ii) As used herein, a “written ballot” means a ballot which is mailed or otherwise distributed to every Member entitled to vote on the matter and which complies with the requirements of this section. The term “written ballot” does not include a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting.
 - (iii) Once the determination is made to seek Member approval by written ballot, the Board shall establish the record date for Members entitled to vote and shall distribute a written ballot to every Member entitled to vote on the matter.
 - (iv) A written ballot shall set forth the proposed action and provide an opportunity to specify approval or disapproval.
 - (v) Written ballots shall be distributed at least 10 but not more than 90 days before the final date the written ballots must be received by the Association in order to be counted. All written ballots shall

provide a reasonable time within which to return the ballot to the Association and shall state on the face of the ballot or in an accompanying notice the date by which the written ballot must be returned in order to be counted. The time fixed for the return of written ballots may only be extended if the Board so notifies the Members on the face of the ballot or in the balloting solicitation materials.

- (vi) Membership approval by written ballot shall only be valid if: (a) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds the quorum that would have been required to be present at a meeting of the Members if such a meeting had been convened to vote on the proposal, and (b) the number of affirmative votes equals or exceeds the number of affirmative votes that would have been required to approve the action at such a meeting.
- (vii) Written ballots shall be solicited in a manner consistent with the requirements of these Bylaws pertaining to issuance of notices of Members' meetings. All solicitations of written ballots shall indicate: (a) the number of responses needed to meet the quorum requirement for valid action; (b) the time by which the written ballot must be received by the Association in order to be counted; and (c) the percentage of affirmative votes necessary to approve the measure. Written ballots that are distributed in connection with elections and votes that are subject to the secret ballot voting procedures in California Civil Code §1363.03 must also conform with those secret ballot voting requirements.
- (viii) Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within thirty (30) days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements, the Board shall so notify the Members.
- (ix) If a Member who has cast a written ballot desires to change his or her vote, the Member may do so provided he or she so notifies the Secretary of the Association in writing before the close of the balloting period and casts a new ballot within the balloting period.
- (x) Use of the written ballot procedures set forth herein shall not preclude the Association from also conducting informational meetings of the Members or from scheduling a meeting to coincide with the culmination of the balloting period.

- (c) Secret Ballot Voting Requirements. Notwithstanding anything to the contrary provided herein or in the Governing Documents, and in accordance with California Civil Code §1363.03, each of the following actions requiring the vote or approval of Members must be conducted by secret ballot as provided in subsection (d), below:
 - (i) Any vote of the Members to approve an increase in the regular assessment or imposition of a special assessment when membership approval is required under the Declaration pursuant to California Civil Code §1366(b);
 - (ii) Any vote for the election or removal of directors of the Association;
 - (iii) The grant of exclusive use of any of the Common Area or common properties of the Association pursuant to California Civil Code Section 1363.07; and
 - (iv) Amendments to the Governing Documents.
- (d) Secret Ballot Procedures. With respect to those matters requiring secret balloting, secret ballots shall be prepared, distributed, and tabulated in accordance with the requirements of the Election Procedures and California Civil Code §1363(b).

ARTICLE III

ADMINISTRATION

Section 1. Purpose of Association. The purpose of this Association is to provide for management, administration, maintenance, preservation, and architectural control of the Lots and Common Areas within the Project, and to promote the health, safety, and welfare of all the residents within the Project and any annexations to the Project as may be brought within the jurisdiction of the Association for this purpose, and all according to the Declaration.

Section 2. Purpose of By-Laws. The purpose of these By-laws is to set forth the administrative rules for the day-to-day operation and management of the Association.

Section 3. Place of Meetings. Except as otherwise provided in these By-laws, all meetings of the Members shall be held within the Project or at such other reasonable place within the County and at such time as may be designated by the Board in the notice of the meeting.

Section 4. Annual Meetings. There shall be an Annual Meeting of the Members to be held in the 3rd week of January of each year. The date, time, and location of the

meeting shall be established by the Board and set forth in the notice of meeting sent to the Members.

Section 5. Special Meetings. A Special Meeting of the Members may be called by the Board of Directors, the President of the Association, or upon written request of Members representing not less than five percent (5%) of the voting power and evidenced by a petition presented to the Secretary of the Association that has been signed by such Members.

Section 6. Notice of the Meetings. Notice of the Annual Meeting and all Special Meetings of the Members shall be given to each Member who is eligible to vote at the meeting as of the record date for notice under applicable law. Notice of Member meetings shall be given as follows:

- (a) Notice shall be given not less than 10 or more than 90 days before the date of the meeting. If notice is given by mail and the notice is not given by first-class, registered, or certified mail, the notice shall be given not less than 20 days (or more than 90 days) before the meeting. When a Special Meeting of the Members is called in response to a valid Member demand, the Board shall be obligated to send the Members a notice of the Special Meeting within 20 days following receipt of the Members' demand and the meeting must be held on a date that is not less than 35 nor more than 90 days following the receipt of the request. If notice of the meeting is not given by the Association's Board within 20 days after receipt of the request, the Members requesting the meeting may give the notice.
- (b) Each notice of meeting shall specify the place, date, and hour of the meeting and (i) in the case of a Special Meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of the Annual Meeting, those matters that the Board of Directors, at the time of giving the notice, intends to present for action by the Members, but any proper matter may be presented at the meeting for such action so long as a quorum is present.

Section 7. Order of Business. The order of business at all Annual Meetings of the Members shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of Minutes of preceding meeting; (d) reports of officers; (e) report of committees; (f) election of Directors; (g) unfinished business; and (h) new business.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be governed by a Board of Directors composed of five persons, all of whom must be Owners of Lots in the Project.

Section 2. Election.

- (a) The Directors shall be elected in accordance with these By-laws and the election rules adopted by the Association pursuant to the requirements of California Civil Code Section 1363.03(a), as the same may be amended from time to time (the "Election Rules"). The Election Rules are incorporated herein by this reference, and to the extent that these Bylaws directly conflict with the Election Rules with respect to the matters governed therein, the Election Rules shall govern.
- (b) There shall be no cumulative voting for the election or removal of directors. With respect to the election of Directors, the candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected.

Section 3. Term of Office.

- (a) Each Director shall serve for the term elected, subject to earlier termination pursuant to his or her resignation or removal. A Director appointed to fill a vacancy shall serve for the balance of the unexpired term of the vacancy.
- (b) As of the date of these Amended and Restated By-laws, the current Directors are each serving a one (1) year term. At the next annual meeting of the Members after ratification of these Amended and Restated By-laws, the five (5) available Board seats shall be divided into two (2) groups for the purpose of staggering the terms of the Directors. "Group 1" shall consist of three (3) Directors who shall hold office for two (2) years and "Group 2" shall consist of two (2) Directors who shall hold office for one (1) year. In the first election of Directors that follows the ratification of these By-laws, the three candidates who receive the most votes will each be elected to Group "1" to serve a two-year term and the two candidates who receive the fourth highest and fifth highest number of votes will each be elected to Group "2" to serve a one-year term. Thereafter, except as noted in Article IV, Section 9 (g), below, at each annual meeting of Members, the Group whose term has expired shall be elected for a 2 year term such that all Directors are serving 2 year terms.
- (c) Any ties in the election of Directors will be resolved according to Article IV, Section 9 (h) of these By-laws.

Section 4. Term Limits. Directors may serve a maximum of two consecutive 2-year terms. After a Director has served two consecutive 2-year terms, he or she may not serve as a Director until he or she has been off of the Board for at least 2 consecutive years.

Section 5. Qualifications. Members must meet the following minimum requirements in order to be elected to, and serve on the Board of Directors:

- (a) Shall be a Member in Good Standing as defined in these By-Laws;
- (b) Shall have been a Homeowner for the twelve month period immediately preceding the date of the election.

Section 6. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, including without limitation the powers and duties vested in the board pursuant to the Declaration, and shall exercise such powers and duties in accordance with the Governing Documents and applicable law. The powers of the Board of Directors shall include but not be limited to the following:

- (a) Enforce the Governing Documents of the Association;
- (b) Cause the Association to pay taxes and assessments which are or could become a lien on the Common Areas;
- (c) Cause the Association to contract for and pay fire, casualty, liability and other insurance provided for in the Declaration for the Common Areas owned by the Association;
- (d) Cause the Association to contract for and pay for maintenance, gardening, utilities, materials, supplies, and services relating to the Common Areas and employ personnel necessary for the operation of the Association, including legal and accounting services as provided for in the Declaration;
- (e) Cause the Association to pay for reconstruction of any portion or portions of the Common Areas damaged or destroyed which are to be rebuilt as provided for in the Declaration;
- (f) Enter into any Lot with reasonable notice (24 hours minimum) to the Lot Owner and for reasonable purpose when necessary in connection with the enforcement of the Declaration for which the Association is responsible. In case of an emergency situation (i.e., to prevent injury, damage and/or property loss) no notice need be given.
- (g) Delegate its powers to committees, officers, and employees as expressly authorized by the Declaration and the By-laws of the Association and in accordance with applicable law.

Section 7. Other Duties. In addition to duties imposed by these By-laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep, and monitoring the condition of the grounds and facilities of the Common Areas; Enforcement of the Declaration.
- (b) Collection of monthly and special assessments from the Owners;
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and facilities and the enforcement of the Declaration;
- (d) Formulate rules for the operation of the Common Areas and facilities owned or controlled by the Association;
- (e) Prepare budgets, including without limitation establishment of the regular assessments for the coming year (subject to the limitations contained in the Governing Documents and California Civil Code Section 1366(b)). Prepare financial reports and maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles;
- (f) Appoint such committees as it deems necessary from time to time in connection with the affairs of the Association;
- (g) Open bank accounts on behalf of the Association and designate the signatories to such bank accounts;
- (h) Bring and defend actions on behalf of more than one Member or the Association to protect the interests of the Members or the Association, as such, as long as the action is pertinent to the operations of the Association.
- (i) Initiate disciplinary proceedings against Members for violations of the Governing Documents of the Association in accordance with the procedures set forth in the Governing Documents.

Section 8. Management Company. The Board of Directors may contract for the Association a management company or companies at a compensation established by the Board to perform such duties and services as the Board shall authorize as follows:

- Tax Preparation
- Internal and independent auditing of accounts
- Financial statements
- Collection of monthly fees, special assessments and fines from homeowners
- Bookkeeping services
- Reserve studies
- Soliciting bids for presentation to the board

Web page maintenance
Developing and maintaining a record keeping system

The Board of Directors shall not contract with a management company to perform any other duties unless approved by the Association as defined in Article II, Section 8.

Section 9. Vacancies in Board of Directors.

- (a) Vacancies Generally. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following:
 - (i) The death, resignation, or removal of a Director under (b), (c) and (d) below;
 - (ii) An increase of the authorized number of Directors; or
 - (iii) The failure of the Members, at any meeting of the Membership at which any Directors are to be elected, to elect the number of Directors to be elected at such meeting.
- (b) Resignation of Directors. Any Director may resign, and such resignation shall be effective on giving written notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective.
- (c) Authority of Board to Remove Directors. The Board of Directors shall have the power and authority to remove a Director and declare his or her office vacant if he or she:
 - (i) Has been declared of unsound mind by a final order of court;
 - (ii) Has been convicted of a felony;
 - (iii) Fails to attend three (3) consecutive regular meetings of the Board of Directors that have been duly noticed in accordance with these By-laws and California law; or
 - (iv) Fails to meet the qualifications of a Director that were in effect at the beginning of that Director's term of office.
- (d) Removal of Directors by Members. Except for the Board's authority to remove a Director as specified above, only the Members may remove Directors from the Board as follows:

- (i) Required Vote. The affirmative vote of a majority of a Quorum of the Members. There shall be no cumulative voting for the removal of Directors.
- (ii) Procedures. Any membership action to recall or remove a Director shall be conducted in accordance with the following procedures:
 - (1) A petition must be presented in person to the President, Vice President or Secretary of the Association that carries the signatures of Members in good standing who represent at least five percent (5%) of the voting power of the Association. Such petition must set forth the reason(s) of each petitioner in his or her own handwriting; the name(s) of the sponsor(s) of the petition; and fulfill all other legal requirements.
 - (2) Within twenty (20) days after receipt of such petition, the Board shall either call a Special Meeting or announce the procedures for conducting a written ballot of the Members to vote upon the requested recall. Such meeting or written ballot shall be conducted not less than thirty five (35), nor more than ninety (90) days after the petition is presented. If the Board fails to set a date for, and give the Members a notice of, such meeting or written ballot within twenty (20) days, the Members initiating the petition may call such meeting on their own initiative without Board approval or sanction.
 - (3) Any Director whose removal is being sought shall have the right to rebut the allegations contained in the petition orally, in writing or both. If in writing, such rebuttal shall be duplicated and mailed by the Association or otherwise provided to all Members, together with the recall ballot. Any written rebuttal from Directors who are subject to a recall election must provide such written material to the President, Vice President, Secretary or Board of Directors (but not to self) at least 35 days prior to the recall election date, or waive their right to have such materials duplicated and mailed by the Association. The Board shall notify Director(s) subject to recall with the deadline for such submission for written rebuttal at least 24 hours prior to the enforcement of said deadline. Such written rebuttal shall be limited to a maximum of one thousand (1,000) words.

- (4) If the quorum requirements for a valid membership action are not satisfied or if the recall vote results in a tie, the removal action shall have failed.
- (e) Removal by Court Action. The Superior Court of Ventura County, California, may, in response to a suit filed by any Director or the lesser of twenty (20) Members (with co-owners of a Lot constituting 1 Member) or five percent (5%) of the voting power of the Membership, remove any Director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Association. The Association shall be made a party to any such action.
- (f) Filling of Vacancies.
- (i) By Members: Vacancies created through the removal of a Director by a vote of the Membership shall be filled by the affirmative vote of a majority of the Members present at a duly held meeting of the Members (at which a quorum is present) or by secret written ballot. The candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected to the vacant Director positions for terms which will conclude at the next annual election of Directors. The Members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors by an election at a duly held meeting of the Members or by written ballot.
- (iii) By Board of Directors: All other vacancies on the Board of Directors shall be filled by a majority vote of the remaining Directors though less than a quorum, or by a sole remaining Director, as the case may be. The term for Directors appointed in this manner shall conclude at the next annual election of Directors.
- (g) Election of More Than Three Directors. If, due to the removal or resignation of one or more Directors, there are more than three positions on the Board of Directors subject to election in a single annual election, only three of the Directors elected will be elected to a 2-year term. Any additional Directors elected in the same election will be elected to a 1-year term. In that event, the Director receiving the least number of votes shall be elected to the 1-year term.
- (h) Resolution of Ties in Election of Directors. In the event of any tie in election of Directors, the winner will be determined by a coin toss, to be conducted by the President or other designated Board Member.

- (i) Reduction in Number of Directors. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 10. Organizational Board Meeting. The first meeting of a newly elected Board of Directors (the "Organizational Meeting") shall be held immediately upon the adjournment of the Annual Meeting of the Members, providing a majority of the whole Board shall be present, at which time the Directors shall elect a President, Vice President, Secretary, and Treasurer. No notice of the Organizational Meeting shall be given to the newly elected Directors in order to legally constitute such meeting, providing a majority of the whole Board shall be present. Should the Organizational Meeting be held at another time, notification to the Directors and to Members shall be made in accordance with Article IV, Sections 11, 13, and 18 of these By-laws.

Section 11. Regular Meetings. Regular Meetings of the Board of Directors shall be held at least monthly at such time and place within the Project (or any other reasonable place) as determined by the Board, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or electronic communication, at least 3 days prior to the date of such meeting.

Section 12. Special Meetings. Special Meetings of the Board of Directors may be called by the President, Vice President or Secretary of the Association or by any 2 Directors. Notice of the meeting, specifying the time, place and nature of any special business to be considered, shall be delivered to each Director not less than 4 days prior to the date of the meeting. Notice shall be given personally or by mail, telephone, or electronic communication to the address for the Director shown on the records of the Association.

Section 13. Board Meetings Open to Members. Except with respect to matters adjourned to Executive Session, as provided in Section 14, below, regular and special Meetings of the Board of Directors shall be open to all members of the Association. Except in the case of an "emergency meeting" (as defined herein) notice of the time, place, and agenda of each Board meeting shall be given to Members at least 4 days prior to the meeting. Notice shall be given by posting the notice in a prominent place or places within the Common Area and by mail to any Member who had requested notification of Board meetings by mail, at the address requested by the Member. For purposes of this Section 13, an "emergency meeting" means a Board meeting called by the President or by any 2 Directors under circumstances that could not have been reasonably foreseen and that require immediate attention and possible action by the Board and that of necessity make it impractical to provide prior notice to the Members as provided herein.

Section 14. Executive Session. The Board of Directors may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in Executive Session to discuss and vote upon (a) personnel matters, (b) litigation in which the

Association is or may become involved, (c) matters relating to contracts with third parties, (d) Member discipline, or (e) to meet with a Member, on the Member's request, regarding the Member's payment of assessments in accordance with California Civil Code Section 1367 and 1367.1. The Board shall also meet in Executive Session, if requested by a Member who may be subject to a fine, penalty or other form of discipline and that Member shall be entitled to attend the Executive Session on that matter. The nature of any and all business to be considered in Executive Session shall first be announced in open session.

Section 15. Rights of Members to Speak at Meetings. Subject to reasonable limitations, and except for matters adjourned to Executive Session, the Board shall allow any Member attending a Board meeting to speak at the meeting. The Board, or person serving as chairman of the board for such meeting, may impose reasonable time limitations on presentations or statements by a Member and the agenda for the meeting may designate a specific time for Member statements and presentations.

Section 16. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be waiver of notice of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 17. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Directors at a meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of any Directors, if the action taken is approved by at least a majority of the required quorum for that meeting.

Section 18. Adjourned Meetings. A majority of Directors present at a Board meeting, whether or not a quorum is present, may adjourn the meeting from time to time to another time and place. If the meeting is adjourned for more than 24 hours, notice of adjournment to another time and place shall be given prior to the time of the adjourned meeting to each Director who was not present at the time of adjournment. Except as specified herein, no further notice need be given. At any such adjourned meeting, any business which might have been transacted at that meeting as originally called may be transacted.

Section 19. Voting. Each Director shall have 1 vote on each matter presented to the Board for action. No Director may vote by proxy.

Section 20. Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect

as though taken at a meeting of the Directors. All such written consents shall be filed with the minutes of the next meeting of the Board of Directors, and an explanation of the action so taken shall be posted at a prominent place within the Project within 5 days after all written consents have been obtained.

Section 21. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 22. Independent Audit. After the close of each fiscal year of the Association, the Board shall have an independent audit of the accounts of the Association, and upon completion of said audit, cause to be prepared and delivered to each Owner no later than ninety (90) days after close of each fiscal year a true and exact copy thereof.

Section 23. Restrictions on Powers of Board of Directors. The Board of Directors shall be prohibited from taking any of the following actions except with the vote or written assent of the Membership, as delineated in Article II, Section 8 of these By-Laws:

- (a) Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one year with the following exceptions:
 - (i) A contract with a public utility company if the rates charged for materials or services are regulated by the Public Utilities Commission provided, however, that the term or the contract shall not exceed the shortest term for which the supplier will contract at the regulated rates.
 - (ii) Pre-paid casualty and/or liability insurance policies of not to exceed three years duration, provided that the policy permits for short rate cancellation by the insured.
- (b) Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year.
- (c) Selling during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year.
- (d) Paying compensation to members of the Board of Directors or to officers of the Association for services performed in the conduct of the Association's business provided, however, that the Board of Directors may cause a member or officer to be reimbursed for reasonable expenses incurred in carrying on the business of the Association.

- (e) Granting of easements on any land owned or controlled by the Association; provided, however, that the Board of Directors may grant easements up to 600 square feet to public utility companies or to government agencies.

Section 24. Inspection of Association's Books and Records.

- (a) The Association records (as defined in California Civil Code Section 1365.2) including without limitation the Membership register, books of account, and minutes of meetings of the Members, Board of Directors, and committees of the Board of Directors of the Association shall be made available for inspection and copying by any Member of the Association or by his or her duly-appointed representative, in accordance with the requirements and subject to the restrictions contained in California Civil Code Section 1365.2. Such records shall be made available for inspection at the principal office of the Association, or if the Association does not have a principal office or the principal office is unavailable, at such other reasonable location as the Board of Directors and the requesting Member shall agree.
- (b) The Board of Directors may establish reasonable rules with respect to:
 - (i) Prior notice to be given to the custodian of the records by the Member desiring to make the inspection.
 - (ii) Hours and days of the week when such an inspection may be made.
 - (iii) Payment of the cost of reproducing copies of documents requested by a Member or his or her representative.
- (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. The right of inspection by a Director includes the right to make extracts and copies of documents.

ARTICLE V

CODE OF ETHICAL CONDUCT FOR DIRECTORS
AND COMMITTEE MEMBERS

Section 1. Professional Conduct. In general, Directors and committee members must conduct all dealings with vendors and employees with honesty and fairness, and safeguard information that belongs to the Association.

- (a) Private Gain. No self-dealing by Directors or Committee Members. Self-dealing occurs when persons make decisions that materially benefit themselves or their relatives at the expense of the Association. “Relatives” include a person’s spouse, parents, siblings, children, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares the person’s residence. Benefits include money, privileges, special benefits, gifts or other item of value.
- (b) Confidential Information. Directors and committee members are responsible for protecting the Association’s confidential information. As such they may not use confidential information for the benefit of themselves or their relatives. Except when disclosure is duly authorized or legally mandated, no Director or committee member may disclose confidential information.
- (c) Accuracy of Information. Directors and committee members may not knowingly misrepresent facts. All Association data, records and reports must be accurate and truthful and prepared in a proper manner.
- (d) Professional Behavior. Directors and committee members are obligated to act with proper decorum. Although they may disagree with the opinions of others on the Board or committee, they must act with respect and dignity and not make personal attacks on others. Accordingly, Directors and committee members must focus on issues, not personalities and conduct themselves with courtesy toward each other and toward employees, managing agents, vendors and Members of the Association. Directors shall act in accordance with Board decisions and shall not act unilaterally or contrary to the Board’s decisions.

Section 2. When Conflicts Arise. Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Directors and committee members should immediately raise such situations with the Board. If appropriate, the Board will seek guidance from the Association’s legal counsel.

- (a) Disclosure & Recusal. Directors and committee members must immediately disclose the existence of any conflict of interest, whether their own or others. Directors and committee members must withdraw from participation in decisions in which they have a material interest. Further, all Directors shall comply with California Corporations Code Sections 7233 through 7236 (relating to the standard of conduct of Directors).
- (b) Code of Ethics: Construction with Current Law. While this Code of Ethical Conduct establishes obligations that may be higher than those mandated by law, in any instance where the Code of Ethical Conduct and the law conflict, the obligations of the law must take precedence.

ARTICLE VI

OFFICERS AND COMMITTEES

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an Assistant Secretary and such other officers as in their judgment may be necessary. A Board member may not hold more than one officer position at a time.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the Organizational Meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. Subject to any limitations or restrictions imposed by the Board from time to time, he or she shall have all of the general powers and duties which are usually vested in the office of president of an Association, including but not limited to the power to appoint committees from among the owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4. Vice President. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint another member of the Board to serve in that capacity on an interim basis as designated by the Board. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board of Directors.

Section 5. Secretary. The Secretary shall be elected by the Board from among the Directors. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of Directors, Committees and Members. The Secretary shall keep, or cause to be kept, appropriate current records showing the Members of the Association, together with their addresses. He or she shall give, or cause to be given, notice of all meetings of the Board required by the By-Laws or by law, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

Section 6. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositaries as may from time to time be designated by the Board of Directors. The Treasurer shall also have such other powers and perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 7. Committees. Subject to any contrary provisions in the Governing Documents, if any, and further subject to the requirements contained in California Corporations Code Section 7212, the Board may create one or more committees consisting of 2 or more Directors to serve at the pleasure of the Board. Any committee authorized to exercise any authority of the Board shall only include persons who are Directors. The Board may also create ad hoc committees that do not exercise any authority of the Board and such committees may be made up of Directors or non-Directors as determined by the Board.

ARTICLE VII

OBLIGATIONS OF THE MEMBERS

Section 1. Assessments. Each Member is obligated to pay regular and special assessments imposed by the Association in accordance with the Declaration and these By-laws. The nature and mechanics of assessment and consequences of non-payment are described with specificity in the Declaration.

Section 2. Compliance with Governing Documents. Each Member is subject to, and shall at all times comply with, all of the provisions of the Governing Documents as the same may be amended from time to time.

Section 3. Right of Entry. The Architectural Committee as provided for in the Declaration shall have the right from time to time to enter on any Lot subject to this declaration for the purpose of determining if new construction is proceeding in compliance with the Declaration. The Architectural Committee shall abide by the same limitations as placed on the Board of Directors in Article IV, Section 6 (f) of these By-laws.

Section 4. Use Restrictions. Use of the Common Areas by any person, whether Owner, Tenant, Guest or Trainer, are subject to the following restrictions:

- (a) Each Member shall be liable to the Association for any damage to the commonly owned areas or any equipment thereon which may be sustained by reason of the negligence of said Member, Member's family, guests, or invitees, to the extent that any such damage shall not be covered by insurance.
- (b) No Member is exempt from liability for his or her specified contribution to said maintenance fund by any waiver of the use or enjoyment of said Common Areas, or by the leasing or abandonment of his or her Lot.
- (c) No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon any lot, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the

surface of any lot or within five hundred (500) feet below the surface of the properties. No derrick or other structure designed for use in boring for water, oil, or natural gas shall be erected, maintained or permitted upon or in any lot.

- (d) No Member shall execute or file for record any instrument which imposes restrictions upon the sale, leasing or occupancy of his Lot on the basis of race, color, creed, religion, sex, sexual orientation, marital status, disability, national origin, or ancestry.

Section 5. Noncompliance and Disciplinary Procedures. In recognition of the need for a reasonable means of encouraging and insisting upon compliance with the Governing Documents, and to the fullest extent permissible under applicable law, the Board is authorized to (a) establish a reasonable policy of monetary penalties, and (b) suspend or terminate a Member's membership privileges, including without limitation voting rights and rights to use the Common Areas, for violation of the Governing Documents. However, any action by the Board to discipline a Member for his or her failure to comply with the Governing Documents shall be accomplished pursuant to the following procedures:

- (a) When the Board is to meet to consider or impose discipline upon a Member, including without limitation the imposition of a fine or the suspension of Membership rights and privileges, the Board shall notify the Member in writing, by either personal delivery or first-class mail, at least ten (10) days prior to the meeting. The notification shall contain, at a minimum, the date, time, and place of the Board meeting, the nature of the alleged violation for which a Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting. The Board shall meet in executive session if requested by the Member being disciplined and the Member shall be entitled to attend the executive session of the Board and may be represented by counsel.
- (b) If the Board imposes discipline upon a Member, the Board shall provide the Member a written notification of the disciplinary action, by either personal delivery or first-class mail, within fifteen (15) days following the action.
- (c) If applicable, the minimum requirements of Section 7341 of the California Corporations Code shall otherwise be complied with.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

Section 1. These By-laws may only be amended by the Members in a duly constituted meeting for such purposes, or by written ballot without a meeting as provided in Article

II, Section 10 of these By-laws, and no amendment shall take effect unless approved by Members representing at least a simple majority of the total voting interest of all Lots in the Project. It shall be the responsibility of the Board of Directors to mail a notice of any such amendments to all First Mortgagees in accordance with the requirements of the Declaration.

ARTICLE IX

DEFINITION OF TERMS

As used in these By-laws:

Annual Membership Meeting – The meeting of the Membership that takes place in January and includes the election of Board Members.

Association – means the Bridle Path Homeowner’s Association (BPHOA).

Common Areas – means and refers to all of the real property, improvements and facilities owned and maintained by the Association including the Common Properties defined in the Declaration.

Good Standing – A status where a Member is current in all assessments and related charges (no more than 60 days in arrears), has no outstanding unpaid fines in existence, and who is not currently suspended with respect to his or her Membership privileges as a result of any disciplinary proceeding conducted in accordance with these By-laws or the Declaration.

Owner(s) - One or more individuals who have legal right to a property within the Project and are named on the Title, and/or Grant Deed.

Member and **Owner** are synonymous for the purposes of this document.

CC&R’s and **Declaration** are synonymous for the purposes of this document.

ARTICLE X

CONFLICTS, PRECEDENCE, WAIVER

If any portion of these By-laws conflict with any provisions of the laws of the State of California, such conflicting By-laws shall be null and void upon final court determination to such effect, but all other By-laws shall remain in full force and effect. In the event any of these By-laws conflict with any provisions of the Declaration, the Declaration provisions shall control.

The waiver of any part of these By-laws shall not be deemed to be a continuing waiver, and any provision thereof may be enforced by the Association after a prior waiver thereof.

(Certificate of Secretary follows)

CERTIFICATE OF SECRETARY

I hereby certify that:

1. I am the presently acting Secretary of the Bridle Path Homeowners Association, a California nonprofit mutual benefit corporation (the "Association"); and

2. The above AMENDED AND RESTATED BYLAWS, consisting of 24 pages (not including this Certificate), are the BYLAWS of the Association as adopted by the required vote or written assent of the Board of Directors and the Members of the Association.

IN WITNESS WHEREOF, I have subscribed my name and affixed the seal of the corporation on the date set forth below.

Secretary

Dated: _____, 201__