

BYLAWS
OF
CONCERTO LOFTS MAINTENANCE CORPORATION

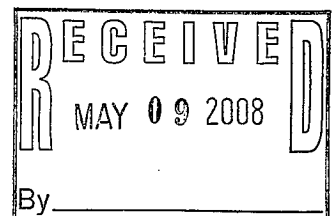


TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	1
SECTION 1. APPLICATION	1
SECTION 2. TERMS	1
ARTICLE II PRINCIPAL OFFICE	1
SECTION 1. OFFICE LOCATION	1
ARTICLE III POWERS AND DUTIES OF ASSOCIATION AND BOARD	1
SECTION 1. POWERS OF THE ASSOCIATION	1
SECTION 2. POWERS OF THE BOARD	2
SECTION 3. RIGHT TO CONTRACT	2
SECTION 4. DISCIPLINE OF MEMBERS	3
ARTICLE IV BOOKS AND ASSOCIATION RECORDS	3
SECTION 1. DELIVERY OF BOOKS AND RECORDS	3
SECTION 2. INSPECTION RIGHTS OF MEMBERS	4
SECTION 3. INSPECTION OF MEMBERSHIP LISTS	4
SECTION 4. MINUTES	4
ARTICLE V MEMBERS	4
SECTION 1. MEMBERSHIP	4
SECTION 2. TERMINATION OF MEMBERSHIP	4
SECTION 3. VOTING RIGHTS	4
SECTION 4. MEMBERSHIPS	5
SECTION 5. ASSESSMENTS	5
ARTICLE VI MEETINGS OF MEMBERS	5
SECTION 1. PLACE OF MEETINGS	5
SECTION 2. ANNUAL MEETINGS	5
SECTION 3. SPECIAL MEETINGS	5
SECTION 4. NOTICE OF MEETINGS	5
SECTION 5. RECORD DATE	6
SECTION 6. QUORUM	6
SECTION 7. PROXIES AND WRITTEN BALLOT PROCEDURES	6
SECTION 8. ACTION TAKEN WITHOUT MEETING	6
SECTION 9. INSPECTORS	7
SECTION 10. DUTIES OF INSPECTORS	7
SECTION 11. JOINT ASSOCIATION	7
SECTION 12. PARLIAMENTARY PROCEDURE	7
SECTION 13. TITLE 7 DECISIONS	7
ARTICLE VII BOARD OF DIRECTORS	7
SECTION 1. ELECTION AND TERM OF OFFICE	7
SECTION 2. QUALIFICATIONS OF DIRECTORS	8
SECTION 3. NOMINATION OF DIRECTORS	8

TABLE OF CONTENTS (cont.)

	<u>Page</u>
SECTION 4. ELECTION PROCEDURES	8
SECTION 5. CUMULATIVE VOTING	8
SECTION 6. RULES GOVERNING ELECTION PROCEDURES	9
SECTION 7. REMOVAL	9
SECTION 8. VACANCIES	9
SECTION 9. RESIGNATION	9
ARTICLE VIII MEETINGS OF DIRECTORS	9
SECTION 1. MEETING DEFINED	9
SECTION 2. PLACE OF MEETINGS	10
SECTION 3. REGULAR MEETINGS	10
SECTION 4. SPECIAL MEETINGS	10
SECTION 5. EMERGENCY MEETINGS	10
SECTION 6. EXECUTIVE MEETINGS	10
SECTION 7. MEETINGS BY ELECTRONIC TRANSMISSION	10
SECTION 8. NOTICE TO DIRECTORS	10
SECTION 9. NOTICE TO MEMBERS	10
SECTION 10. QUORUM	11
SECTION 11. OPEN MEETINGS	11
SECTION 12. ADJOURNMENT OF MEETINGS	11
SECTION 13. ACTION WITHOUT MEETING	11
SECTION 14. RECORDS	11
ARTICLE IX OFFICERS AND THEIR DUTIES	11
SECTION 1. ENUMERATION OF OFFICERS	11
SECTION 2. ELECTION OF OFFICERS	11
SECTION 3. TERM	11
SECTION 4. SPECIAL APPOINTMENTS	11
SECTION 5. RESIGNATION AND REMOVAL	11
SECTION 6. VACANCIES	12
SECTION 7. MULTIPLE OFFICES	12
SECTION 8. DUTIES	12
ARTICLE X OPERATING RULES	12
SECTION 1. DEFINITION OF RULES	12
SECTION 2. REQUIREMENTS FOR OPERATING RULES OF THE ASSOCIATION	12
SECTION 3. PROCEDURE FOR ADOPTION, AMENDMENT AND REPEAL	13
SECTION 4. EMERGENCY RULE CHANGE	13
SECTION 5. EXCEPTIONS TO REQUIREMENTS FOR RULE CHANGES AND SPECIAL MEETINGS OF MEMBERS	13
SECTION 6. SPECIAL MEETING OF MEMBERS TO REVERSE RULE CHANGE	13
SECTION 7. APPLICATION	13
ARTICLE XI INDEMNIFICATION	14
SECTION 1. GENERALLY	14

TABLE OF CONTENTS (cont.)

	<u>Page</u>
SECTION 2. APPROVAL	14
SECTION 3. ADVANCEMENT OF EXPENSES	14
SECTION 4. NON-LIABILITY OF OFFICIALS	14
ARTICLE XII MISCELLANEOUS	14
SECTION 1. CHECKS, DRAFTS, ETC	14
SECTION 2. SINGULAR INCLUDES PLURAL	14
SECTION 3. CONFLICTS.	14
ARTICLE XIII AMENDMENTS	15
SECTION 1. POWERS OF MEMBERS	15
SECTION 2. AMENDMENT PROCEDURE	15
SECTION 3. AMENDMENT OF SECTION 1363.03	15
SECTION 4. RECORD OF AMENDMENTS	15
ARTICLE XIV CORPORATE SEAL	16

BYLAWS
OF
CONCERTO LOFTS MAINTENANCE CORPORATION

ARTICLE I

DEFINITIONS

SECTION 1. APPLICATION. These Bylaws govern that certain CONCERTO LOFTS MAINTENANCE CORPORATION, a nonprofit mutual benefit corporation ("**Association**"), which is the entity formed for the purpose of managing that certain common interest residential condominium project commonly known as "Concerto Lofts" (the "**Project**") located in the City of Los Angeles, County of Los Angeles ("**County**"), State of California. The Project is subject to the provisions of that certain Declaration of Covenants, Conditions and Restrictions for Concerto Lofts Maintenance Corporation, recorded as Instrument No. 20080396612, in Official Records of Los Angeles County, California (the "**Declaration**"), and any amendments thereto.

SECTION 2. TERMS. All terms as used in these Bylaws shall, unless stated otherwise, be defined as set forth in the Declaration. All of the terms and provisions of the Declaration and any amendments thereto are hereby incorporated herein by reference.

(a) Director. The term "**Director(s)**" shall mean either of the following persons elected to the Board of Directors (the "Board") for the Association:

(1) Participating Builder Related Director. The term "**Participating Builder Related Director**" shall mean a person elected to the Board who is (a) a director, officer, employee or agent of Participating Builder, or (b) an independent contractor employed by Participating Builder.

(2) Homeowner Director. The term "**Homeowner Director**" shall mean a person elected to the Board who is not a Participating Builder Related Director.

(b) Secret Ballot Procedure. The term "**Secret Ballot Procedure**" shall mean a voting procedure which consists of (a) ballots mailed or delivered to the Members in compliance with the requirements of California Civil Code Section 1363.03(e) and (b) an election conducted in accordance with (i) rules adopted by the Association pursuant to this Section 1363.03(a) and (ii) the requirements set forth in California Civil Code Sections 1363.03(c) through (j), inclusive.

ARTICLE II

PRINCIPAL OFFICE

SECTION 1. OFFICE LOCATION. The principal office for the transaction of the business of the Association is located within the State of California. The Board is hereby granted full power and authority to change the location of said principal office.

ARTICLE III

POWERS AND DUTIES OF ASSOCIATION AND BOARD

SECTION 1. POWERS OF THE ASSOCIATION. The Association has the general power to do any and all things that a nonprofit mutual benefit corporation organized under the laws of the State of California may lawfully do for the benefit of its Members. These powers include any and all lawful actions

which may be authorized, required or permitted to be done under and by virtue of the Governing Documents or which may be necessary and proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety or general welfare of the Members. Unless the Governing Documents provide otherwise, the Association shall have all of the powers and duties granted to a nonprofit mutual benefit corporation, as enumerated in Section 7140 of the Corporations Code and Section 2792.21 of the Regulations of the Real Estate Commissioner, subject to the limitations stated in the Governing Documents.

SECTION 2. POWERS OF THE BOARD. Except for the powers specifically reserved to the Members by the Governing Documents and as limited by the laws of the State of California, the Board shall have the authority to exercise all powers and undertake all duties of the Association as follows:

(a) Select, appoint and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with the California Corporations Code governing Nonprofit Mutual Benefit Corporations and the Governing Documents. The Board may also appoint or hire any qualified person or entity as the manager of the Project.

(b) Conduct, manage and control the affairs and business of the Association, and to enforce such rules and regulations thereof consistent with the California Corporations Code governing Nonprofit Mutual Benefit Corporations and the Governing Documents, as the Board may deem necessary or advisable.

(c) Fix, determine and name from time to time, if necessary or advisable, the nonprofit corporation, city or public agency which is organized or operated for purposes similar to the purposes of this Association to which the assets of this Association shall be distributed upon liquidation or dissolution according to the Articles. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Association under the terms of a specific trust or trusts.

(d) Maintain the Project and the Association Property therein in accordance with the terms, covenants and conditions of the Declaration, but subject to the limitations on the power of the Board as specifically set forth in the Declaration.

(e) Enroll all Association Property in the Home Builder's Limited Warranty.

(f) Delegate any of the Board's powers to any committee, officer or employee as the Board deems necessary and proper except that no committee shall have the power to: (i) approve any action which requires the approval of the Members as provided in the Declaration, the Corporations Code governing Nonprofit Mutual Benefit Corporations or these Bylaws; (ii) fill vacancies on the Board or any committee; (iii) amend or repeal these Bylaws or adopt new Bylaws; (iv) amend or repeal any resolution of the Board; or (v) appoint Directors, and appoint Members to committees of the Board. Except as expressly prohibited, the Board may delegate to the manager any of its duties, powers of functions, including the authority to deposit or withdraw funds from the accounts of the Association, but excluding the right to take any action described in the California Corporations Code Section 7235 and excluding the right to withdraw from any reserve account. The manager may additionally be authorized to establish a common trustee account for the deposit of Assessments collected.

SECTION 3. RIGHT TO CONTRACT. The Board, except as these Bylaws may otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general, or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit or to render it liable for any purpose or for any amount. The Board shall not enter into any contracts for goods or services with a duration greater than one (1) year without the vote or written consent of a majority of the voting power of the Association, other than the Participating Builder, except for those contracts set forth in Section 2792.21(b) of the Regulations of the Real Estate Commissioner.

SECTION 4. DISCIPLINE OF MEMBERS. The Board shall adopt and distribute to each Member, by personal delivery or first class mail, a schedule of the monetary penalties that may be assessed for violations against the Governing Documents, which penalties shall be assessed in accordance with the authorization for Member discipline set forth in the Governing Documents. The Board shall not be required to distribute a subsequent schedule of monetary penalties unless and until change(s) to the then current schedule has been adopted by the Board in accordance with this Section. The Board shall meet in an executive session if requested by the Member being disciplined. Any such disciplinary action by the Board shall satisfy the minimum requirements of California Corporations Code Section 7341 before a decision to impose disciplinary action is reached with respect to the accused Member.

(a) **Suspension of Membership Rights.** Unless otherwise provided in the Declaration, and subject to the Rules and Regulations adopted by the Board, each Member of the Association, his immediate family, guests and tenants shall have the right to use and enjoy the Association Property. The membership rights and privileges, together with the voting rights of any Member, may be suspended by the Board for any period of time during which the assessments on his Unit remain unpaid, and for a period not to exceed thirty (30) days, for any infraction of the Association Rules after reasonable written notice and an opportunity for a hearing before the Board. Should the Board believe grounds may exist for any such suspension, the Board shall give to the Member believed to be in violation at least fifteen (15) days prior written notice of the intended suspension and the reasons therefor. The Member shall be given an opportunity to be heard before the Board either orally or in writing not less than five (5) days before the effective date of suspension. No such suspension shall affect the rights of access of such Member to such Member's Unit.

(b) **Monetary Penalties.** The Board may adopt Association Rules imposing reasonable monetary penalties for any period of time during which any Member is determined by the Board to be in violation of the Governing Documents, including any monetary penalty relating to the activities of a guest or invitee of a Member. No such monetary penalty shall be effective unless the Member receives fifteen (15) days prior written notice of the proposed penalty and the reasons therefor and is given an opportunity to be heard either orally or in writing before the Board not less than five (5) days before the proposed effective date of the monetary penalty. If the Board imposes discipline on a Member, the Board shall provide the Member a written notification of the disciplinary action, by either personal delivery or first class mail, within fifteen (15) days following the action. A disciplinary action shall not be effective against a Member unless the Board fulfills the requirements of this Section.

(c) **Notice of Disciplinary Action.** The notice required hereby may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first class or registered mail sent to the last address of the Members as shown on the Association's Records.

ARTICLE IV

BOOKS AND ASSOCIATION RECORDS

SECTION 1. DELIVERY OF BOOKS AND RECORDS. Participating Builder shall deliver to the Association copies of the documents identified in and in compliance with the provisions of Section 2792.23 of the Regulations of the Real Estate Commissioner. The Board shall cause a complete record of all of its acts and corporate affairs to be kept. Every Director shall have the absolute right to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association at any reasonable time. A Director is entitled to make extracts and copies of documents. The obligation to deliver the documents specified in Section 2792.23(a) shall apply to any documents obtained by Participating Builder no matter when obtained; provided, however, such obligation shall terminate upon the earlier of (i) the conveyance of the last Unit covered by a Subdivision Public Report, or (ii) three years after the expiration of the most recent Public Report on the Project. In the event that the Project is phased, Participating Builder shall deliver, as soon as readily obtainable, but not later than ninety (90) days after the annexation of additional phases to the Project, those documents prescribed by Section 2792.23(a), as amended or revised.

SECTION 2. INSPECTION RIGHTS OF MEMBERS. Members of the Association shall have access to Association Records in accordance with Article 3 (commencing with Section 8330) of Chapter 13 of Part 3 of Division 2 of Title 1 of the California Corporations Code. The Association Records shall be available for inspection and copying by any Member or duly appointed representative of a Member at the location and within the time frames set forth by California Civil Code Section 1365.2. The Board shall establish rules regarding (i) notice to be given to the custodian of the Association Records by a Member desiring to make the inspection; (ii) hours and days of the week when an inspection may be made; and (iii) payment for costs of making copies of documents requested by a Member. The Association shall inform the Member of the estimated costs, and the Member shall agree to pay those costs, before retrieving the requested Association Records.

SECTION 3. INSPECTION OF MEMBERSHIP LISTS. The Association shall maintain a membership list including the name, property address and mailing address of such Members within the Project and make such membership lists available for inspection pursuant to Section 1365.2(a)(1)(I). Provided however, a Member of the Association may opt-out of the sharing of his/her name, property address and mailing address by notifying the Association in writing that he or she prefers to be contacted by alternative process described in subdivision (c) of Section 8330 of the Corporations Code.

SECTION 4. MINUTES. The minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Board, other than an executive session, shall be available to Members within thirty (30) days of the meeting. Minutes of meetings of the Association and committees of the Association, when adopted, shall also be available for inspection and copying by any Member or duly appointed representative of a Member within fifteen (15) calendar days following approval. The right to review and copy shall be limited to reasonable business hours and shall be conducted in accordance with the same procedures applicable to the inspection of Association Records. The minutes, proposed minutes, or summary of the minutes shall be distributed to any Member of the Association upon request by such Member in accordance with the timeframes set forth above and upon agreement by such requesting Member to reimburse the Association's costs in making that distribution. Members of the Association shall be notified in writing at the time that the Budget is distributed, or at the time of any general mailing to the entire membership of the Association of their right to have copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

ARTICLE V

MEMBERS

SECTION 1. MEMBERSHIP. Every person or entity who is an Owner of a Unit shall be a Member of the Association and entitled to vote as provided in the Declaration. Membership shall be appurtenant to, and may not be separated from ownership of any Unit which gives rise to such membership in the Association. Ownership of such a Unit or interest therein shall be the sole qualification for membership. Transfer of a Unit shall automatically transfer membership in the Association and all rights of the transferor with respect to the Association Property. The provisions of these Bylaws which are binding upon all Members, are not exclusive, and Members shall also be subject to the terms and provisions of the Governing Documents.

SECTION 2. TERMINATION OF MEMBERSHIP. Membership in the Association shall automatically terminate when such Member sells and transfers a Unit.

SECTION 3. VOTING RIGHTS. The Association shall have the classes of voting membership as set forth in the Declaration.

(a) **Class A.** The Class A Members shall be all Owners, excluding the Participating Builder (until the termination of the Class B membership). Each Class A Member shall be entitled to one (1) vote for each Unit owned.

(b) Class B. The Class B Member shall be the Participating Builder. The Class B Member shall be entitled to three (3) votes for each Unit owned. The Class B membership shall terminate at times provided for in the Declaration.

SECTION 4. MEMBERSHIPS. A Member shall have the votes for each Unit owned as set forth in the Declaration.

SECTION 5. ASSESSMENTS. The Members shall be jointly, severally and personally liable for the payment of such Assessments as may from time to time be fixed and levied by the Board pursuant to the provisions of the Declaration. In addition to the enforcement provisions established in the Declaration for nonpayment of Assessments, should any Member fail to pay his Assessments before delinquency, the Association, at the discretion of the Board, shall have the right to suspend the voting rights and easements of use and enjoyment of the Association Property by such Member, subject to the procedural safeguards established under the section entitled "Discipline of Members" under Article III above, for any period during which the payment of any such Member's Assessments remain delinquent.

ARTICLE VI

MEETINGS OF MEMBERS

SECTION 1. PLACE OF MEETINGS. All meetings of Members shall be held at the Project or as close thereto as possible, or at such other place in the County as may be fixed from time to time by resolution of the Board. Unless unusual conditions exist, meetings of Members shall not be held outside of the County.

SECTION 2. ANNUAL MEETINGS. The first annual meeting of the Members ("**Annual Meeting**") shall be held within six (6) months after the sale of the first Unit in the Project authorized for sale under the authority of a Final Subdivision Public Report, and each subsequent regular Annual Meeting of the Members shall be held on the same month of each year thereafter, at such reasonable hour as may be established by the Board; provided, however, that the Board by resolution may fix a date for the Annual Meeting no more than thirty (30) days before or after such date. If the day for the Annual Meeting of the Members is a legal holiday, the Annual Meeting will be held at the same hour on the first day following which is not a legal holiday.

SECTION 3. SPECIAL MEETINGS. Special meetings of the Members shall be promptly called by the Board upon either (i) the vote of the Board or, (ii) written request therefor signed by Members representing at least five percent (5%) of the total voting power of the Association.

SECTION 4. NOTICE OF MEETINGS. Written notice of meetings, annual or special, shall be given to each Member entitled to vote, either personally or by sending a copy of the notice through first class mail, postage prepaid, or by facsimile transmission or telegraph, to the address appearing on the books of the Association or supplied by the Owner to the Association for the purpose of notice. All such notices shall be sent to each Member entitled thereto not less than ten (10) days nor more than ninety (90) days before each meeting, and shall specify the place, the day and the hour of such meeting, and the general nature of the business to be transacted at such meeting, and the notice shall also specify those matters which the Board intends to present for action by the Members. Notwithstanding the foregoing, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Any approval of the Members required under Sections 7222, 7224, 7233, 7812 or 8719 of the California Corporations Code, other than unanimous approval by those entitled to vote, shall be valid only if the general nature of the proposal so approved was stated in the notice of the meeting. When any meeting of Members, either annual or special, is adjourned for thirty (30) days or more, notice of the time and place of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment, or of the business to be transacted at an adjourned meeting, other than by announcement thereof at the meeting at which such adjournment is taken.

SECTION 5. RECORD DATE. The Board may fix a date as a record date ("**Record Date**") for determining Owners entitled to notice of any meeting of Owners. The Record Date so fixed must be not more than ninety (90) nor less than ten (10) days before the date of the meeting. If the Board does not fix a Record Date, the Record Date is the close of business on the business day proceeding the day on which notice is given. In addition, the Board may also fix a date as a Record Date in the future as a Record Date for determining the Owners entitled to vote at any meeting of Owners. The Record Date so fixed must be not more than sixty (60) days before the date of the meeting. If the Board does not fix a Record Date for determining Owners entitled to vote, Owner on the date of the meeting who otherwise are eligible to vote are entitled to vote at the meeting.

SECTION 6. QUORUM. Except as provided in the Governing Documents, the quorum for Annual Meetings is twenty-five percent (25%) of the voting power of the Association. If a quorum is not present or represented at any meeting, a majority of the Members present, either in person or by proxy, shall have the power to adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the original meeting date. The quorum requirements for any adjourned meeting shall remain at twenty-five percent (25%) of the voting power of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for all meetings, annual or special. Unless notice of the adjourned meeting is given pursuant to these Bylaws, the only matters that may be voted on at the adjourned meeting are those matters included in the notice for the original meeting. Except where a greater portion of the voting power is required by the Governing Documents, a majority of the voting power present, in person or by proxy, shall prevail at all meetings.

SECTION 7. PROXIES AND WRITTEN BALLOT PROCEDURES

(a) **Proxies.** Every Member entitled to vote or execute consents shall have the right to do so either in person, or by an agent or agents. Each proxy shall be in writing, signed and dated by such Member and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon actual notice to the Association of the conveyance by the Member of the Member's interest in the Unit or the death or incapacity of the Member. Provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of any proxy shall not exceed three (3) years from the date of execution. Anything to the contrary notwithstanding, any revocable proxy covering matters requiring a vote of the Members pursuant to Sections 7222, 7224, 7233, 7613(f)(1), 7812, 7911(a)(2), 8012, 8015(a), 8610 or 8719(a) of the California Corporations Code is not valid as to such matters unless it sets forth the general nature of the matter to be voted on.

(b) **Form of Proxies.** Any form of proxy or written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the proxy or written ballot. The proxy or written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid.

(c) **Proxies in Secret Ballot Procedure.** If the proxy is to be used in a vote held pursuant to the Secret Ballot Procedure, any instruction given to the proxy holder as to how to cast the Member's vote(s) shall be set forth on a separate page of the proxy that can be detached and retained by the proxy holder.

SECTION 8. ACTION TAKEN WITHOUT MEETING. Except for actions which can only be approved by the Secret Ballot Procedure, any action which the Members are authorized to approve may be approved by a written ballot without a meeting. Approval of such action shall require the vote of a quorum. An action(s) taken without a meeting must be in full compliance with the provisions of California Corporation Code Section 7513.

SECTION 9. INSPECTORS. In advance of any meeting of Members, the Board may appoint inspectors ("**Inspector(s)**") to act at such meeting and any adjournment thereof. If such Inspector is not appointed, or if any Inspector appointed fails to appear or refuses to act, the chairman of any such meeting may, and on the request of any Member or such party's proxy shall make such appointment at the meeting. The number of Inspectors shall be either one (1) or three (3). If appointed at a meeting on the request of one (1) or more Members, or proxies, the majority of Members represented in person or by proxy shall determine whether one (1) or three (3) Inspectors are to be appointed.

SECTION 10. DUTIES OF INSPECTORS. The duties of such Inspectors shall include: determining the number of memberships outstanding and the voting power of each; determining the authenticity, validity and effect of proxies; receiving votes, ballots or consents; hearing and/or determining the membership represented at the meeting; determining the existence of a quorum; determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and doing such acts as may be proper to conduct the election or vote with fairness to all Members. If there are three (3) Inspectors, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.

SECTION 11. JOINT ASSOCIATION. Whenever two or more associations have consolidated any of their functions under a joint neighborhood association or similar organization, members of each participating association shall be entitled to attend all meetings of the joint association, other than executive sessions, shall be given reasonable opportunity for participation in those meetings, and shall be entitled to the same access to the joint association's records as they are to the participating association's record.

SECTION 12. PARLIAMENTARY PROCEDURE. Meetings of the Members shall be conducted in accordance with a recognized system of parliamentary procedure or any parliamentary procedures which shall be adopted by the Board.

SECTION 13. TITLE 7 DECISIONS. No Participating Builder Related Director is permitted to cast any votes in any decision concerning a claim or right under Title 7, Part 2 of Division 2 of the California Civil Code (Sections 895 et. seq.) (hereinafter a "**Title 7 Decision**"). Any such Title 7 Decision may be approved only by Members other than any Participating Builder Related Director. All meetings shall be open to Members, including Participating Builder.

ARTICLE VII

BOARD OF DIRECTORS

SECTION 1. ELECTION AND TERM OF OFFICE.

(a) **Prior to the Initial Election of the Directors.** Until the holding of the initial election of the directors ("**Initial Election of Directors**"), the Board shall consist of those Participating Builder Related Directors appointed by the Participating Builder.

(b) **Initial Election of Directors.** At the Initial Election of Directors, the Participating Builder shall elect three (3) Participating Builder Related Directors and the Members shall elect the remaining two (2) Homeowner Directors. Election to the Board shall be made by the Secret Ballot Procedure.

(c) **Term of Office.** At the Initial Election of Directors, the Participating Builder Related Directors shall serve for a term of three (3) years and the remaining Homeowner Director(s) shall initially serve for a term of two (2) years. After expiration of the initial terms, all terms of office shall be for two (2) years. Successor Directors shall be elected at the next annual meeting corresponding with the expiration of the terms. All Directors shall hold office until their respective successors are elected.

(d) Subsequent Elections of Directors. All subsequent elections of Directors shall be held to replace the Directors elected at the Initial Election of Directors when such term expires. Thereafter, elections shall be held annually and the election dates shall be determined so that the votes can be counted and tabulated and the results of the election(s) determined by the Inspector(s) of election at an Annual Meeting in compliance with California Civil Code Section 1363.03. All Directors shall be elected pursuant to the Secret Ballot Procedure in a general election in which all Members may vote. The authorized number of Directors may be changed by a duly adopted amendment to these Bylaws.

SECTION 2. QUALIFICATIONS OF DIRECTORS. Except for Participating Builder Related Directors, Directors shall be required to be Members of the Association. Beginning with the Initial Election of Directors, at least one (1) Director position must be occupied by a Homeowner Director at all times. The other Directors may either be Homeowner Directors or Participating Builder Related Directors. The Association may adopt additional rules governing requirements for elections in accordance with California Civil Code Section 1363.03(a). Directors are encouraged to satisfy the following requirements while they serve in office:

- (a) Not be absent from three (3) consecutive meetings of the Board;
- (b) Attend at least seventy-five percent (75%) of the Board meetings held each year and attend the entire length of the meeting each time;
- (c) Exhibit respect, professionalism and courteous behavior to other Members, committee members, vendors, the manager and its staff, and any other persons associated with or retained by the Association;
- (d) Be a Member in good standing with the Association.

SECTION 3. NOMINATION OF DIRECTORS. Nominations for the office of a member of the Board of Directors shall be made by a nominating committee ("**Nominating Committee**") consisting of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each Annual Meeting of the Members to serve from the close of such Annual Meeting until the close of the next Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Members may nominate themselves or other Members by notifying the Nominating Committee during the nomination period, which shall be that certain period of time as determined by the Board. Prior to the Initial Election of Directors, the Board shall perform the duties of the Nominating Committee.

SECTION 4. ELECTION PROCEDURES. Election to the Board of Directors shall be made by Secret Ballot Procedure. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected.

SECTION 5. CUMULATIVE VOTING. Cumulative voting applies only when electing or removing Directors subject only to the procedural prerequisite to cumulative voting prescribed in Section 7615(b) of the Corporations Code. Class A Members shall be entitled to cast a number of votes equal to the number of Directors to be elected multiplied by the number of Units owned. Class B Members shall be entitled to cast a number of votes equal to the number of Units owned multiplied by three multiplied by the number of Directors to be elected. Every Member may cumulate votes and give them to a single candidate or distribute them among as many candidates as the Member thinks fit, as long as the name of any candidate for whom the Member casts cumulated votes has been put into nomination prior to the commencement of voting. Upon election of a five (5) Member Board, at least twenty percent (20%) of the Board, but not less than one (1) Member, shall be selected solely by the votes of Members other than the Participating Builder at any election, so long as a majority of the voting power of the Association resides in the Participating Builder or so long as there are two (2) outstanding classes of membership in the Association.

SECTION 6. RULES GOVERNING ELECTION PROCEDURES. The Association shall adopt rules and procedures governing campaigns and elections in accordance with Section 1363.03(a). Association funds shall not be used for campaign purposes in connection with any Board election as set forth in Section 1363.04(a) of the Civil Code. A Member may bring a civil action for a violation of election procedures and may recover reasonable attorneys' fees as provided for in Section 1363.09 of the Civil Code.

SECTION 7. REMOVAL. Any Homeowner Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. However, unless the entire Board is removed from office by the vote of Members of the Association, an individual Director shall not be removed prior to the expiration of his term of office if the number of votes cast against removal would be sufficient to elect the Director if voted cumulatively at an election at which the same number of votes were cast, and the entire number of Directors authorized at the time of the most recent election of Directors were then being elected. Provided, however, that any Director who has been elected to office solely by the votes of Members of Class A, may be removed from office prior to the expiration of such term of office only by the vote of a simple majority of the voting power residing in Members other than the Participating Builder. In the event of death or resignation of a Director, his successor shall be elected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor; provided, however, in the event of death or resignation of a Director elected solely by the Members other than Participating Builder, such Director may be replaced solely by Members other than Participating Builder under the same procedure. In the event of removal of a Director, his successor shall be elected by the Members of the Association. When voting for removal of a Director, each Member shall be entitled to cumulative voting as set forth in Section 7. A Participating Builder Related Director may not be removed by any majority vote of the Members.

SECTION 8. VACANCIES. Vacancies on the Board, except vacancies arising from removal of a Director, may be filled by a vote of a majority of the remaining Directors, though less than a quorum, and each Director so elected shall hold office until his successor is elected at an Annual Meeting, or at a special meeting called for that purpose, provided, however, that a Participating Builder Related Director shall only be replaced by votes of the remaining Participating Builder Related Directors. A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director or in case the authorized number of Directors is increased by an amendment to these Bylaws. If the Members fail at any time to elect the full number of the authorized Directors, a vacancy or vacancies shall be deemed to exist. The Members may at any time elect Directors to fill any vacancy not filled by the Directors, and may elect the additional Directors at the meeting at which an amendment of these Bylaws is voted authorizing an increase in the number of Directors. In their sole discretion, the Participating Builder Related Directors may elect to appoint a Homeowner Director or another Participating Builder Related Director to a vacated Participating Builder Related Director seat.

SECTION 9. RESIGNATION. If any Director tenders his resignation to the Board, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective; provided, however, that a Participating Builder Related Director will be replaced only by votes of the remaining Participating Builder Related Directors. No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his term of office. In their sole discretion, the Participating Builder Related Directors may elect to appoint a Homeowner Director or another Participating Builder Related Director to a vacated Participating Builder Related Director seat.

ARTICLE VIII

MEETINGS OF DIRECTORS

SECTION 1. MEETING DEFINED. For purposes of this Article 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.

SECTION 2. PLACE OF MEETINGS. Meetings of the Board shall be held at any place within the Project or as close thereto as possible, or at such other place in the County as may be fixed from time to time by resolution of the Board.

SECTION 3. REGULAR MEETINGS. Regular meetings of the Board shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board. However, such meetings may be conducted as infrequently as every six (6) months if the business to be transacted by the Board does not justify more frequent meetings.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board may be called by written notice signed by the President of the Association or by any two (2) Directors, other than the President.

SECTION 5. EMERGENCY MEETINGS. Emergency meetings of the Board may be called by the President of the Association or by any two Directors, other than the President, if there are 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 notice as required by this Article.

SECTION 6. EXECUTIVE MEETINGS. If the nature of the business is first announced in open session, with the approval of a majority of the Directors present at the meeting in which a quorum for the transaction of business has been established, the Board may vote to adjourn the meeting and reconvene in executive session to consider, discuss and vote upon litigation, matters that relate to the formation of contracts with third parties, Member discipline, personnel matters, to meet with a Member, upon Member's request, regarding the Member's payment of assessments, as specified in California Civil Code Section 1367 and 1367.1, or any other matter that may be heard in executive session as set forth in these Bylaws and/or the Declaration. In any matter relating to the discipline of a Member, the Board may elect to meet in executive session or, if requested by that Member, the Board shall meet in executive session. In either situation, that Member shall be entitled to attend the executive session. Any matter discussed in executive session shall be noted generally in the minutes of the immediately following meeting that is open to the entire membership.

SECTION 7. MEETINGS BY ELECTRONIC TRANSMISSION. A meeting of the Directors may be conducted, in whole or in part, by electronic transmission (as that term is defined by Sections 7211(a)(6) of the Corporations Code) or by electronic video screen communication. If any meeting of Directors exclusively utilizes conference telephone, electronic video screen communication or electronic transmission by and to the Association, reasonable arrangements must be in place that allow all Members to participate in the meeting in compliance with California Civil Code Section 1363.05. Any such meeting of Directors shall be considered to be conducted at the same time and place at the principal office of the Association.

SECTION 8. NOTICE TO DIRECTORS. Notice of the time and place of each meeting shall be posted at a prominent place or places within the Project and shall be communicated to the Board members not less than four (4) days prior to the meeting, if given by first class mail, or forty-eight (48) hours from the date of such notice, if the notice is delivered personally, by telephone, including a voice messaging system, or by electronic transmission. A notice of a meeting need not be given to any Board member who has signed a waiver of notice or written consent to the holding of the meeting. If there is no suitable location for posting within the Project, the Board shall communicate the notice of the time and place of such meeting by any means it deems appropriate. The notice shall specify the nature of any special business to be considered and the time and place of the meeting.

SECTION 9. NOTICE TO MEMBERS. Members shall be given notice of the time and place of a meeting (except for an emergency meeting), at least four (4) days prior to the scheduled time of the meeting. Notice shall be given by posting the notice in a prominent place or places within the Project and by mail to any Owner who had requested notification of Board meetings by mail, at the address requested by the Owner. Notice may also be given, by mail or delivery of the notice to each Unit in the Project or by newsletter or similar means of communication.

SECTION 10. QUORUM. A majority of the number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision made or done by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board.

SECTION 11. OPEN MEETINGS. Regular and special meetings of the Board of Directors shall be open to all Members and shall comply with the provisions of California Civil Code Section 1363.05. The Board shall permit any Member of the Association to speak at any meeting of the Association or the Board except for meetings of the Board held in executive session. A reasonable time limit for all Members to speak to the Board or before a meeting of the Association shall be established by the Board.

SECTION 12. ADJOURNMENT OF MEETINGS. The Board may, with the approval of a majority of its members present at a meeting in which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

SECTION 13. ACTION WITHOUT MEETING. The Directors shall have the right to take any action that may be required for the efficient and expeditious operation and conduct of the Association's business without a meeting if (i) the Board would have the power and authority to act at a meeting and (ii) the written consent of all Directors to such action is obtained. If the Board 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 Project within three (3) days after the written consents have been obtained for all Board members; provided, if there is no suitable location for posting within the Project, the Board shall communicate the explanation by any means it deems appropriate. Any action taken by written consent shall have the same effect as if it were taken at a duly noticed meeting of the Board.

SECTION 14. RECORDS. The Board shall cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at annual meetings of Members, or at any special meeting where such statement is requested in writing by one-fourth (1/4th) of the Members entitled to vote thereat.

ARTICLE IX

OFFICERS AND THEIR DUTIES

SECTION 1. ENUMERATION OF OFFICERS. The officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Chief Financial Officer, and such other officers as the Board may from time to time by resolution establish.

SECTION 2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

SECTION 3. TERM. The officers of the Association shall be elected annually by the Board and the term of office shall be prescribed by the Board, unless such officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

SECTION 4. 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.

SECTION 5. 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, and

President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. VACANCIES. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer replaced.

SECTION 7. MULTIPLE OFFICES. The offices of Secretary and Chief Financial Officer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

SECTION 8. DUTIES. The duties of the officers shall be as follows:

(a) **President.** The President shall preside at all meetings of the Board of Directors and at all meetings of the Members; shall implement the orders and resolutions of the Board; shall sign all leases, mortgages, deeds and other written instruments; and shall sign all promissory notes of the Association.

(b) **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of its Members; keep the corporate seal of the Association and affix it to all papers requiring such seal; keep, or cause to be kept, appropriate current records showing the Members of the Association, together with their addresses; and shall perform such other duties as may be required by the Board.

(d) **Chief Financial Officer.** The Chief Financial Officer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; and keep proper books of account.

ARTICLE X

OPERATING RULES

SECTION 1. DEFINITION OF RULES. The term "**Operating Rule**" means a regulation adopted by the Board of Directors that applies generally to the management and operation of the Project or the conduct of the business and affairs of the Association. The term "**Rule Change**" means the adoption, amendment or repeal of an Operating Rule by the Board of Directors of the Association.

SECTION 2. REQUIREMENTS FOR OPERATING RULES OF THE ASSOCIATION. As used in this Article, an Operating Rule is valid and enforceable if it complies with the Governing Documents and all applicable state and local laws and only if all of the following requirements are satisfied:

- (a) The rule is in writing.
- (b) The rule is within the authority of the Board of Directors of the Association conferred by law or by the Governing Documents.
- (c) The rule is not inconsistent with governing law and the Governing Documents.

(d) The rule is adopted, amended, or repealed in good faith and in substantial compliance with the requirements of this article.

(e) The rule is reasonable.

SECTION 3. PROCEDURE FOR ADOPTION, AMENDMENT AND REPEAL. Association Rules or procedures concerning (i) use of the Common Area or Association Property, if applicable, (ii) use of a Unit, including any Design Review Standards that govern alteration of that Unit, (iii) Member discipline, including any schedule of monetary penalties for violation of the Governing Documents and any procedure for the imposition of penalties (iv) any standards for delinquent assessment payment plans, (v) any procedures adopted by the Association for resolution of disputes as provided by the Declaration, (vi) any procedures for reviewing and approving or disapproving a proposed physical change to a Member's separate interest or to the Association Property, and (vii) procedures for elections may only be adopted, amended or repealed in accordance with the procedure set forth in California Civil Code Section 1357.130.

SECTION 4. EMERGENCY RULE CHANGE. If the Board of Directors determines that an immediate Rule Change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, ("**Emergency Rule Change**") it may make an Emergency Rule Change. No notice is required for an Emergency Rule Change. An Emergency Rule Change is effective for one hundred twenty (120) days, unless the Emergency Rule Change provides for a shorter effective period. An Emergency Rule Change made under this Section may not be readopted under this Section.

SECTION 5. EXCEPTIONS TO REQUIREMENTS FOR RULE CHANGES AND SPECIAL MEETINGS OF MEMBERS. California Civil Code Section 1357.130 concerning notice and Section 1357.140 concerning special meetings shall not apply to the actions by the Board that relate to one or more of the following subjects:

(a) A decision regarding maintenance of the Association Property.

(b) A decision on a specific matter that is not intended to apply generally.

(c) A decision setting the amount of a Regular or Special Assessment.

(d) A Rule Change that is required by law, if the Board of Directors has no discretion as to the substantive effect of the Rule Change.

(e) Issuance of a document that merely repeats existing law or the Governing Documents.

SECTION 6. SPECIAL MEETING OF MEMBERS TO REVERSE RULE CHANGE. Members of the Association owning five percent (5.0%) or more of the Units may call a special meeting of the Members to reverse a Rule Change. The special meeting shall comply with the requirements of California Civil Code Section 1357.140. This Section does not apply to an Emergency Rule Change made under Section 4 above and the provisions of California Civil Code Section 1357.130.

SECTION 7. APPLICATION. As set forth in California Civil Code Section 1357.150, the provisions of Sections 1357.130 and 1357.140, as referenced within these Bylaws pertaining to Rule Changes, shall apply to a Rule Change commenced on or after January 1, 2004. Nothing in this Article or the referenced California Civil Code Sections affects the validity of a Rule Change commenced before January 1, 2004. For the purposes of this Article, a Rule Change is commenced when the Board takes its first official action leading to adoption of the Rule Change.

ARTICLE XI

INDEMNIFICATION

SECTION 1. GENERALLY. A Director, officer, committee member, employee or other agent of the Association (collectively "**Agent**") who is a party to any threatened, pending or completed action or proceeding or is threatened to be made a party to any proceeding, whether civil, criminal, administrative or investigative ("**Proceeding**") by reason of the fact that such Agent is or was an agent for the Association shall be indemnified by the Association against all expenses and liabilities actually and reasonably paid in connection with proceeding to the maximum extent permitted by the Corporations Code governing Nonprofit Mutual Benefit Corporations.

SECTION 2. APPROVAL. Upon written request to the Board by any Agent seeking indemnification, the Board shall promptly determine whether the applicable standard of conduct set forth in the Corporations Code governing Nonprofit Mutual Benefit Corporations has been met. If so, the Board shall authorize indemnification. If pursuant to limitations imposed by California Corporations Code Section 7237, the Board cannot authorize indemnification because more than fifty percent (50%) of the Directors are parties to the Proceeding, the Board shall promptly call a special meeting of Members. At the meeting, the Members shall determine whether the applicable standard of conduct set forth in the Corporations Code governing Nonprofit Mutual Benefit Corporations has been met. If so, the Members shall authorize indemnification. Members or other persons seeking to be indemnified shall be entitled to vote on the question of indemnification.

SECTION 3. ADVANCEMENT OF EXPENSES. On approval of the Board, the Association shall advance the costs of defense incurred by the Agent if the Agent (i) agrees to reimburse the Association and (ii) provides assurances of the Agent's ability to reimburse the Association. At the final disposition of the Proceeding, the Agent shall reimburse the Association unless it was determined that the Agent is entitled to be indemnified by the Association.

SECTION 4. NON-LIABILITY OF OFFICIALS. To the fullest extent permitted by law, and except as may be limited by California Corporations Code Section 7236, no Agent shall be liable to any Member, Owner, the Association or any other party for any damage, loss, claim, liability or prejudice suffered or claimed as a result of any decision, approval, disapproval, course of action, act, inaction, omission, error or negligence which was (i) made in good faith and (ii) reasonably believed by such Agent to be within the scope of such Agent's duties as a Director, officer or committee member.

ARTICLE XII

MISCELLANEOUS

SECTION 1. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such officer or officers or other person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

SECTION 2. SINGULAR INCLUDES PLURAL. Wherever the context of these Bylaws requires same, the singular shall include the plural, and the masculine shall include the feminine.

SECTION 3. CONFLICTS.

(a) In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of a conflict between the Declaration and the Bylaws, the Declaration shall control.

(b) In the case of any conflict between the Governing Documents of the Master Association (as defined in the Declaration) and the Governing Documents of this Association, the Governing Documents of the Master Association shall control to the extent to eliminate such conflict.

ARTICLE XIII

AMENDMENTS

SECTION 1. POWERS OF MEMBERS. These Bylaws may be adopted, amended or repealed only by the vote or written assent of both (i) Members entitled to exercise a majority of the voting power of the Association, and (ii) a majority of the total possible votes of Members other than Participating Builder; provided, however, that the percentage of voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

SECTION 2. AMENDMENT PROCEDURE. Any amendment to these Bylaws shall be held by the Secret Ballot Procedure as set forth in California Civil Code Section 1363.03(b).

SECTION 3. AMENDMENT OF SECTION 1363.03. If California Civil Code Section 1363.03 is amended or repealed to make it inapplicable to the Association or to modify the list of matters which are subject to the Secret Ballot Procedures, then the Board shall have the right to adopt an amendment to the Bylaws to make any revision which is required for the Association to properly conduct business without the Secret Ballot Procedure. Any such amendment or repeal must be approved by the unanimous consent of all Directors; no approval of Members is required.

SECTION 4. RECORD OF AMENDMENTS. Whenever an amendment or new Bylaw is adopted, it shall be placed in the book of Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

ARTICLE XIV

CORPORATE SEAL

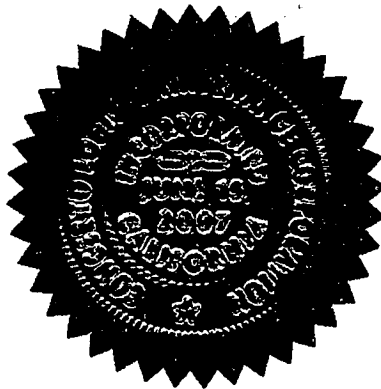
The Association shall have a seal in circular form having within its circumference the words:

CONCERTO LOFTS MAINTENANCE CORPORATION

INCORPORATED

JUNE 15, 2007

California



CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Concerto Lofts Maintenance Corporation, a California nonprofit mutual benefit corporation.

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 14th day of March, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 14th day of March, 2008.

B. Sinden

Secretary

[SEAL]

