

**BYLAWS
OF
MAUD AVENUE MANOR HOMEOWNERS ASSOCIATION
AN UNINCORPORATED ASSOCIATION**

ARTICLE I. DEFINITIONS

Section 1.01. "Project" shall mean all of that certain real property located in the City of San Leandro, County of Alameda, State of California, and more particularly described as follows:

All that real property described on that Subdivision Map entitled "Tract 4656, San Leandro, California", filed in the Office of the Recorder of the County of Alameda, State of California, on December 29, 1980, Book 123, Pages 36 & 37, Series 80-229228.

Section 1.02. "Declaration" shall mean that certain Declaration of Covenants, Conditions, and Restrictions applicable to the Project and filed in the Office of the Recorder of the County of Alameda, on October 20, 1981, in Series No. 81-177579 and following, as the same may be amended from time to time in accordance with the terms thereof.

Section 1.03. Other terms used herein shall have the meaning given to them in the Declaration and are hereby incorporated by reference and made a part hereof.

ARTICLE II. QUALIFICATIONS FOR MEMBERSHIP

Section 2.01. No person or persons shall exercise the rights of membership until satisfactory proof has been furnished to the Secretary of the Association of qualification as a Member pursuant to the terms of the Declaration. Such proof may consist of a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person or the person nominating him is qualified in accordance therewith, which said deed or policy shall be deemed conclusive in the absence of a

conflicting claim based upon a latter deed or policy. The sole qualification for membership shall be ownership of a Condominium in the Project. The voting shares appurtenant to the membership shall be determined according to Article III of the Declaration. No membership may be separated from the property to which it is appurtenant; provided, however, that the privileges of ownership may be exercised by a nominee of an Owner designated in writing so long as (1) the nominee is a resident on the property to which the membership is appurtenant; (2) no charge is made for use of the membership in excess of the amount of any assessments levied against the Owner by reason thereof; and (3) any such assignment of privileges is revocable at the will of the Owner.

Section 2.02. No initiation fees, costs, or dues shall be assessed against any person as a condition upon his exercise of the rights of membership except such assessments, levies, and charges as are specifically authorized under the Articles of Incorporation or the Declaration.

Section 2.03. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association maintained by the Secretary. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board may direct.

ARTICLE III. VOTING RIGHTS

Section 3.01. The Association shall have two (2) classes of voting membership:

(a) Class A: Class A Members shall be all Owners with the exception of the Declarant. Each Unit shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any Unit.

(b) Class B: Class B Members shall be the Declarant, who shall be entitled

to vote three votes for each Unit owned by him; provided, however, that Class B membership shall be converted to Class A membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

- (1) When the total outstanding votes held by Class A Members equal the total outstanding votes held by the Class B Members; or
- (2) Upon the date, which is the second anniversary of the original issuance of the final subdivision public report for the Project by the California Real Estate Commissioner.

Any action by the Association which must have the approval of the Members before being undertaken shall require the vote or written assent of a required percentage of each class of membership during the time that there are two classes of voting membership.

Section 3.02. Each Member may vote in person or by proxy in accordance with Section 6.02 below.

Section 3.03. Cumulative voting, as more particularly described in Section 6.02 below, is permitted during the election of Directors.

ARTICLE IV. MEETINGS OF MEMBERS

Section 4.01. The first meeting of the Members of the Association shall be held within forty-five (45) days after the closing of the sale of the Unit that represents the fifty-first (51st) percentile interest authorized for sale under the first final subdivision public report issued for the Project by the California Real Estate Commissioner, or within six (6) months after the closing of the sale of the first Unit within the Project, whichever is earlier. Thereafter, the annual meeting of the Members of the Association shall be held on the first Wednesday of October of each succeeding calendar year at the hour of 7:00 o'clock p.m. If the day for the annual meeting of the Members is a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday (excluding Saturday and Sunday).

Section 4.02. Special meetings of the Members may be called at any time by a majority of a quorum of the Board, or upon receipt by the Board of a written request for a special meeting signed by Members representing at least five percent (5%) of the total voting power of the Association.

Section 4.03. Any action which may be taken by vote of members at a regular or special meeting, except the election of Directors where cumulative voting is a requirement, may be taken without a meeting if done in compliance with the provisions of Section 7513 of the Corporations Code.

Section 4.04. Meetings of the Members shall be held within the Project or at a meeting place as close thereto as possible as the Board may specify in writing.

Section 4.05. Written notice of all Members' meetings shall be given by or at the direction of the Secretary of the Association (or other persons authorized to call the meeting) by mailing or personally delivering a copy of such notice at least ten (10) but not more than thirty (30) days before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

Section 4.06. The presence either in person or by proxy, at any meeting, of Members entitled to cast at least fifty-one percent (51%) of the votes of each class of membership, shall constitute a quorum for any action except as otherwise provided in the Articles, Declaration, or these By-Laws. In the absence of a quorum at a Members' meeting, a majority of those Members present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. Such meeting may be adjourned for a period of not less than five (5) days nor more than thirty (30) days from the meeting date, at which meeting the quorum requirements shall be fifty-one percent (51%). If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

Section 4.07. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be

valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

ARTICLE V. BOARD OF DIRECTORS

Section 5.01. The affairs of this Association shall be managed by a Board of Directors, consisting of three (3) persons, who need not be Members of the Association, until conversion of Class B memberships to Class A, after which time all Directors must be Members of the Association.

Section 5.02. At the first meeting of the Association, the Members shall elect three (3) Directors to serve for a term of one year; and at each annual meeting thereafter, the Members shall elect three (3) Directors for a term of one year.

Section 5.03. Unless the entire Board is removed from office by the vote of Association Members, an individual Director shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal would be sufficient to elect such Director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Directors authorized at the time of the most recent election of the Board of Directors were then being elected. A Director who has been elected to office solely by the votes of Members of the Association other than Declarant as required by Section 6.03 of Article VI below, may be removed from office prior to the expiration of his term of office only by the vote of at least fifty-one percent (51%) of the voting power of Members other than Declarant.

Section 5.04. In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, a successor, who shall serve for the unexpired term of his predecessor, shall be elected by the vote or written assent of a majority of the voting power of the Association residing in Members other than the Declarant.

Section 5.05. A Director shall not receive any compensation for any service he may render to the Association; provided, however, that any Director may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

Section 5.06. The Board shall have the powers and duties and shall be subject to the limitations on any such powers as enumerated in the Declaration.

ARTICLE VI. NOMINATION AND ELECTION OF DIRECTORS

Section 6.01. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of the Members.

Section 6.02. Voting for Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the highest number of votes shall be elected. Each Member may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which he is entitled or distribute his votes on the same principle among as many candidates as he thinks fit.

Section 6.03. Notwithstanding the provisions of Section 6.02 of this Article, from the first election of the Board of Directors and thereafter, so long as a majority of the voting power of the Association resides in the Declarant, or so long as there are two outstanding classes of membership in the Association, not less than twenty percent (20%) of the incumbents on the Board shall have been elected by the votes of owners other than the Declarant.

ARTICLE VII. MEETINGS OF DIRECTORS

Section 7.01. Regular meetings of the Board of Directors shall be held quarterly at such place within the Project, and at such time as may be fixed from time to time by resolution of the Board. Notice of the time and place of such meeting shall be posted at a prominent place or places within the Common Area.

Section 7.02. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two Directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting must be given to each Director not less than three (3) days nor more than fifteen (15) days prior to the date fixed for such meeting by written notice delivered personally or sent by mail or telegram to each Director at his address as shown in the records of the Association. A copy of such notice shall be posted in a prominent place or places in the Common Area of the Project within three (3) days prior to the date of the meeting. Provided, however, no notice need be given to Directors who sign a written waiver of notice and consent to holding of the meeting.

Section 7.03. A majority of the Board shall constitute a quorum and, if a quorum is present, the decision of a majority of the Members shall be the act of the Board.

Section 7.04. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

Section 7.05. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE VIII. OFFICERS

Section 8.01. The Officers of this Association shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, and a Secretary and Treasurer, and such other Officers as the Board may from time to time by resolution create.

Section 8.02. The Officers of this Association, except such Officers as may be appointed in accordance with Section 8.03 or 8.05 of this Article, shall be elected annually by the Board and each shall hold his office for one (1) year unless he shall sooner resign or shall be removed, or otherwise disqualified to serve.

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

8.04. Any Officer may be removed from office either with or without cause by the Board. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Upon resignation or removal of an Officer, the position shall be filled in the manner prescribed in the Bylaws for regular appointment to such office. The appointee to such vacated office shall serve the remainder of the term of the Officer he replaces.

8.05. The office of Secretary or Assistant Secretary and Treasurer may be held by the same person. No person shall be appointed to more than one of any of the other offices except in the case of special offices created pursuant to Section 8.03 of this Article.

8.06. An Officer shall not receive any compensation for any service he may render to the Association; provided, however, that any Officer may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

ARTICLE IX. PRESIDENT

Section 9.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of their number to act as President.

Section 9.02. The President shall:

- (a) Preside over all meetings of the Members and of the Board;
- (b) Sign as President all deeds, contracts, and other instruments in writing which have been approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser Officer;
- (c) Call meetings of the Board whenever he deems it necessary in accordance with rules and upon notice agreed upon by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days;
- (d) Have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

ARTICLE X. VICE-PRESIDENT

Section 10.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its Members to act as Vice-President.

Section 10.02. The Vice-President shall:

- (a) Act in the place and in the stead of the President in the event of his absence, inability, or refusal to act;
- (b) Exercise and discharge such other duties as may be required of him by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

ARTICLE XI. SECRETARY

Section 11.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary.

Section 11.02. The Secretary shall:

- (a) Keep a record of all meetings and proceedings of the Board and of the Members;
- (b) Keep the seal of the Association, if any, and affix it on all papers requiring said seal;
- (c) Serve such notices of meetings of the Board and the Members required either by law or by these Bylaws;
- (d) Keep appropriate current records showing the Members of this Association together with their addresses;
- (e) Sign as Secretary all deeds, contracts, and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

ARTICLE XII. TREASURER

Section 12.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Treasurer.

Section 12.02. The Treasurer shall:

- (a) Receive and deposit in such bank or banks as the Board may from time to time direct, all of the funds of the Association;
- (b) Be responsible for and shall supervise the maintenance of books and records to account for such funds and other Association assets;
- (c) Disburse and withdraw said funds as the Board may from time to time direct, and in accordance with prescribed procedures;

(d) Prepare and distribute the financial statements for the Association required by the Declaration.

ARTICLE XIII. SUBORDINATE OFFICERS

Section 13.01. The Board may appoint such subordinate Officers as it deems desirable from time to time.

Section 13.02. Such subordinate Officers shall have the duties that the Board may from time to time prescribe, including the right to act in the place and stead of such Officers, other than the President, as the Board may designate.

ARTICLE XIV. COMMITTEES

The Board of Directors may, by resolution duly adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two (2) or more directors and with such powers as it may designate, consistent with the Articles of Association and these By-laws. The appointment of members or alternate members of a committee requires the vote of a majority of the authorized number of the Board. Such committees shall hold office at the pleasure of the Board.

ARTICLE XV. BOOKS AND RECORDS

Section 15.01. The Governing Instruments of the Association, the membership register, the books of account, and the minutes of meetings of the Members of the Board and of committees of the Board of the Association shall be available for inspection and copying by any Member of the Association, or by his duly appointed representative at any reasonable time and for any purpose reasonably related to his interest as a Member, at the principal office of the Association subject to the following:

- (a) At least two (2) days' written notice is given to the Secretary of the Association by the Member desiring to make the inspection;
- (b) Any such inspection is made during regular business hours; and
- (c) A fee of \$5.00 for the cost of reproducing copies of documents is paid by the Member requesting any such copies.

Section 15.02. 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 shall include the right to make extracts and copies of documents.

ARTICLE XVI. NOTICES

Section 16.01. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Secretary of the governing body for the purpose of service of such notice or to the Unit of such person if no address has been given to the Secretary. Such address may be changed from time to time by notice in writing to the Secretary.

Section 16.02. The transactions of any meeting of the Members, however called or noticed, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum be present, in person or by proxy, if either before or after the meeting each Member entitled to vote but not present thereat signs a written waiver of notice, or a consent to the holding of such meeting, or approval of the true and correct minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

ARTICLE XVII. AMENDMENTS

Section 17.01. These By-Laws may be amended, at a regular or special meeting of the Members, by the affirmative vote (in person or by proxy) or written consent of Members representing a majority of a quorum of the Association which shall include a majority of the votes of Members other than Declarant, or where the two-class voting structure is still in effect, shall include a majority of each class of Members. Notwithstanding the above, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Section 17.02. Where required under Section 11018.7 of the California Business and Professions Code, the prior written consent of the Real Estate Commissioner shall be obtained prior to submitting a proposed amendment to these By-Laws to the vote of the Members.

ARTICLE XVIII. TAX EXEMPT STATUS

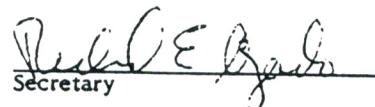
Section 18.01. The Board and Members of the Association shall conduct the business of the Association in such manner that the Association qualify and be considered an organization exempt from federal and state income taxes pursuant to Internal Revenue Code Section 528 and California Revenue and Taxation Code Section 23701t, as amended.

Section 18.02. The Board shall cause to be timely filed any annual election for tax-exempt status as may be required under federal or state law, and shall undertake to cause the Association to comply with the statutes, rules, and regulations which have been or shall be adopted by federal and state agencies pertaining to such exemptions.

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENT THAT:

The undersigned, Secretary of the Association known as MAUD AVENUE MANOR HOMEOWNERS ASSOCIATION, does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Directors of said Association on the 6 day of August, 1981, and that they now constitute said By-Laws.



Secretary