

BY-LAWS  
OF  
THE CLUB HOMEOWNERS ASSOCIATION  
A California Non-Profit Corporation

SECTION I            NAME AND LOCATION:

The name of the Association is THE CLUB HOMEOWNERS ASSOCIATION ("Association"). The Association is organized under the California General Non-Profit Corporation Law. The principal office of the Association shall be located in Los Angeles County, California. Meetings of the members shall be held at those places specified in the declaration.

SECTION II.        DEFINITIONS:

2.01            Declaration: The "Declaration" means collectively, the Declaration of Covenants, Conditions, and Restrictions and any amendment to them that is or may be recorded that is applicable to the development commonly known and referred to as THE CLUB HOMEOWNERS ASSOCIATION, located in Los Angeles County, California, legally described as:

Tract 35520, as per plat recorded in book  
929 of maps, pages 20        through 24        ,  
records of Los Angeles County, California.

together with any and all other real property annexed to the development and the Declaration as provided in the Declaration.

2.02            Association: shall mean and refer to The Club Homeowners Association, a California non-profit corporation, its successors and assigns.

2.03            Owner: shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, but excluding those having such interest merely as security for the performance of an obligation.

2.04            Properties: shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be annexed hereto by one or more Declarations of Annexation.

2.05            Common Area: shall mean all real property owned by the association for the common use and enjoyment of the owners. The common area to be owned by the association at the time of the conveyance of the first lot is described as follows:

76,

Lots 74, 75, /77 and 78 of tract 35520 as per plat recorded in book 929 of maps, pages 20 through 24 official records of Los Angeles County, California.

2.06 Lot: shall mean and refer to, unless otherwise specifically stated herein, all lots within the properties, but shall exclude the common area described herein.

2.07 Declarant: shall mean and refer to The Club, a Partnership, its successors and assigns if such successors and assigns should acquire more than one undeveloped lot from the declarant for the purpose of development.

2.08 Mortgage: shall mean and include a Deed of Trust as well as a mortgage in the conventional sense.

2.09 Mortgagee: shall mean a person or entity to whom a mortgage is made and shall include the beneficiary of a Deed of Trust; "Mortgagor" shall mean a person or entity who mortgages his or its property to another, i.e., the maker of a mortgage, and shall include the trustor of a Deed of Trust.

2.10 Member: shall mean and refer to every person or entity who holds membership in the association.

2.11 Town House and Dwelling: shall mean each individual dwelling occupying a separate lot in the properties and each is designed and intended for use and occupancy as a single family residence.

2.12 Wherever the word "Deed of Trust" is used herein, it shall mean and be synonymous with the word "Mortgage," and the same may be used interchangeably with the same meaning; and likewise the word "Trustor" shall be synonymous with the word "Mortgagor"; and the word "Beneficiary" shall be synonymous with the word "Mortgagee."

2.13 The aforesaid definitions shall be applicable to this declaration and also to any supplemental declaration (unless the context shall prohibit) filed pursuant to the provisions of this declaration.

2.14 Private Streets: shall mean those streets owned and operated by the association and more commonly set out on the tract map as Mankato Court, Albany Court and Chattanooga Court.

2.15 City: shall mean the City of Claremont, California, or any successor municipality which may exercise sphere of influence control over the property.

SECTION III. MEMBERSHIP; VOTING RIGHTS:

The qualification for membership, the classes of membership, and the voting rights of members shall be controlled by Section V of the Declaration, the terms of which are incorporated by reference herein.

SECTION IV. MEETINGS OF MEMBERS:

4.01 Annual Meetings. The organizational meeting and the first annual meeting of the members shall be held as described in the declaration at a place to be chosen by the Board of Directors within the County of Los Angeles, California, said notice to be given according to the declaration. Subsequent annual meetings of members of the Association shall be held in such succeeding year within one week before or after the anniversary date of the first annual meeting on a day and at a place to be determined by the Board, which day shall not be a legal holiday and which place shall be within the County of Los Angeles, California.

4.02 Special Meetings. Special meetings of the members may be called at any time by the President or by a majority of a quorum of the Board, or upon written request of the members representing at least one-fourth (1/4) of the total votes or fifteen percent (15%) of the class A votes.

~~4.03~~ Notice of Meetings. Notice of all members meeting, annual or special, shall be given by mail or telegram and shall be given ~~not less than ten (10) days nor more than thirty (30) days~~ before the time of the meeting and shall set forth the place, date, and hour of the meeting, and the nature of the business to be undertaken. Notices shall be given by, or at the direction of the Board of Directors and shall be transmitted to each member entitled to vote; the notices shall be addressed to the member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. Mailed notices shall be deemed received forty-eight (48) hours after they are mailed by certified mail, return receipt requested; notice by telegram shall be deemed received twenty-four (24) hours after they are sent. Notices to members may also be personally delivered and shall be deemed received upon delivery to any occupant of the member's residence.

4.04 Quorum. The presence at any meeting in person or by proxy of members entitled to cast at least fifty percent (50%) of the total votes of all members of the Association constitutes a quorum. If any meeting cannot be held because a quorum is not present, members representing a majority of the votes 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 adjourned meeting the quorum requirements shall be at least twenty-five percent (25%) of the total votes. Any meeting of members at which a quorum is present may be adjourned for any reason to a time not less than five (5) days nor more than thirty (30) days from the time of such meeting by members representing a majority of the votes present either in person or by proxy.

4.05 Proxies. At all meetings of members, each member may be present in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy is revokable and automatically terminates when the member whose interest is represented by the proxy is present at the meeting.

4.06 Order of Business. The order of business of all meetings of the members shall be as follows:

- 4.06.1 Roll Call;
- 4.06.2 Proof of Notice of Meeting or Waiver of Notice;
- 4.06.3 Reading of Minutes of Preceding Meeting;
- 4.06.4 Reports of Board and Officers;
- 4.06.5 Election of Directors, if any are to be elected;
- 4.06.6 Unfinished Business; and
- 4.06.7 New Business.

4.07. Parliamentary Procedure. All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

4.08. Majority of Owners. Except as otherwise provided here or in the Declaration, the majority of the total voting power present, in person or by proxy, shall prevail at all meetings.

SECTION V. SELECTION AND TERM OF OFFICE OF BOARD:

5.01. Number. The Board shall consist of five (5) Directors who need not be members.

5.02. Term of Office. At the first annual meeting the members shall elect three of the five (5) Directors for a term of one (1) year. The remaining two (2) Directors shall be elected for a term of two (2) years. At the expiration of the initial term of office of each Director, his successor shall be elected to serve a term of two (2) years.

5.03. Election; Removal; Vacancies. The procedure for election and removal of Directors shall be controlled by the Declaration. When the death or resignation of a Director occurs, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. When the removal of a Director occurs, his replacement shall be chosen by a membership vote in accordance with the provisions of Section 6 herein.

5.04. Compensation. 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 VI. NOMINATION AND ELECTION OF DIRECTORS:

6.01. Nomination. Nomination for election to the Board shall be made by a nominating committee consisting of three persons. Nominations also may be made from the floor at each annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two (2) other persons who may be either members of the association or representatives of declarant. Each member of the nominating committee shall be appointed by the Board to serve for a period of one (1) year and vacancies shall be filled by the Board. The nominating committee shall make as many nominations for election to the Board as it may, in its discretion, determine, but not less than the number of vacancies to be filled. Nominations may be made from among members or non members.

6.02. Election. Election to the Board shall be by secret ballot. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the declaration (and subject to cumulative voting and to the provisions respecting specially elected Directors as are described here). The candidates receiving the highest number of votes shall be deemed elected.

SECTION VII. MEETINGS OF DIRECTORS:

7.01. Regular Meetings. Regular meetings of the Board shall be held monthly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should any such meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday. Notice of the time and place of any such meeting shall be posted at a prominent place or places within the common area.

7.02. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days advance notice to each Director, which notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be posted in the manner prescribed for notice of regular meetings not less than seventy-two (72) hours before the scheduled time of the meeting.

7.03. Quorum. A majority of the number of Directors constitutes a quorum for the transaction of business at a meeting of the Board. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

7.04. Conduct of Meetings. Regular and special meetings of the Board shall be opened 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 authorized by the vote of a majority of a quorum of the Board. The Board may, with approval of a majority of a quorum of the members of the Board, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is, or may become involved, and orders of business of a similar or otherwise sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

SECTION VIII. POWERS AND DUTIES OF THE BOARD.

8.01. Powers. The Board has all powers conferred upon the Association that are specified here and in the Declaration except those powers expressly reserved to the members.

8.02. Duties. It shall be the duty of the Board:

8.02.1 To cause to be kept, a complete record of all of its acts and doings and to present a statement of them to the members at each annual meeting of the members, or at any special meeting when such statement is requested in writing by members representing one-fourth (1/4) of the Class A members;

8.02.2 To supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed; and

8.02.3 To delegate its powers as provided in the declaration.

8.02.4 To require, whether or not FNMA holds any mortgage, fidelity insurance which shall be in the form of a bond in an amount equal to One Hundred Fifty Percent (150%) of the Association's annual assessment plus reserves which names the Association as obligee and protects against misuse and misappropriation of the Association's property by members of the board, officers and employees of the Association and any management agent and his employees whether or not any such persons are compensated for their services.

#### SECTION IX. OFFICERS AND THEIR DUTIES:

9.01 Enumeration of Offices. The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board, a secretary, a treasurer, and such other officers as the Board may create from time to time by resolution.

9.02. Election of Officers. The election of officers shall take place at the organizational meeting of the Board and at each meeting of the Board that follows each annual meeting of the members.

9.03. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for two years unless he resigns, is removed, or becomes otherwise disqualified to serve.

9.04. Special Appointments. The Board may elect 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.

9.05 Resignation and Removal. Any officer may be removed from office 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. The resignation shall take effect on the date of receipt of such notice or

at any later time specified in the notice, and, unless otherwise requested by the notice, the acceptance of the resignation shall not be necessary to make it effective.

9.06. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

9.07. Multiple Offices. The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created under section 9.04. of these by-laws.

9.08. Duties. The duties of the officers are as follows:

9.08.1. President. The president shall preside at all meetings of the Board and at all general and special meetings of the membership, shall see that the orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments, and shall cosign all checks and promissory notes of the Association, shall have the power to designate others to sign in his absence (specifically the management company retained by the Association, if any).

9.08.2. Vice-President. The vice-president shall act in place of the president in case of his absence, or his inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

9.08.3. Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, shall serve notices of meetings of the Board and of the members, shall keep appropriate current records showing the members of the Association and their addresses, and shall perform such other duties as required by the Board.

9.08.4 Treasurer. The treasurer shall receive and deposit in appropriate bank accounts, all money of the Association and shall disburse such funds as directed by resolution of the Board, shall cosign all checks and promissory notes of the Association, shall keep proper books of account, shall cause an annual operating statement reflecting income and expenditures of the Association for its fiscal year to be prepared, and shall cause copies of the statement to be distributed to each member within ninety (90) days after the end of such fiscal year and shall cause an annual budget to be prepared and presented to each member or shall supervise and approve the functions as designated above when performed by the management company employed by the Association.



9.09 Compensation. 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.

SECTION X. COMMITTEES:

10.01. The Board shall appoint an architectural committee, and a nominating committee, in addition, the Board may appoint other committees as deemed appropriate in carrying out its purposes, such as, but not limited to:

10.01.1 A recreation committee which shall advise the Board on all matters pertaining to the recreational program and activities of the Association, and shall perform such other functions as the Board, in its discretion, determines;

10.01.2 A maintenance committee which shall advise the Board on all matters pertaining to the maintenance, repair or improvement of the project and shall perform such other functions as the Board, in its discretion, determines;

10.01.3 A publicity committee which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board, make such public releases and announcements as are in the best interest of the Association; and

10.01.4. An audit committee which shall supervise the annual audit of the Association's books by a public accountant and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The treasurer shall be an ex officio member of the audit committee.

10.02. There shall be a standing committee known as the Town Home Committee which shall be constituted as follows:

10.02.1 Number. The committee shall consist of five (5) committee persons who are to be residents of the Town Home units.

10.02.2 Term of Office. At the first annual meeting, the members owning Town Home lots shall elect three (3) of the five (5) committee persons for a term of one (1) year and the remaining two (2) committee persons for a term of two (2) years. At the expiration of the initial term of office of each committee person, their successor shall be elected to serve a term of two (2) years.

10.02.3 Elections; Removal; Vacancies. The procedure for election and removal of committee persons shall be controlled as in the Declaration pertaining to directors. When a committee persons dies or resigns, his successor shall be selected by the remaining members of the committee and shall serve the unexpired term of his predecessor. When

the removal of a committee person occurs, his replacement shall be chosen by a Town Home membership vote in accordance with the provisions of Section VI herein pertaining to directors.

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

10.03 Single Family Residence Committee. There shall be a standing committee known as the Single Family Residence Committee which shall be constituted as follows:

10.03.1 Number. The committee shall consist of ~~five~~ (5) single family residence committee persons who are to be residents of the Single Family Residence units.

10.03.2 Term of Office. At the first annual meeting, the members owning Single Family Residence units shall elect three (3) of the five (5) single family residence committee persons for a term of one (1) year and the remaining two (2) single family residence committee persons for a term of two (2) years. At the expiration of the initial term of office of each single family residence committee person, their successor shall be elected to serve a term of two (2) years.

10.03.3 Elections; Removal; Vacancies. The procedure for election and removal of the single family residence committee persons shall be controlled as in the Declaration pertaining to directors. When a single family residence committee person dies or resigns, his successor shall be selected by the remaining members of the single family residence committee and shall serve the unexpired term of his predecessor. When the removal of a single family residence committee person occurs, his replacement shall be chosen by a Single Family Residence membership vote in accordance with the provisions of Section VI herein pertaining to directors.

10.03.4 Compensation. A single family residence committee person shall not receive any compensation for any service he may render to the Association; provided, however, that any single family residence committee person may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

10.04. Complaints. It shall be the  ~~duty of each~~ committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

SECTION XI. ASSESSMENTS:

11.01. Liability for Assessments; Collection. As more fully provided in Article VI and VII of the Declaration, each member is obliged to pay to the Association, annual and special assessments to be collected as described in those sections, all of which are incorporated here by reference.

SECTION XII. AMENDMENTS:

12.01. If a two class voting structure is still in effect in the Association, these by-laws can be amended only with the vote or written consent of members entitled to cast at least fifty-one percent (51%) of the voting power of each class of membership in the Association.

12.02. If a two class voting structure is no longer in effect in the Association because of the conversion of class B membership to class A membership, as provided in the declaration, these by-laws can be amended only with the vote or written consent of members entitled to cast fifty-one percent (51%) of the voting power of the Association other than the declarant.

12.03. Sections 1 and 2 of this section 12 are not intended to limit the percentage of the voting power of the Association or members (other than the declarant) necessary to amend a specific provision in these by-laws when the specific provision requires a different percentage of affirmative votes. If more than fifty-one percent (51%) of the voting power is required by any specific provision, then the percentage in the specific provision shall control.

12.04. The adoption of any amendment to these by-laws must comply with the provisions of California Business and Professions Code §11018.7 to the extent that said section is applicable.

SECTION XIII. GENERAL PROVISIONS:

13.01. Conflicting Provisions. In case of any conflict between any provisions of the Articles of Incorporation and the Declaration and these by-laws, the provisions of the Articles of Incorporation shall prevail over the Declaration and the Declaration shall prevail over the by-laws.

13.02. Fiscal Year. The fiscal year of the Association shall be a calendar year unless a different fiscal year is adopted by the members at a duly constituted meeting.

13.03. Proof of Membership. No person can exercise the rights of membership in the Association until satisfactory proof of membership has been furnished to the secretary. Such proof may consist of a copy of a duly executed and acknowledged grant deed, a title insurance policy showing

said person to be the owner of an interest in a lot, a valid and executed land sale contract entitling him to membership. The deed, policy, contract or lease is conclusive in the absence of a conflicting claim based on a later document.

13.04. Absentee Ballot. The Board may make such provisions as it considers necessary or desirable for absentee ballots.

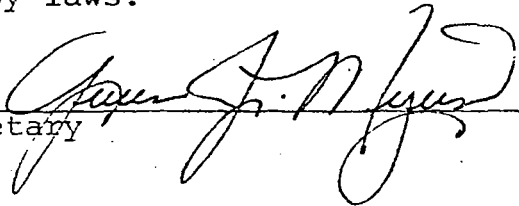
13.05. Reserves. Any amounts collected by, or paid to the Association in excess of operational needs shall be set aside as reserves for future financial needs in the manner described in the Declaration and shall be deposited into insured interest bearing accounts. These sums may include amounts collected by declarant from owners through the purchase escrows that represent capital contribution by owners to the Association.

13.06. Inspection of Books and Records. The members and Directors shall have the right to inspect the books and records of the Association. Such inspection shall be in accordance with the rules in Section 8.02.1 of the By-Laws, the terms of which are incorporated by reference herein.

13.07. Corporate Seal. The Association shall have a seal in circular form having within its circumference the name of the Association, its date of incorporation, and such other matters as may be required by the laws of the State of California.

13.08. Certificate of Secretary: KNOW ALL MEN BY THESE PRESENTS:

The undersigned, secretary of The Club Homeowners Association, a California Non-Profit Corporation, certifies that these by-laws were duly adopted by the Board of Directors of the Association on April 28, 1980 and that they now constitute its by-laws.

  
Secretary