

AMENDED AND RESTATED BYLAWS
OF
SANTA ROSA WEST ASSOCIATION

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ARTICLE I

NAME AND LOCATION

The name of the corporation is SANTA ROSA WEST ASSOCIATION, a California nonprofit corporation (hereinafter referred to as "Association").

The principal location and office of the Association shall be in the County of Riverside, State of California. The meetings of Members and directors may be held at such places within the County of Riverside, State of California, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Declaration". "Declaration" shall mean and refer to that certain Amended Declaration of Covenants, Conditions and Restrictions recorded on July 31, 2000, as Instrument No. 2000-295160 of the Official Records of Riverside County, as amended from time to time, as therein provided, that is or may be recorded.

Section 2. Other Definitions. The definitions contained in Article I of the Declaration, are incorporated herein by reference.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Each Owner of a Lot in the Property by virtue of being such an Owner and for so long as such person or entity is such an Owner, shall be a Member of the Association, provided that any such person or entity having any such interest merely as security for the performance of an obligation shall not be a Member. The Association membership of each Owner and the right to vote shall be appurtenant to, and may not be separated from, the fee ownership of any Lot in the Properties. Ownership of such Lot shall be the sole qualification for membership. Every Member of the Association shall be subject to and shall abide by the provisions of the Declaration, the Articles of Incorporation of the Association, these Bylaws, and any rules and/or regulations from time to time promulgated by the Board of Directors of the Association.

Section 2. Transfer. The Association membership held by any record Owner of a Lot in the Properties shall not be transferred, pledged or alienated in any way, except upon the sale or assignment of such Lot and then only to the purchaser or assignee thereof. Any transfer of title to a Lot shall operate

automatically to transfer such membership to the new Owner thereof. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event any Owner should fail or refuse to transfer the membership registered in his or her name to the purchaser or assignee, the Association shall have the right to record the transfer upon the books of the Association. In the event of dispute as to membership, the ownership of such Lot, as shown in the public records of the County of Riverside, State of California, shall be determinative thereof.

Section 3. Assessments.

(a) Payment of Assessments. The rights of membership are subject to the payment of assessments levied by the Association. The obligation for such assessments is imposed against each Owner of the Lot against which such assessments are made as provided in Article IV of the Declaration, and the California Civil Code. Regular, Special and certain Special Individual Assessments shall become liens against the Lots against which such assessments are made, pursuant to Article IV of the Declaration.

(b) Uniform Rate. All Regular and Special Assessments must be fixed at a uniform rate for all Lots.

Section 4. Suspension of Membership. The voting rights of any Member may be suspended by action of the Board of Directors during any period when assessments owing by such Member remain unpaid and delinquent; but, upon payment of such assessments, his or her rights and privileges shall be automatically restored.

If the Board of Directors has adopted and published rules and regulations governing the use of the Common Areas and facilities and the personal conduct of any person thereon, as provided in Article IX hereof, it may, in its discretion, after reasonable notice and hearing, suspend the voting rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV

VOTING

Section 1. Membership. There shall be one class of membership. Members shall be entitled to one (1) vote for each whole acre owned within the Property. The Owner of each Lot in the Properties may, by notice to the Association, designate a person (who need not be an Owner) to exercise the votes for such Lot, in that Members of the Association may vote either in person or by proxy provided that all proxies shall be in writing signed by the Member and filed with the secretary or his or her designee of the Association no less than twenty-four (24) hours before the time appointed and scheduled for the meeting at which such vote shall be taken. Such designation shall be revocable at any time by notice to the Association by the Owner. Such powers of designation and revocation may be exercised by the guardian of an Owner's estate or by the Owner's conservator; or, in the case of a minor having no guardian, by the parent entitled to custody of the minor; or, during the administration of an Owner's estate, by the executor or administrator where the Owner's interest in said property is subject to probate administration; or, in the case of a corporate Owner, by the president or by any vice president thereof, or by an officer or by any other person authorized by its board of directors.

Section 2. Joint Owner Disputes. The votes for each such Lot shall, if at all, be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts votes representing a certain Lot, it will thereafter be conclusively presumed for all purposes that the party or parties casting the votes were acting with the authority and consent of all other Owners of the same Lot.

Section 3. Transfer of Voting Rights. Except as otherwise herein provided, the right to vote may not be severed or separated from the ownership of the Lot to which it is appurtenant, except that any Member may give a revocable proxy to any person or may assign his or her right to vote to a contract of sale vendee, lessee or a mortgagee of the Lot concerned for the term of the contract of sale, lease or mortgage, and any sale, transfer or conveyance of such Lot to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner, subject to any assignment of the right to vote to a contract vendee, lessee or mortgagee, as provided herein.

Section 4. Violations of Rules. If any Owner (including any licensee, lessee or invitee) violates the rules once adopted by the Board after notice and hearing, the Board may suspend the right of such person to vote for a period not to exceed thirty (30) days for any infraction. Before invoking any such suspension, the Board shall give such person notice and hearing as provided for in Article XIII, Section 13.6, of the Declaration. In addition, the Board shall have the right to suspend the voting rights for any period during which any assessment against an Owner's Lot remains unpaid.

Section 5. Amendments to Article IV of Bylaws. The provisions of this Article of these Bylaws shall not be amended without the vote or written assent of a majority of the voting power of the Association.

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON AREAS

Each Member shall be entitled to the use and enjoyment of the Common Areas and any facilities thereon as provided in Article II, Section 2.2 of the Declaration. Any Member may delegate his or her rights of enjoyment in the Common Areas and any facilities thereon to individuals residing within his or her Residence, including any of his or her tenants who reside therein. Such Member shall notify the Association or its managing agent in writing of the name of any such person or persons and of the relationship of the Member to such person or persons.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members after the adoption of these Amended and Restated Bylaws shall be in February of the year following such adoption. Thereafter, each annual meeting of the Members shall be held within twelve (12) months of the last such annual meeting, or as close thereto as is practicable, but in no event shall the annual meeting be scheduled more than thirteen (13) months (405 days) after the last annual meeting was conducted. The annual meeting shall take place within the County of Riverside, State of California, at a place and time to be designated by written notice of the

Board given to the Members not less than ten (10) days, nor more than ninety (90) days prior to the date fixed for the meeting.

Section 2. Special Meetings. Special meetings of the Members shall be scheduled to take place by the Board of Directors not less than thirty-five (35) nor more than ninety (90) days following: (i) the vote for such meeting by a majority of a quorum of the Board of Directors; or (ii) the receipt of a written request therefor signed by Members representing not less than five percent (5%) of the total voting power of the Association.

Section 3. Notice of Meetings. Written notice of each annual and special meeting of the Members shall be given by, or at the direction of, the secretary of the Association or any person authorized to call the meeting by: (i) posting notice in a prominent place or places within the Common Area; and (ii) by mailing a copy of such notice, postage prepaid, at least ten (10) days (except in emergency situations) but not more than ninety (90) days before such meeting to each Member entitled to vote, addressed to the Association or supplied by such Member for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence in person or by proxy at a meeting of the Members or the return of written ballots by at least fifty percent (50%) of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary of the Association twenty-four (24) hours before the time appointed and scheduled for the meeting at which the vote shall be taken.

Section 6. Entry of Notice. Whenever any Member entitled to vote has been absent from any meeting of Members, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be prima facie evidence that due notice of such meeting was given to such Member or Members as required by law and by the Articles of Incorporation, Declaration and Bylaws of the Association.

Section 7. Method of Voting. Voting may be voice or by ballot; provided, however, that any election of directors may not be by voice vote.

Section 8. Consent of Absentees. The transaction of business at any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy and if, either before or after the meeting each of the Members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association records or made a part of the minutes of the meeting.

Section 9. Record Dates.

(a) Record Dates Established by the Board. For the purpose of determining which Members are entitled to receive notice of any meeting, to vote, to act by written ballot without a meeting, or to exercise any rights with respect to any other lawful action, the Board may fix, in advance, a "record date" and provide that only Members of record on the date so fixed are entitled to receive notice, to vote at a meeting, 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, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. The record dates established by the Board pursuant to this paragraph shall be as follows:

(1) Record Date for Notice of Meetings. For determining those Members entitled to notice of a meeting, the record date shall be no more than sixty (60) days before the date of the notice;

(2) Record Date for Voting. For determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(3) Record Date for Action by Written Ballot without Meeting. For determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(4) Record Date for Other Lawful Action. For determining Members entitled to exercise any rights with respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of the other action.

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

(1) 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.

(2) 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.

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

(4) Record Date for Other Lawful Action. The record date for determining those Members entitled to exercise any rights with respect to any other lawful action shall be the day sixty (60) days prior to the date of that action.

(5) "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 the Member of record.

Section 10. Action Without Meeting. Any action that may be taken at any annual or special meeting of Members (except the election of directors) may be taken without a meeting in accordance with the provisions of California Corporations Code Sections 7513 and 7514. Any form of written ballot distributed 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 written ballot. The written ballot shall provide that, when the Member specifies a choice, the vote shall be cast in accordance with that choice.

Section 11. Order of Business at Meetings. At all meetings of the Members, the following order of business shall be observed insofar as it is consistent with the purposes and objectives of the meeting: (1) calling the roll to determine the membership represented at the meeting; (2) reading of notice and proof of call of meeting; (3) reports of officers; (4) reports of committees; (5) unfinished business; (6) new business; (7) election of directors; and (8) miscellaneous business. Meetings of the Members shall be conducted by the officers in order of their priority.

ARTICLE VII

BOARD OF DIRECTORS-SELECTION-TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who must be Members of this Association.

Section 2. Election. At the first meeting for the election of directors, the Members shall elect three (3) directors for a term of one (1) year, and two (2) directors for a term of two (2) years; and, at each annual meeting thereafter, the Members shall elect directors for a term of two (2) years to succeed those directors whose terms have expired. If any annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of Members held for that purpose. All directors shall hold office until their respective successors are elected.

Section 3. Vacancies. Vacancies in the Board may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office for the unexpired term of his or her predecessor and until his or her successor is elected at an annual meeting of Members, or at a special meeting called for that purpose.

Any director may be removed from the Board, with or without cause, by a vote of the Members cast in the same manner as such votes may be cast for the election of directors, as set forth in these Bylaws.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any director, or if the Members shall increase the authorized number of directors but shall fail, at the meeting at which such increase is authorized or at an adjournment thereof, to elect the additional directors so provided for; or, in the case Members fail, at any time, to elect, the full number of authorized directors. If a director shall fail to attend three (3) consecutive regular meetings of the Board without leave granted by the Board, the office of such director may be declared vacant by a majority of the remaining directors.

The Members may elect the additional directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of directors.

If any director tenders his or her 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.

Section 4. Compensation. No director or officer shall receive compensation for any service he or she may render to the Association as such. However, any director or officer may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE VIII

MEETINGS OF DIRECTORS

Section 1. Place of Meetings. Regular meetings of the Board shall be held at a place within the Property or at any place within Riverside County, California, which has been designated from time to time by resolution of the Board or by written consent of all Members of the Board. Notice of the time and place of such meetings shall be given at least four (4) days prior to the meeting, by posting at a prominent place or places within the Common Area. Special meetings of the Board may be held either at a place within the Property or at a place so designated. Regular meetings shall be held monthly at a time and date designated by the Board or more infrequently on at least a quarterly basis if business to be transacted by the Board does not justify more frequent meetings.

Section 2. Organization Meeting. Immediately following each meeting of Members for the election of directors, the Board shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business.

Section 3. Other Regular Meetings. Other regular meetings of the Board shall be held at such time and place as may be fixed from time to time by resolution of the Board.

Section 4. Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the chairman of the Board or by the president of the Association; or, if they are absent or unable or refuse to act, by any two (2) directors, other than the president.

Written notice of the time and place of special meetings and the nature of any special business to be considered shall be sent to all governing body members and posted in a manner prescribed for notice of regular meetings not less than four (4) days prior to the scheduled time of the meeting, except in case of an emergency, consisting of 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 such notice.

Section 5. Notice of Adjournment. Notice of adjournment of any Board of Directors' meeting, either regular or special, need not be given to absent directors if the time and place are fixed at the meeting adjourned.

Section 6. Entry of Notice. Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be prima facie evidence that due notice of such special meeting was given to such director, as required by law and by the Bylaws of the Association.

Section 7. Waiver of Notice. The transactions of any meeting of the Board, however called and

noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. 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 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.

Section 9. Adjournment. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 10. Attendance at Meetings. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, Members who are not directors shall not participate in any deliberation or discussion. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may be involved, matters relating to the formation of contracts with third parties, Member discipline, or to meet with a member, upon the member's request, regarding the member's payment of assessments, as specified in Civil Code Section 1363.05.

Section 11. Action by Written Consent in Lieu of Board Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all Members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall state that the action was taken by unanimous written consent of the Board without a meeting, and that the Bylaws of the Association authorized the directors so to act. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. Subject to limitations of the Articles of Incorporation, the Declaration or the Bylaws and the laws of the State of California, as to action required to be authorized or approved by the Members, and subject to the duties of directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board with the right to delegate its powers to committees, officers and the Association's managing agent. Without prejudice to such general powers but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to wit:

(a) To select and remove all the other officers, agents and employees of the Association; prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation, the Declaration or the Bylaws; fix their compensation; and, at the discretion of the directors, require from them

security for faithful service.

(b) To adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests and delegates thereon, and to establish penalties for the infraction thereof, consistent with Article III, Section 3.7, of the Declaration.

(c) To enforce the Declaration, these Bylaws, and any and all rules and regulations adopted by the Board of Directors, pursuant to the provisions of Article XIII of the Declaration, and California law.

(d) To conduct, manage, and control the affairs and business of the Association.

(e) To establish and change the principal office for the transaction of the business of the Association from one location to another, to designate any place within the County of Riverside for the holding of any Members' meeting or meetings; and to adopt, make and use a corporate seal and to alter the form of such seal from time to time as in their judgment they deem best, provided such seal shall at all times comply with the provisions of law.

(f) To borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefore in the Association name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefore.

(g) To contract for goods and/or services for the Common Area and facilities and interests or for the Association, subject to the limitations elsewhere provided in these Bylaws, to maintain and otherwise manage or cause to be managed, the Common Areas and facilities and all other property acquired by the Association, and to contract and pay maintenance, gardening, utilities, materials and supplies and services, relating to the Common Areas and/or facilities, and to employ personnel and utilize professionals reasonably necessary for the operation of the Association, including lawyers and accountants where appropriate.

(h) To maintain or cause to be maintained Common Area and Common Facilities.

(i) To contract and pay for the expenses of the Association.

(j) To pay taxes and Special Assessments which are or would become a lien on Common Areas.

(k) Consistent with Article XI of the Declaration, to pay for reconstruction of any portion or portions of the Common Areas damaged or destroyed which are to be rebuilt.

(l) To grant easements where necessary for utilities and sewer facilities over the Common Area.

(m) To enter upon any Lot as necessary in connection with construction, maintenance or emergency repair for the benefit of said Common Areas or the Members in common, consistent with Article III, Section 3.6(b), of the Declaration.

(n) To exercise all other powers granted to the Board by the Declaration, the Articles of Incorporation or the Bylaws, or the laws of the State of California, except that the following limitations shall apply:

(i) The Board of Directors may not, without the vote or written assent of a majority of the voting power of the Association: (i) sell, during any fiscal year, property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or (ii) incur expenditures for capital improvements to the Common Area which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; provided, however, the foregoing limitation under (ii) shall not be applicable in the situation where the Special Assessment arises to defray costs incurred in bringing an Owner into compliance with the Association's rules.

(ii) The Board of Directors may not, without the vote or written assent of a majority of the voting power of the Association, enter into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one (1) year, with the following exceptions:

(1) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(2) Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the policy permits for short rate cancellation by the insured.

Section 2. Duties. It shall be the duty of the Board:

(a) To cause to be kept a complete record of all of its acts and corporate affairs and cause an annual independent examination or audit of the Association's account or accounts to be made pursuant to applicable provisions of California law and to cause a copy of such report to be available to each Member within thirty (30) days of completion.

(b) To supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

(c) To prepare and distribute to Members a budget no less than forty-five (45), nor more than sixty (60) days prior to the beginning of the Association's fiscal year.

(d) To send written notice of each assessment to every Owner subject thereto at least forty-five (45) days in advance of the start of the Association's fiscal year.

(e) To issue, or to cause to issue, upon demand by any Owner, a certificate setting forth whether or not any portion of assessments charged against the Lot owned by such Owner have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that said assessments or any portion thereof have been paid, such certificate shall be conclusive evidence of such payment.

(f) To contract and pay premiums for fire, casualty, liability and other insurance, including indemnity and other bonds as set forth in Article X of the Declaration.

(g) To cause the Common Areas and facilities and all other property of the Association to be maintained and managed.

(h) To perform all other duties as may be required of the Board by the Declaration, the Articles of Incorporation, the Bylaws or the laws of the State of California.

Section 3. Committees. The Board shall appoint an Architectural Committee as provided in the Declaration, and a nominating committee, as provided in these Bylaws. The Board, by resolution, may create other committees as deemed appropriate in carrying out its purposes. The number of members of other Committees and the persons who shall be members thereof shall be determined by the Board. The Board shall have the discretion to appoint nonmembers of the Association to other committees.

Section 4. Rules. The Board may adopt such rules as it deems proper for the use of, and conduct of individuals upon, the Properties as provided in Article III, Section 3.7, of the Declaration. A copy of the rules, as they may from time to time be adopted, amended or repealed, shall be mailed via first-class mail, or delivered to Owner and shall be available for inspection at the principal office of the Association. Said rules may, but need not, be recorded.

ARTICLE X

OFFICERS

Section 1. Officers. The officers of the Association shall be a president, a vice president, a secretary, a treasurer, and/or any other offices designated by the Board of Directors. Officers shall be members of the Board. One person may hold two or more offices, except those of president and secretary.

Section 2. Election. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 4 of this Article, shall be chosen annually by the Board 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 successors shall be elected and qualified.

Section 3. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board.

Any officer may resign at any time by giving written notice to the Board or to the president or to the secretary of the Association. 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.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled by the Board at any regular or special meeting, and the officer so chosen shall hold office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successors shall be elected and qualified.

Section 5. President. The president shall be the chief executive officer of the Association and shall,

subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. He or she shall preside at all meetings of the Members and at all meetings of the Board. He or she shall be, ex officio, a member of all the standing committees and shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

Section 6. Vice President. 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. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board or the Bylaws.

Section 7. Secretary. The secretary shall cause to be kept a book of minutes at the principal office or such other place as the Board may order, of all open meetings of directors and Members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board of Directors' meetings, the Members present or represented at Members' meetings and the proceedings thereof. Minutes of meetings of the board of directors in executive session, if such minutes are recorded, shall be maintained by the secretary separately from minutes of open meetings of the board and meetings of the Members. The secretary shall cause to be kept a membership book containing the name and address of each Member. Termination of any membership shall be recorded in the book, together with the date on which the membership ceased.

The secretary shall cause to be given notice of all the meetings of the Members and of the Board required by the Bylaws, the Articles of Incorporation, the Declaration or by law to be given, and he or she shall cause to be kept 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 or the Bylaws.

Section 8. Treasurer. The treasurer shall cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The books of account shall at all times be open to inspection by any director.

The treasurer 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. He or she shall disburse the funds of the Association as may be ordered by the Board, 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 or these Bylaws.

ARTICLE XI

MISCELLANEOUS

Section 1. Inspection of Association Records. The books, records and papers of the Association, including books of account, minutes of meetings of the Members and the Board and of committees appointed by the Board, shall be open to inspection upon the written demand of any officer, director, or any Member of the Association at any reasonable time and for a purpose reasonably related to his or her interests as a Member. Membership records shall be made available to Members subject to the provisions of Section 8330 of the California Corporations Code or any comparable superseding statute. Every director shall have the

absolute right at any reasonable time to inspect all books, records and all papers of every kind and nature of the Association and to make extracts and copies thereof, subject to any limitations provided by law (the cost of reproducing copies shall be borne by the director). Such inspection at such reasonable place as shall be prescribed by the Board, may be made in person or by an agent or attorney and shall include the right to make extracts. Demand of inspection shall be made in writing upon the managing agent of the Association. The Board may establish reasonable rules with respect to: (1) notice to be given to the custodian of the records by the Member desiring to make the inspection; (2) hours and day of the week when such an inspection may be made; and (3) payment of the cost of reproducing copies of documents requested by a Member.

Section 2. 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 person or persons and in such manner as from time to time shall be determined by resolution of the Board, consistent with the requirements of Civil Code Section 1365.5, or any comparable superseding statute.

Section 3. Gifts. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purposes of the Association.

Section 4. Contracts, Etc., How Executed. The Board, except as in the Bylaws otherwise provided, 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; and, 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 to any amount.

Section 5. Inspection of Bylaws. The Association shall keep in its principal office for the transaction of business, the original or a copy of the Bylaws, as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

Section 6. Fiscal Year. The Association's fiscal year shall be a calendar year.

Section 7. Amendment of Bylaws. The Bylaws may be altered, amended or new bylaws may be adopted by the affirmative vote of a majority of the voting power of the membership of the Association at any regular or special Meeting of the Members of the Association called for that purpose, or by written ballot.

Section 8. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and, in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII

FINANCIAL REQUIREMENTS

Section 1. Budgets and Financial Statements. The Association shall cause to be prepared and distributed budgets and financial statements to each Member as follows:

- (a) A pro forma operating budget for each fiscal year shall be distributed not less than forty-five

(45) nor more than sixty (60) days before the beginning of the fiscal year consisting of at least the following:

(1) Estimated revenue and expenses on an accrual basis;

(2) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to Article XII, Section 2, of these Bylaws, which review or study 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 each major component of the Project;

(b) As of the end of the fiscal year for which the study is prepared:

(i) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components;

(ii) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components; and

(iii) The percentage of the current estimate of necessary cash reserves represented by accumulated cash reserves actually set aside;

(3) A statement as to whether the Board has determined or anticipates that the levy of one or more Special Assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefore; and

(4) A general statement setting forth the procedures used in the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain.

(a) In lieu of the distribution of the pro forma operating budget, the Board may elect to distribute a summary of the items described above to all the Members, with written notice that the budget is available at the business office of the Association or at another suitable location within the boundaries of the Association and that copies will be provided upon request and at the expense of the Association. Members shall be notified in writing at the time that the pro forma budget is distributed, or at the time of any general mailing to the entire membership, of their right to have copies of the minutes of meetings, and how and where those minutes may be obtained. If any Member requests that a copy of the pro forma operating budget, including the items referred to above, be mailed to the Member, the Association shall provide the copy to the Member by first-class United States mail at the expense of the Association and delivered within five (5) days. The written notice that is distributed to each of the Association Members shall be in at least 10-point bold type on the front page of the summary of the statement.

(b) A report consisting of the following shall be distributed within 120 days after the close of the fiscal year: (1) a balance sheet as of the end of the fiscal year; (2) an operating (income) statement for the fiscal year; (3) a statement of changes in financial position for the fiscal year; (4) for any fiscal year in which the gross income to the Association exceeds \$75,000, a copy of a review of the financial statement of the

Association prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy; (5) any information required to be reported under California Corporations Code Section 8322.

(c) If the report referred to in subparagraph (b) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

(d) A statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of its assessments against its Members and a statement of the place where the names and addresses of the current Members are located shall be distributed annually to the Members during the 60-day period immediately preceding the beginning of the Association's fiscal year.

(e) A summary of the Association's insurance policies as set forth in California Civil Code Section 1365(e)(1) shall be distributed to the Members within sixty (60) days preceding the beginning of the Association's fiscal year.

Section 2. Reserve Studies. At least every three (3) years the Board shall cause a study of the reserve account requirements of the Project to be conducted. The study shall include a reasonably competent and diligent visual inspection of the accessible areas of the major components that the Association is obligated to repair, replace, restore, or maintain, if the current replacement value of those major components is equal to or greater than one-half of the gross budget of the Association, excluding the Association's reserve account for that period. The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

The study required by this Section 2 shall at a minimum include:

(a) Identification of the major components that the Association is obligated to repair, replace, restore, or maintain, which components, as of the date of the study, have a remaining useful life of less than thirty (30) years;

(b) Identification of the probable remaining useful life of the components identified in subparagraph (a) as of the date of the study;

(c) An estimate of the cost of repair, replacement, restoration, or maintenance of each major component identified in subparagraph (a) during and at the end of its useful life; and

(d) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

As used in this Section, "reserve account requirements" means the estimated funds that the Board has determined are required to be available at a specified point in time to repair, replace, or restore those major components that the Association is obligated to maintain.

Section 3. Reserve Account Fund Management. The Board shall not expend funds designated as

reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of major components that the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established, or litigation involving those major components. However, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short-term cash-flow requirements or other expenses, provided that the Board has made a written finding recorded in the minutes of the Board explaining the reason that the transfer is needed, and describing when and how the money will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a delay would be in the best interests of the Association, delay the restoration until the time that the Board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this paragraph. This Special Assessment is subject to the limitation imposed by Article IV, Section 3 of the Declaration. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. An extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment. When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of the Association of that decision in the next available mailing to all Members pursuant to California Corporations Code Section 5016, and of the availability of any accounting of those expenses. The Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members of the Association at the Association's office.

Section 4. Reserve Account Withdrawal Restrictions. At least two (2) signatures shall be required for the withdrawal of monies from the Association's reserve accounts. Signatures shall be those of members of the Board, or by one (1) member of the Board and one (1) officer who is not a member of the Board.

Section 5. Review of Financial Records. The Board shall review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an income and expense statement for the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes of these Bylaws, "reserve accounts" means monies that the Association's Board has identified for use to defray the future repair or replacement of, or additions to, those major components that the Association is obligated to maintain.

Section 6. Future Changes in Financial Records and Reserve Account Requirements. The provisions of Sections 1 through 5 of this Article incorporate the statutory requirements of California Civil Code Section 1365.5. If that Civil Code section is amended in any manner, Sections 1 through 5 of this Article shall be amended in the same manner without the necessity of further amending these Bylaws.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting secretary of Santa Rosa West Association.

(2) That the foregoing Amended and Restated Bylaws, comprising the immediate preceding pages, including this page, constitute the original Amended and Restated Bylaws of said Association, as duly adopted by the Members pursuant to Article VIII, Section 3 of the Bylaws, by Written Ballot on _____, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association on _____, 2003.

Signature _____

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