

**BYLAWS
OF
GREEN SPRINGS RANCH LANDOWNERS ASSOCIATION**

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**BYLAWS
OF
GREEN SPRINGS RANCH LANDOWNERS ASSOCIATION**

ARTICLE I

Recitals and Definitions

Section 1. Name of Association . The name of this corporation is Green Springs Ranch Landowners Association and shall be referred to herein as the "Association."

Section 2. Association Is Nonprofit . The Association has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (Cal. Corp. Code, § 7110 et seq.) as a nonprofit mutual benefit corporation. Prior to incorporation the Association was an unincorporated association of property owners.

Section 3. Specific Purpose . The specific and primary purpose of this Association shall be to repair, maintain and manage roads within that certain real estate development located in the County of El Dorado, State of California and commonly referred to as Green Springs Ranch, to enforce the Rules and Regulations adopted by the Board of Directors, from time to time, and the terms and conditions of the Declaration, and to otherwise enhance and promote the use and enjoyment of the subdivision by the Owners of lots and parcels located therein.

Section 4. Definitions.

(a) County. "County" means the County of El Dorado, State of California.

(b) Declaration. "Declaration" means all limitations, restrictions, covenants, terms and conditions set forth in the First Restated Declaration of Restrictions, Green Springs Ranch, Recorded on October 10, 1995, as Document No. 046001, as such Declaration may from time to time be supplemented, amended or modified by a duly recorded subsequent Declaration, or amendment thereto.

(c) Member. "Member" means Green Springs Ranch lot owner. If there are multiple Owners of a Green Springs Ranch lot then said Owners shall collectively be deemed to be one Member.

(d) Voting Power. "Voting Power" means those Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at the time any determination of voting power is made.

(e) Other Definitions Incorporated by Reference. The terms defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

ARTICLE II

Location of Principal Office

The Association has no principal office as such. Typically, meetings of the Board of Directors and the Members shall be conducted in a Member's Residence or other suitable location within the vicinity of Green Springs Ranch. The Association maintains a post office box.

ARTICLE III

Membership

Section 1. Members of the Association . Every Owner of a Lot within Green Springs Ranch is a Member of the Association, except that any person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. Membership in the Association is appurtenant to, and may not be separated from, ownership of any Lot.

Section 2. Term of Membership . Each Owner shall remain a Member until he or she no longer qualifies as such under section 1 above. Upon the sale, conveyance or other transfer of an Owner's interest in a Lot, the Owner's membership interest appurtenant to the Lot shall automatically transfer to the Lot's new Owner(s).

Section 3. Evidence of Membership . A person shall not be entitled to exercise the rights of a Member until the Association has verified that such person is qualified to be Member under section 1 above.

ARTICLE IV

Membership Voting

Section 1. Member Voting . Each Association Member in good standing shall give rise to a single membership vote in the Association. Where there is multiple Ownership of a Lot, any one of the Owners shall be entitled to vote, but in no event shall more than one vote be cast with respect to any one such Lot. Any one of the multiple Owners shall be entitled to vote, unless the secretary of the Association is notified in writing of a designated Owner have the sole right to vote for all the other Owners.

Section 2. Eligibility to Vote. Only Members in good standing shall be entitled to vote at any membership meeting. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot(s) and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding. The Association shall not be obligated to

conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with the Declaration.

Section 3. Manner of Casting Votes .

(a) Voting at Membership Meetings. Except for limited membership voting permitted at membership meetings, Members' votes shall be solicited by written ballot with respect to any issue requiring membership approval under the Declaration or by law. Written voting shall be conducted in accordance with section 4 of this Article IV.

(b) Proxy Voting. Proxy voting shall not be permitted.

(c) Cumulative Voting. Cumulative voting shall not be permitted.

Section 4. Action by Written Ballot .

(a) Definition of Written Ballot. A "written ballot" is a ballot that meets the requirements of this section 4 and is mailed to every Member entitled to vote on the matter(s) identified in the written ballot form.

(b) Written Ballots, Generally. Any matter or issue requiring the vote of the Members, including the election of directors, shall be submitted to the Members for approval by written ballot in accordance with this section 4. When Member votes are solicited in this fashion, no formal membership meeting need be called.

(i) Other Matters. In the case of any other matter or issue submitted to the Members for approval by written ballot, the Board of Directors shall mail the written ballot to every Member entitled to vote on the matter no less than 45 days prior to the final date by which the written ballots must be received by the Association in order to be counted.

(ii) Extension of the Balloting Period. The time fixed for the return of written ballots may only be extended if the Board of Directors so notifies the Members in the balloting materials originally sent to Members and then for not more than two successive periods of 45 days each. Notwithstanding the foregoing, if a meeting has been scheduled to coincide with the culmination of a written ballot vote on the election of directors and the meeting is adjourned without concluding the election process, the time fixed for the return of written ballots in the director election shall be extended to the date the adjourned meeting is reconvened.

(c) Content of Written Ballots.

(i) Written Ballots Used for Voting in Director Elections. Written ballots used in any election of directors shall set forth the names of the candidates whose names have been placed in nomination at the time the ballot is issued. The ballot form shall also provide a space where the Member can designate a vote for another (write-in) candidate.

(ii) Written Ballots Used for Voting on Other Matters. Any written ballot distributed to the Members to vote on any issue other than the election of directors shall set forth a description of the proposed action and provide an opportunity on the ballot form to specify approval or disapproval of the proposal. The ballot's description of the proposal (or the description contained in the solicitation materials which accompany the ballot) shall present a reasonably comprehensive description of (a) the reasons why the proponents of the proposal believe that the action should be

approved; (b) a description of the reasons for any known opposition to the proposal; and (c) the fiscal impacts, if any, of the proposal on the Association's finances.

(iii) Specification of Time for Return of Written Ballot. All written ballots shall state the time by which the ballot must be received in order to be counted.

(d) Requirements for Valid Member Action by Written Ballot. Written ballot voting is a procedure, sanctioned by the Corporations Code, for taking action requiring Member approval without the necessity of convening a formal membership meeting. Accordingly, membership approval by written ballot shall only be valid if : (i) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds twenty percent (20%) of the membership and (ii) the number of affirmative votes cast equals or exceeds a simple majority of votes cast.

(e) Additional Balloting Procedures. Ballots shall be counted by one designated member of the Board of Directors and by one non-Board Association Member in good standing. Such persons shall have the full powers of an inspector of elections pursuant to section 7614 of the California Corporations Code.

(f) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board of Directors shall notify the Members of the outcome of the vote by newsletter within 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 for valid action, the Board of Directors shall so notify the Members.

(g) Prohibition of Revocation. Once cast, a written ballot may not be revoked.

(h) Conduct of Informational Meetings. 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 membership meeting to coincide with the culmination of the balloting period.

Section 5. Majority Vote of Members Constitutes Approval; Exceptions . If a quorum is present, the affirmative vote of the majority of the voting power of Members entitled to vote and voting on any matter (other than the election of directors) shall be the act of the Members, unless the vote of a greater number is required by California's Nonprofit Corporation Law or by the Articles of Incorporation or these Bylaws. In the case of director elections, the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected to the vacant director seats.

ARTICLE V

Membership Meetings

Section 1. Place and Time of Meetings . Meetings of the Members shall be held at a suitable location within Green Springs Ranch or at such other location, in reasonably proximity to Green Springs Ranch, as may be appropriate to accommodate the Association's membership. The time and location of the meeting shall be designated by the Board of Directors in the notice of the meeting.

Section 2. Annual Meeting . There shall be an annual meeting of the Members on the second Wednesday of November of each year. The time and location of the annual meeting shall be established by the Board of Directors and set forth in the notice of meeting sent to the Members.

Section 3. Special Meetings .

(a) Persons Entitled to Call Special Meetings. A majority of the Board of Directors, the president or 10 percent or more of the voting power of the Members may call special meetings of the Members at any time to consider any lawful business of the Association.

(b) Procedures for Calling Special Meetings Requested by Members. If a special meeting is called by Members other than the Board of Directors or president, the request shall be delivered personally or sent by first-class mail, registered mail or by telegraphic or other facsimile transmission to any of the following persons: the president, the vice president, or the secretary of the Association. The Members' request shall be in the form of a written petition signed by the requisite percentage of the Members and shall specify the general nature of the business for which the meeting was requested.

The officer receiving the Members' request shall cause notice to be promptly given to all Members entitled to vote, in accordance with the provisions of section 4 of this Article V, that a meeting will be held. The notice shall specify the date, time and purpose for the meeting, which date shall be 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 within 20 days after the receipt of a petition from the requisite percentage of Members, the persons requesting the meeting may give the notice and, in such event, the Association shall be obligated to reimburse the Members for the actual cost they incur in mailing notice to the Members. Nothing contained in this subparagraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the president.

Section 4. Notice of Members' Meetings .

(a) Time Requirements. All notices of meetings of Members (whether regular or special) shall be sent in writing to each Member and must be given not less than 10 nor more than 90 days before the date of the meeting. However, if the notice is not given by registered or certified first-class mail, it must be given not less than 20 days (nor more than 90 days) before the date of the meeting.

(b) Minimum Requirements Regarding Content of Notice. The notice of any membership meeting shall specify the place, date, and hour of the meeting. In the case of a special meeting, the notice shall also state the general nature of the business to be transacted, and no other business may be transacted at the special meeting. In the case of a regular meeting, the notice shall also describe those matters which the Board of Directors, at the time of giving the notice, intends to present to the Members.

(c) Specification of Certain Significant Actions. If the Members' approval is solicited with respect to any of the following matters, the action is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):

(i) Removing a director without cause;

(ii) Filling vacancies on the Board of Directors under those circumstances where a vote of the Members is required pursuant to Article VI, section 6 or these Bylaws;

(iii) Amending the Articles of Incorporation of the Association, these Bylaws or the Declaration in any manner requiring approval of the Members;

(iv) Approving a contract or transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association in which one or more of its directors has a material financial interest;

(v) Approving any change in the Association's Assessments in a manner requiring membership approval under the Declaration; or

(vi) Voting upon any election to voluntarily terminate and dissolve the Association.

(d) Manner of Service. Notice of any meeting of Members shall be given by first-class mail addressed to each Member either at the Member's address appearing on the books of the Association or the address given by the Member to the Association for the purpose of receiving notice. If no address appears on the Association's books for a Member and no other instructions for notice have been received by the Association, notice shall be deemed to have been given if either (i) notice is sent to that Member by first-class mail to the Association's principal office, or (ii) notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at that time when deposited in the mail.

(e) Affidavit of Mailing. An affidavit of the mailing of notice of any Members' meeting may be executed by the Secretary or the assistant secretary of the Association. Upon due execution, the affidavit of mailing shall be filed and maintained in the minute book of the Association and shall constitute prima facie evidence that proper notice has been given.

Section 5. Quorum Requirements .

(a) Quorum Requirements Generally. The following quorum requirements must be satisfied for any meeting of the Members or action by written ballot:

(i) Quorum for Votes on Assessment Increases. In the case of any written ballot vote conducted in order to vote on assessment increases requiring membership approval, the quorum requirement for valid action on the proposal shall be the percentage specified in section 1366 of the Civil Code or comparable superseding statute. That quorum percentage is currently a majority of the Members.

(ii) Quorum for Valid Action on Other Matters. In the case of a membership meeting or written ballot called or conducted for any other purpose, the quorum shall be 10 percent of the voting power of the Members for matters which were described in the notice of the meeting. In order to take action on matters not described in the notice of the meeting, the quorum shall constitute one-third of the total voting power of the Members.

(b) Effect of Departure of Members From Meeting. The Members present in person at a duly called or duly held meeting at which a quorum is initially present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. Any vote to adjourn the meeting for lack of a quorum shall only require the affirmative vote of a majority of those Members who are present.

Section 6. Adjourned Meeting .

(a) Adjournment, Generally. Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another time and/or place (but not for more than 45 days)

by the vote of the majority of Members present at the meeting. Unless there is an absence of a quorum (in which case no business other than adjournment may be transacted), the reconvened meeting may take any action which might have been transacted at the original meeting.

(b) Notice Requirements for Adjourned Meetings. When a Members' meeting is adjourned for another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date is fixed for notice or voting, a notice of the rescheduled meeting must be given to each Member who on the record date for notice of the meeting is entitled to vote thereat.

Section 7. Waiver of Notice or Consent by Absent Members .

(a) Waivers and Consents, Generally. If decisions are made or action is otherwise taken by the Members at a meeting where a quorum is present, but for which proper notice was not given to all Members for whatever reason, the decisions or actions made at that meeting will be valid if, either before or after the meeting, each person entitled to vote who was not present at the meeting consents to the meeting by signing: (i) a written waiver of notice; (ii) a consent to holding the meeting; or (iii) an approval of the minutes. The waiver of notice or consent need not specify the purpose or general nature of business to be transacted at such meeting unless action was taken or is proposed to be taken at the meeting with respect to any matters specified in section 4(c) of this Article, in which case, the waiver of notice or consent must state the general nature of such matter(s). All such waivers, consents or approvals shall be filed with the Association records or be made part of the minutes of the meeting.

(b) Effect of a Member's Attendance at a Meeting. Attendance by a Member at a meeting shall also constitute a waiver of any objections such person may have with respect to notice of that meeting, except when the Member attends the meeting for the sole purpose of objecting at the beginning of the meeting to this transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting which are required to be described therein pursuant to section 4(b) of this Article, if that objection is expressly made at the meeting.

Section 8. Record Dates for Member Notice, Voting and Giving Consents .

(a) Record Dates Established By the Board of Directors. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board of Directors may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. The record dates established by the Board of Directors pursuant to this section must be in accordance with the following requirements:

(i) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall not be more than 90 days nor less than 10 days before the date of the meeting;

(ii) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall not be more than 60 days before the date of the meeting;

(iii) Record Date for Action By Written Ballot Without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall not be more than 60 days before the day on which the first written ballot is mailed or solicited; and

(iv) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action requiring Member approval, the record date shall not be more than 60 days prior to the date of such other action.

(b) Failure of the Board of Directors to Fix a Record Date. If the Board of Directors, for any reason, fails to establish a record date, the following rules shall apply:

(i) Record Date for Notice of Meetings. The record date for determining those Members entitled to receive notice of a meeting of Members, shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

(ii) Record Date for Voting. The record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

(iii) Record Date for Action by Written Ballot Without Meeting. The record date for determining those Members entitled to vote by written ballot on proposed Associations actions without a meeting, when no prior action by the Board of Directors has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board of Directors has been taken, it shall be the day on which the Board of Directors adopts the resolution relating to that action.

(iv) Record Date for Other Lawful Action. The record date for determining those Members entitled to exercise any rights in respect to any other lawful action shall be Members at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(v) "Record Date" Means as of Close of Business. For purposes of this subparagraph (b) a person holding a membership as of the close of business on the record date shall be deemed to be the Member of record.

ARTICLE VI

Board of Directors

Section 1. General Association Powers . Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, the Davis-Stirling Common Interest Development Act (Cal. Civ. Code, § 1350 et seq.) and any limitations contained in any of the Governing Documents relating to action required to be approved by the Members, the business and affairs of the Association shall be vested in and exercised by, the Association's Board of Directors. Subject to the limitations expressed in Article VIII the Board of Directors may delegate the management of the activities of the Association to any person or persons, management company or committee, provided that notwithstanding any such delegation of the activities and affairs of the Association shall continue to be managed and all Association powers shall continue to be exercised under the ultimate direction of the Board of Directors.

Section 2. Number and Qualification of Directors . The Board of Directors shall consist of five (5) to eight (8) persons who shall be Owners of Lots whose memberships are in good standing with all Assessments current and are not subject to any suspension of membership rights. Only one Owner per Lot shall be eligible to serve on the Board of Directors at any time. The precise number of directors (between the numbers set forth above) shall be determined by the Board of Directors in advance of the annual election of directors).

Section 3. Term of Office . The directors of this Association shall serve for a one year term. There shall be no limitation upon the number of consecutive terms to which a director may be reelected. Each director, including a director elected to fill a vacancy or elected at a special meeting of Members, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. Nomination of Directors . At least 90 days prior to the date of any election of directors, the president shall appoint a nominating committee to select qualified candidates for election to those positions on the Board of Directors held by directors whose terms of office are then expiring. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and 2 or more Members of the Association who may or may not be Board members. The nominating committee shall make its report at least 60 days before the date of the election, and the secretary shall forward to each Member, with the notice of the meeting at which the election is scheduled to take place, a list of the nominees. The nominating committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies on the Board of Directors to be filled. In order to be eligible for nomination and election to the Board of Directors, the Association secretary must certify that the candidate-Member is in good standing with the Association and is current in the payment of his or her Assessments.

Section 5. Election of Directors .

(a) Directors Elected by Written Ballot. The annual election of directors shall be conducted by written ballot in accordance with Article IV, section 4 hereof.

(b) Election to Office. Candidates receiving the highest number of votes shall be elected as directors. The directors thus elected shall take office immediately following their election.

Section 6. Vacancies on 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 pursuant to subparagraphs (c) and (d) hereof; (ii) an increase of the authorized number of directors; or (iii) the failure of the Members, at any meeting of Members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting.

(b) Resignation of Directors. Except as provided in this subparagraph, any director may resign, which resignation shall be effective on giving written notice to the president, secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

(c) Authority of the Board of Directors 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; or

(iii) fails to attend three consecutive regular meetings of the Board of Directors which have been duly noticed in accordance with California Law.

(d) Authority of Members to Remove Directors. Except as otherwise provided in subparagraph (c) hereof, a director may only be removed from office prior to expiration of his or her term by a majority of affirmative votes cast by Members where the voting power consists of at least a quorum of Members.

(e) Removal by Court Action. The County Superior Court may, in response to a suit filed by any director or the lesser of 20 Members or 5 percent of the Members, 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. 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 unless the vacancy is created through removal of a director by action of the Members in which case the vacancy shall be filled by a vote of the Members conducted in accordance with Article IV, section 4, above. Furthermore, the Members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

(g) 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.

ARTICLE VII

Board of Directors Meetings

Section 1. Place of Meetings; Meetings by Conference Telephone. ..

(a) Permitted Locations for Board Meetings. Except as otherwise provided in subparagraph (b), below, Regular and special meetings of the Board of Directors may be held at any place within the Properties or the County that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Association. The location of Board meetings shall ordinarily be within the Properties unless in the judgment of the Board a larger meeting room is required than exists within the Properties, in which case the meeting room selected shall be as close as possible to the development.

(b) Circumstances When Meetings Can be Conducted by Conference Telephone or Other Electronic Means. Under those circumstances that qualify as grounds for conducting an emergency meeting (see Section 5(c), below) or conducting a meeting in executive session (see Section 6(c), below), but not otherwise, a regular or special meeting of the Board may be held by conference telephone, electronic video screen communications, or other communications equipment. Participation in a meeting through the use of conference telephone pursuant to this Section constitutes presence in person at the meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through the use of electronic video screen communication or other communications equipment (other than a conference telephone) constitutes presence in person at the meeting so long as each director participating in the meeting can communicate with all of the other directors concurrently and each director is given the means of participating in all matters coming before the board. Actions taken by the Board by means of a telephone conference or other permitted electronic means shall be posted in a

prominent place within the Common Area in the same manner as actions taken by written consent pursuant to Section 8.10, below.

Section 2. Annual Meeting of Directors . Immediately following each annual meeting of Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of this meeting shall not be required.

Section 3. Other Regular Meetings . Ordinarily, regular meetings shall be conducted at least monthly; provided, however, that regular meetings can be held as infrequently as every calendar quarter if the Board's business does not justify more frequent meetings. If the Board adopts an annual schedule for the conduct of regular meetings (such as a schedule that calls for regular meetings to be held at a specific time and location on the third Thursday of each month) and that schedule is communicated to all directors at the inception of the year, no further notice of a regular meeting shall be required unless the date, time or location for a particular regular meeting is changed for any reason, in which case, notice shall be provided to directors in accordance with Section 5, below.

Section 4. Special Meetings of the Board . Special meetings of the Board of Directors for any purpose may be called at any time by the president or any two directors.

Section 5 Notice of Board Meetings.

(a) Minimum Time Requirements for Giving Notice to Directors. In the case of any special meeting of the Board, and if the Board has not fixed the time and location for regular meetings and provided each director with the schedule for the conduct of regular meetings, notice shall be communicated to each Board member not less than four (4) days prior to the date of the meeting; provided, however, that if the meeting qualifies as an emergency meeting (Section 5, below) or is a special meeting that can be called in executive session (Section 6(c), below), the time for providing notice is forty-eight (48) hours prior to the meeting, unless notice is given by first-class mail in which case the four (4) day notice requirement remains in effect. Notice of a meeting of the Board need not be given to any director who has signed a waiver of notice or a written consent to the conduct of the meeting or an approval of the minutes of the meeting (whether before or after the meeting) or who attends the meeting without protesting, prior thereto or at the commencement of the meeting, the lack of notice to that director. All such notices shall be given or sent to the director's address, telephone number or e-mail address as shown on the records of the Association. Notwithstanding the foregoing, notice of a meeting need not be given to any director who has signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof as more particularly provided in Section 8, below.

(b) Manner of Giving Notice to Directors. Each director shall be entitled to receive notice of meetings by any one of the following means: by first-class mail, by personal delivery, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, by facsimile, electronic mail, or other electronic means.

(c) Notice Contents. The notice of any meeting of the Board shall state the time, place, and purpose of the meeting.

(d) Members' Right to Receive Notice of Board Meetings. All Members of the Association shall be given notice of the time and place of all Board meetings (as defined in Section 6(a), below), except for "emergency meetings", at least four (4) days prior to the date of the meeting. This notice to the Members shall be given by posting the notice in a prominent place or places within the Common Area and by mail to any Member who has requested notification of Board meetings by mail (with the notice sent to the address requested by the Member). Notice

may also be given by mail or delivery of the notice to each Lot within the Development, or by newsletter or similar means of communication. For purposes of this Section 5, an "emergency meeting" of the Board means a meeting called by the president or by any two members of the Board under circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board and which of necessity make it impracticable to provide prior notice to the Members as required by the Open Meeting Act (see Section 6, below).

In addition to the foregoing general notice requirements for Members, if a particular Member or Members are scheduled for possible disciplinary action on the agenda for a Board meeting, the Board must notify the subject Member(s) in writing, by either personal delivery or first-class mail, at least ten (10) days prior to the date of the meeting. Any such special notice of possible disciplinary action must contain, at a minimum, the date, time and location of the meeting, the nature of the alleged violation for which the Member(s) is/are being considered for disciplinary action, and a statement that the Member(s) has/have a right to attend the meeting and address the Board concerning the disciplinary matter.

Section 6. Attendance by Members; Common Interest Development Open Meeting Act Provisions. The following provisions reflect the California Common Interest Development Open Meeting Act (Cal. Civ. Code, §1363.05):

(a) Meetings Generally Open to Members; Definition of What Constitutes a "Meeting". With the exception of executive sessions of the Board (see subparagraph (c), below) and any meetings conducted by conference telephone (under the circumstances stated in Section 1(b), above), any member of the Association may attend meetings of the Board of Directors; provided, however, that non-director Members may only participate in deliberations or discussions of the Board when expressly authorized by a vote of a majority of the directors present at the meeting at which a quorum has been established or by the Board member chairing the meeting. For purposes of the Open Meeting Act, the term "meeting" includes any congregation of a majority of the members of the Board at the same time and place to hear, discuss, or deliberate upon any item of business scheduled to be heard by the Board, except those matters that may be discussed in executive session.

(b) Right of Members to Speak at Meetings. The Board of Directors shall permit any Member to speak at any meeting of the Members or of the Board of Directors, except for Board meetings that are held in executive session pursuant to subparagraph (c), below. Reasonable time limitations can be imposed by the Board or the chairman of the meeting on presentations or statements by Members and, in the case of Board meetings, the agenda for the meeting can designate a specific time for Member statements and comments.

(c) Executive Sessions. The Board, on the affirmative vote of a majority of the directors present at a meeting at which a quorum has been established, shall be entitled to adjourn at any time for purposes of reconvening in executive session to discuss: (i) litigation in which the Association is or may become a party; (ii) matters relating to the formation of contracts with third parties; (iii) Member discipline; (iv) personnel matters; or (v) to meet with a Member, upon the Member's request, regarding the Member's payment of Assessments, as specified in Section 1367.1 of the Civil Code. The Board must meet in executive session if requested by a Member who may be subject to a fine, penalty, or other form of discipline and the Member who is the subject of the disciplinary proceeding shall be entitled to attend the executive session. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following Board meeting that is open to the entire membership.

(d) Board Meeting Minutes. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Board of

Directors, other than minutes of an executive session, shall be available to the Members within thirty (30) days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement of the Association's costs in making that distribution.

Section 7. Quorum Requirements . A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 9, below. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest; (ii) appointment of committees; and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by these Bylaws, the Articles or bylaw.

Section 8. Waiver of Notice . The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present, individually or collectively, signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Association records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any director who attends the meeting without protesting the lack of proper notice either before or at the inception of the meeting.

Section 9. Adjournment . A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of adjournment to any other time or place shall be given prior to the time of the adjourned meeting to the directors who are not present at the time of the adjournment. Except as provided above, notice of adjournment need not be given.

Section 10. Action Without a Meeting . Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as an unanimous vote of the Board of Directors.

If the Board of Directors resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the Common Area within three days after the written consents of all Board members have been obtained. If the Common Area is unsuitable for posting the explanation of the action taken, the Board shall communicate the explanation by any means it deems appropriate. Any written consent or consents of the Board shall be filed with the minutes of the proceedings of the Board.

Section 11. Compensation . Directors, officers and members of committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Board of Directors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.

Section 12. Protocol at Board Meetings. At each meeting of the Board, the President, or if he or she is absent therefrom, the Vice President, or if he or she is absent therefrom, a

Director chosen by a majority of the Directors present, shall act as Chairperson and preside over such meeting. The Secretary, or if he or she is absent, the person (who shall be an Assistant Secretary, if any and if present) whom the Chairperson of such meeting shall appoint, shall act as Secretary of such meeting and keep the minutes thereof.

ARTICLE VIII

Duties and Powers of the Board of Directors

Section 1. Specific Powers . Without prejudice to the general powers of the Board of Directors set forth in Article VI, section 1, the directors shall have the power to:

- (a) Exercise all powers vested in the Board of Directors under the Governing Documents and under the laws of the State of California.
- (b) Appoint and remove all officers of the Association, the Association's property manager, if any (subject to any contractual commitments which may exist), and other Association employees; prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation and these Bylaws.
- (c) Appoint such agents and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the Association, and to fix their duties and to establish their compensation.
- (d) Adopt and establish rules and regulations subject to the provisions of these Bylaws and the Declaration, and take such steps as it deems necessary for the enforcement of such rules and regulations, including the suspension of voting rights; provided notice and a hearing are provided as more particularly set forth in Article XI, section 6 of the Declaration.
- (e) Enforce all applicable provisions of the Governing Documents relating to property use restrictions or the control, management, and use of the roads within the Properties.
- (f) Contract for and pay premiums for fire, casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.
- (g) Contract for and pay for maintenance, utilities, materials, supplies, labor and services that may be required from time to time in relation to the roads within the Properties.
- (h) Delegate its duties and powers hereunder to the officers of the Association or to committees established by the Board of Directors, subject to the limitations expressed in section 1 of Article IX hereof.
- (i) Levy and collect Assessments from the Members of the Association in accordance with the Declaration.
- (j) Perform all acts required of the Board of Directors under the Declaration.
- (k) Prepare budgets 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, and at no greater than annual intervals prepare an annual financial report, a copy of which shall be delivered to each Member.

(l) Appoint a nominating committee for the nomination of persons to be elected to the Board of Directors, and prescribe rules under which said nominating committee is to act, all as more particularly described in Article VI, section 4 hereof.

(m) Appoint such other committees as it deems necessary from time to time in connection with the affairs of the Association.

(n) Fill vacancies on the Board of Directors or in any committee, except for a vacancy created by the removal of a Board of Directors member.

(o) Open bank accounts and borrow money on behalf of the Association and designate the signatories to such bank accounts.

(p) Bring and defend actions on behalf of the Members in common or the Association to protect the interests of the Members or the Association, as such, so long as the action is pertinent to the operations of the Association.

(q) Enter Lots as necessary, subject to the notice requirements of the Declaration, in connection with construction, maintenance or emergency repairs for the roads within Green Springs Ranch.

ARTICLE IX

Committees

Section 1. Committees of Directors . In addition to the nominating committee appointed and constituted pursuant to Article VI, section 4(a) of these Bylaws and the Architectural Committee appointed and constituted pursuant to the Declaration, the Board of Directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more Members (who may also be directors), to serve at the pleasure of the Board of Directors. Committees shall have all the authority of the Board of Directors with respect to matters within their area of assigned responsibility, except that no committee, regardless of Board of Directors resolution, may:

(a) Take any final action on any matter which, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the Members.

(b) Fill vacancies on the Board of Directors or on any committee which has been delegated any authority of the Board of Directors.

(c) Amend or repeal Bylaws or adopt new Bylaws.

(d) Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable.

(e) Appoint any other committees of the Board of Directors or designate the members of those committees.

(f) Approve any transaction: (i) to which the Association is a party and one or more directors have a material financial interest; or (ii) between the Association and one or more of its directors or between the Association or any person in which one or more of its directors have a material financial interest.

Section 2. Meetings and Actions of Committees . Unless otherwise provided in the Board of Directors resolution establishing the committee, minutes shall be kept of each meeting of any committee and shall be filed with the Association records. The Board of Directors may adopt rules, not inconsistent with the provisions of these Bylaws, for the governance of any committee.

ARTICLE X

Officers

Section 1. Officers . The officers of the Association shall be a president, a vice president, a secretary and a chief financial officer otherwise known as a treasurer. The Association may also have, at the discretion of the Board of Directors, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of section 3 following. Any person may hold two or more offices, except that neither the secretary nor the treasurer may serve concurrently as president.

Section 2. Election of Officers . The officers of the Association, except such officers as may be appointed in accordance with the provisions of sections 3 and 5 following, shall be chosen annually by majority vote of the Board of Directors at its first regular meeting following the annual meeting of the Members or the election of directors, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

Section 3. Subordinate Officers . The Board of Directors may appoint, and may empower the president to 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 are provided in the Bylaws and as the Board of Directors may from time to time determine.

Section 4. Removal of Officers . Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting.

Section 5. Resignation of Officers . Any officer may resign at any time by giving written notice to the Board of Directors or to the president or to the secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 6. Vacancies . A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 7. President . The president shall be elected by the Board of Directors from among the directors. He or she shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the affairs and officers of the Association. He or she shall preside at all meetings of the Board of Directors, and shall have the general power and duties of management usually vested in the office of president of a corporation, together with such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 8. Vice President . The vice president shall be elected by the Board of Directors from among the directors. In the absence or disability of the president, the vice president shall

perform all the duties of the president and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. He or she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the Bylaws.

Section 9. Secretary . The secretary shall be elected by the Board of Directors from among the directors. The secretary shall keep or cause to be kept at the principal office or such other place as the Board of Directors may order, a book of minutes of all meetings of directors and Members, with the time and place of holding same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of Members present in person at Members' meetings, and the proceedings thereof. 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 of Directors required by the Bylaws or by law to be given, and he or she shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

Section 10. Chief Financial Officer . The chief financial officer shall be elected by the Board of Directors from among the directors. The chief financial officer, who shall be known as the treasurer, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains losses, capital, retained earnings and other matters customarily included in financial statements. The books and records shall at all reasonable times be open to inspection by any director or Member. The treasure shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Association as may be ordered by the Board of Directors, shall render to the president and directors whenever they request it, an account of all of his or her transactions as treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws. If required by the Board of Directors, the treasurer shall give the Association a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of his or her office and for restoration to the Association of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

ARTICLE XI

Member Assessment Obligations and Association Finances

Section 1. Description of Assessment to Which Owners Are Subject . Owners of Lots within the Properties are subject to Regular, Special and Special Individual Assessments as more particularly described in the Declaration.

Section 2. Checks . All checks or demands for money and notes of the Association shall be signed by the president and treasurer, or by such officer or officers or such other person or persons as the Board of Directors may from time to time designate. Notwithstanding the foregoing, any withdrawal of funds from Association reserve accounts shall require the signature of two directors.

Section 3. Operating Account . There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all Regular and Special Assessments as fixed and determined for all Members. Disbursements

from such account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance, and other operating expenses of the Properties.

Section 4. Other Accounts . The Board of Directors shall maintain any other accounts it shall deem necessary to carry out its purposes, including reserve accounts for replacement of capital improvements as more particularly set forth in the Declaration. All Association books of account shall be maintained in accordance with generally accepted accounting principles.

Section 5. Budgets and Financial Statements . The following financial statements and related information for the Association shall be regularly prepared and copies thereof shall be distributed to each Member of the Association.

(a) Budget. A pro forma operating budget meeting the requirements of this subparagraph (a) shall be distributed to Members not less than 45 days nor more than 60 days prior to the beginning of the fiscal year. The budget shall include at least the following information:

(i) The Association's estimated revenue and expenses on an accrual basis;

(ii) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to section 6, below, and Civil Code section 1365.5, which shall be printed in bold type and include all of the following:

(A) The current estimated replacement cost, estimated remaining life and estimated useful life of the roads within the Green Springs Ranch which the Association is obligated to repair, maintain and replace ("Association roadways").

(B) As the end of the fiscal year for which the reserve study is prepared, the current estimate of the amount of cash reserves necessary for Association roadways and the current amount of accumulated cash reserves actually set aside for Association roadways.

(C) The percentage that the amount of accumulated cash reserves is of the estimated amount of necessary cash reserves calculated under subparagraph (B), above.

(iii) A statement as to whether the Board of Directors has determined or anticipates the levy of one or more special assessments will be required to repair, replace or restore any Association roadways; and

(iv) A general statement setting forth the procedures used by the Board of Directors in calculating and establishing reserves to defray the future costs of repair, replacement or additions to major components of the Association roadways.

In lieu of distributing the complete pro forma operating budget as specified above, the Board of Directors may elect to distribute a summary of the budget to the Members (within the time limits provided above), together with a notice that the complete budget is available at the Association's expense. This notice shall be presented on the front page of the budget summary in at least 10-point bold type. If a Member request a copy of the complete budget, the Association shall mail the material, via first class mail, within five days.

(b) Year-End Report. Within 120 days after the close of the fiscal year, a copy of the Association's year-end report consisting of a least the following shall be prepared in accordance with generally accepted accounting principles by a licensee of the State Board of Accountancy and shall be distributed to Members:

(i) A balance sheet as of the end of the fiscal year;

- (ii) An operating (income) statement for the fiscal year;
- (iii) A statement of changes in financial position for the fiscal year;
- (iv) A statement advising Members of the place where the name and addresses of the current Members are located; and
- (v) Any information required to be reported under section 8322 of the Corporations Code requiring the disclosure of certain transactions in excess of \$50,000 per year between the Association and any director or officer of the Association and indemnifications and advances to officers or directors in excess of \$10,000 per year.

Section 6. Required Reserve Studies . At least once every three years, the Board of Directors shall cause a study of the reserve account requirements of Green Springs Ranch to be conducted if the current replacement value of the Association roadways is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board of Directors shall also review any reserve study required hereunder on an annual basis and shall consider and implement necessary adjustments to the Board of Directors' analysis of the reserve account requirements as a result of that review. The reserve study required hereunder shall include the minimum requirements specified in Civil Code section 1365.5 or comparable successor statute.

To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.

ARTICLE XII

Miscellaneous

Section 1. Inspection of Books and Records .

(a) Member Inspection Rights. All accounting books and records, minutes of proceedings of the Members, the Board of Directors and committees of the Board of Directors and the membership list of the Association shall at all reasonable times be subject to the inspection of any Member of his or her duly appointed representative for any purpose reasonably related to the Member's interest as a Member of the Association. Member's rights of inspection hereunder shall be exercisable 10 days from the Association's receipt of written demand, which demand shall state the purpose for which the inspection rights are requested. Inspection rights with respect to the membership list shall be subject to the Association's right to offer a reasonable alternative to inspection within 10 days after receiving the Member's written demand (as more particularly set forth in section 8330 and following of the California Corporations Code).

(b) Director Inspection Rights. Every director shall have an absolute right at any reasonable time to inspect all books, records, documents and minutes of the Association and the physical properties owned by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

(c) Adoption of Reasonable Inspection Rules. The Board of Directors may establish reasonable rules with respect to: (i) notice of inspection; (ii) hours and days of the week when inspection may be made; and (iii) payment of the cost of reproducing copies of documents requested by the Member.

(d) Board of Directors Meeting Minutes. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors, other than an executive session, shall be available to the Members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member upon request and upon reimbursement of the Associations costs in making that distribution. Members shall be notified in writing at the time that the pro forma budget required is distributed or at the time of any general mailing to the entire membership of the Members' right to have copies of the minutes of any Board of Directors meeting and how and where those minutes may be obtained.

Section 2. Property Manager . The Board of Directors may, from time to time, employ the services of a manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of California, and upon such conditions as are otherwise deemed advisable by the Board of Directors, the Board of Directors may delegate to the manager any of its day-to-day management and maintenance duties and powers under these Bylaws and the Declaration, provided that the manager shall at all times remain subject to the general control of the Board of Directors.

Section 3. Robert's Rules of Order . In the event of a question or dispute concerning the procedural aspects of any meetings which cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

Section 4. Amendment or Repeal of Bylaws . Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the affirmative vote of assent by written ballot of a majority of the Members; provided that if any provision of these Bylaws requires the vote of a larger proportion or all of the Members, such provisions may not be altered, amended or repealed except by such greater vote, unless otherwise specifically provided herein. Any amendment to these Bylaws shall become effective immediately upon approval by the Members. The secretary of the Association shall certify adoption of any duly approved amendment to the Bylaws and a copy of said certificate and the amendment shall be included in the Association's corporation records.

Section 5. Notice Requirements . Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 72 hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association or the Board of Directors at the principal office of the Association as designated from time to time by written notice to the Members; if to a director, at the address from time to time given by such director to the secretary for the purpose of service of such notice; if to a Member, at the address from time to time given by such Member to the secretary for the purpose of service of such notice, or, if no such address has been so given, to the address of any Lot within Green Springs Ranch owned by such Member.

Section 6. Indemnification .

(a) Indemnification by Association of Directors and Officers. To the fullest extent permitted by law, the Association shall indemnify its directors, and officers, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in that section and including an action by or in the right of the Association, by reason of the fact that such person is or was a director or officer. The term "Expenses," as used in this section, shall have the same meaning as in section 7237(a) of the California Corporations Code.

(b) Approval of Indemnity by Association. On written request to the Board of Directors by any person seeking indemnification hereunder, the Board of Directors shall promptly determine

in accordance with section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in section 7237(b) or section 7237(c) has been met and, if it has, the Board of Directors shall authorize indemnification. If the Board of Directors cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to the proceeding, the Board of Directors shall promptly call a meeting of Members. At that meeting, the Members shall determine under section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in section 7237(b) or section 7237(c) has been met and, if it has, the Members present at the meeting in person shall authorize indemnification.

(c) Advancement of Expenses. To the fullest extent permitted by law and except as is otherwise determined by the Board of Directors in a specific instance, expenses incurred by a director or officer seeking indemnification under paragraphs (a) and (b) of this section in defending any proceeding covered by those sections shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

(d) Insurance. The Association shall have the power to purchase and maintain insurance on behalf of its directors and officers against other liability asserted against or incurred by any director or officer in such capacity or arising out of the director's or officers status as such.

Section 7. Construction and Definitions . Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular. All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

Section 8. Annexing Property . All properties annexed into Green Springs Ranch will be done so by majority vote of Members. The owners of the newly annexed property will automatically become a member of the Association and subject to its Bylaws and Articles of Declaration.

ARTICLE XIII

Other Required Disclosure to Members

Section 1 Annual Notice Regarding Assessments and Foreclosure. As required by Civil Code section 1365.1, the Association shall distribute to all Members during the sixty (60) day period immediately preceding the beginning of the Association's fiscal year, the notice regarding Association assessment authority, foreclosure and other collection remedies that are set forth in subparagraph (b) of Civil Code section 1365.1. This notice shall be printed in at least 12-point type.

Section 2. Notification to Members Regarding Insurance Coverage Maintained by the Master Association .

(a) Scope of Required Summary Disclosures. In accordance with California Civil Code section 1365(e), within sixty (60) days preceding the beginning of the Association's fiscal year, the Association shall distribute to its Members a summary of the Association's property, general liability and earthquake and flood insurance, if any, containing the information described in subparagraph (b) below.

(b) Content of Annual Insurance Summary. The insurance summary required by subparagraph (a) above, shall include (i) the name of the insurer; (ii) the type of insurance; (iii) the policy limits of the insurance; and (iv) the amount of the deductibles, if any. In addition, the summary shall include the following statement in at least 10 point boldface type: "This summary of the Association's policies of insurance provides only certain information, as required by section 1365(e) of the California Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and provision of reasonable notice to the Association, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your Residence or personal injuries or other losses that occur within or around your Residence. Even if a loss is covered by the Association's insurance, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association Members should consult with their individual insurance broker or agent for appropriate additional coverage." To the extent that any of the information that is required to be included in an annual insurance summary is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by providing its Members with a copy of the declaration page.

(c) Notification of Cancellation or Material Change in Policies. In addition to distributing the insurance summaries described in subparagraph (a) of this section, if any of the policies described in the summary lapse or are cancelled and are not immediately renewed, restored or replaced, or if there is a significant change in the policies, such as a reduction in coverage or limits or an increase in the deductible, then the Association shall, as soon as reasonably practical, notify its Members of the lapse, cancellation or significant change. This notice shall be sent by first-class mail. If the Association receives any notice of non-renewal of a policy described in subparagraph (a), the Association shall immediately notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

Section 3. Alternative Dispute Resolution (ADR) Disclosure . On an annual basis, the Board of Directors shall provide each Member a summary of the provisions of California Civil Code section 1354, which specifically references section 1354 and which includes the language required by section 1354(i). The summary shall be provided either at the time the budget required by Article XII, Section 5, above is distributed or in the manner specified in California Corporations Code section 5016.

Section 4. Statement of Outstanding Charges . Within ten (10) days following receipt of a written request by an Owner, the Association shall provide the Owner with a written statement setting forth the following information as of the date of the statement: (a) the amount of the Association's current Common Assessment and Special Assessments, if any, and fees; (b) the amount and nature of any assessments levied upon the Owner's Lot which are unpaid on the date of the statement; (c) true and correct information regarding late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien on the Owner's Lot in accordance with Civil Code section 1367; and (d) any change in the Association's current Common and/or Special Assessments and fees which have been approved by the Association's Board of Directors, but have not become due and payable as of the date of the statement. The Association may impose a fee for providing the information stated in this Section 4 below, not to exceed the reasonable costs incurred to prepare and reproduce the requested items.

Section 5. Disclosure of Schedule of Fines or Other Monetary Penalties . If the Association adopts a schedule of fines for commonly recurring infractions of the Governing Documents, or any other policy imposing a monetary penalty or a fee on any Member for violation of any Governing Document or the Association Rules, including any monetary penalty relating to the activities of a guest or invitee of a Member, the Board shall distribute the schedule or policy to the Members by either personal delivery or by first-class mail. This distribution obligation shall arise whenever such a schedule or policy is adopted or subsequently amended.

Section 6. Avoidance of Duplication in Reporting Requirements . To the extent one document distributed to the Members pursuant to Article XII or XIII this Article provides the information required in more than one of the foregoing sections of this Article, any such requirements listed above may be satisfied by sending the Members the same document.

CERTIFICATE OF SECRETARY

The undersigned, secretary of the corporation known as Green Springs Ranch Landowners Association, hereby certifies that the above and foregoing Bylaws, consisting of 22 pages, is a complete copy of the Bylaws, including the amendment thereto duly adopted by written ballot of the Members of the Association effective on January 30, 2004, and that it constitutes the complete Bylaws of the Association.

**GREEN SPRINGS RANCH LANDOWNERS
ASSOCIATION**, a California nonprofit mutual benefit
corporation

By: _____
Secretary