

**CERTIFICATE OF INCORPORATOR IN LIEU  
OF ORGANIZATIONAL MEETING OF  
HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION**

On February 23, 2006, the Articles of Incorporation of Hampton Village Homeowners' Association were filed in the office of the Secretary of State of California. The undersigned, being the Incorporator who executed the Articles of Incorporation, does hereby take the following actions for the purpose of organizing the Corporation:

1. RESOLVED, that the attached Bylaws are adopted as the Bylaws of this Corporation and they shall be inserted in the minute book of this Corporation and kept at the principal executive office of this Corporation.

2. RESOLVED, that the following persons are appointed Directors of this Corporation to hold office until the first annual meeting of Directors or until their successors are elected and qualified.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. RESOLVED, that the undersigned hereby resigns as Incorporator of this Corporation.

Dated: \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
(John A. Barnhart) Incorporator

Attachment: Bylaws

**BYLAWS  
OF  
HAMPTON VILLAGE HOMEOWNERS'  
ASSOCIATION**

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**BYLAWS**

**OF**

**HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION**

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**BYLAWS  
OF  
HAMPTON VILLAGE HOMEOWNERS'  
ASSOCIATION**

**ARTICLE I  
NAME**

The name of this nonprofit mutual benefit corporation is "HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION" ("**Association**").

**ARTICLE II  
DEFINITIONS**

Unless otherwise defined or unless the context clearly requires a different meaning, the terms used in these Bylaws shall have the meanings specified in this Article.

**2.1 ACTION BY WRITTEN BALLOT WITHOUT A MEETING PROCEDURE**: The term "**Action By Written Ballot Without A Meeting Procedure**" shall mean a voting procedure in which the Members approve an action by casting ballots without a meeting of Members in compliance with California Corporations Code Section 7513.

**2.2 APPROVAL BY VOTE AT A MEETING PROCEDURE**: The term "**Approval By Vote At A Meeting Procedure**" shall mean a voting procedure in which Members approve an action by voting at a meeting of Members in compliance with California Corporations Code Title 1, Division 2, Part 3, Chapter 5 (commencing with Section 7510) and California Corporations Code Section 7613.

**2.3 ANNUAL MEETING**: The term "**Annual Meeting**" shall mean the first meeting to occur during each fiscal year of the following two (2) meetings: (a) the Annual Meeting of Directors, or (b) the Annual Meeting of Members, unless otherwise expressly provided.

**2.3.1 ANNUAL MEETING OF DIRECTORS**: The term "**Annual Meeting of Directors**" shall mean the meeting of Directors which is held immediately before or immediately after the scheduled date and time of the Annual Meeting of Members.

**2.3.2 ANNUAL MEETING OF MEMBERS**: The term "**Annual Meeting of Members**" shall mean the meeting of Members that is to be held once each calendar year.

**2.4 DECLARANT RELATED DIRECTOR**: The term "**Declarant Related Director**" shall mean a person elected to the Board who is (a) a director, officer, employee or agent of Declarant, or (b) an independent contractor employed by Declarant.

**2.5 HOMEOWNER DIRECTOR**: The term "**Homeowner Director**" shall mean a person elected to the Board who is not a Declarant Related Director.

2.6 **SECRET BALLOT MATTER**: The term “**Secret Ballot Matter**” shall mean any action or election by the Members regarding assessments, electing or removing Directors, amending the Project Documents or granting exclusive rights to use Common Area to an Owner.

2.7 **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 California Civil Code Section 1363.03(a) and (ii) the requirements set forth in California Civil Code Section 1363.03(c) through (j), inclusive.

2.8 **TITLE 7 DECISION**: The term “**Title 7 Decision**” shall mean any decision whether to file a claim against Declarant under Title 7 or any decision relating to the prosecution or resolution of such a claim once it is filed.

2.9 **ALL OTHER TERMS**: All other terms used in these Bylaws shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions of Hampton Village, a condominium project, recorded on June 22, 2006, in Book 20060622 at Page 1720 in the Official Records of the County of Sacramento, State of California (“**Declaration**”).

<p><b>ARTICLE III</b> <b>POWERS AND DUTIES OF ASSOCIATION AND BOARD</b></p>
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3.1 **POWERS OF 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 Project 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. The Association shall have all of the powers and duties set forth in the Project Documents, subject to the limitations stated in the Project Documents.

3.2 **POWERS OF BOARD**: Except for the powers specifically reserved to the Members by the Project Documents and except 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. The Board may delegate any of its 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 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, committees of the Board or members thereof. The Board may also appoint or hire any qualified person or entity as manager of the Project. Except as expressly prohibited, the Board may delegate to the manager any of its duties, powers or 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 Corporations Code Section 7236 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.

3.3 **LIMITATIONS ON POWERS OF BOARD**: Any approval pursuant to (a) Section 3.3.1 (Selling Property of the Association) which involves the sale of Common Area to a Member, or (b) Section 3.3.2 (Board Vacancies Resulting from Removal) must be obtained using the Secret Ballot Procedure and the number of votes cast by written ballot must be more than fifty percent (50%) of the Members. The Approval By Vote At A Meeting Procedure or the Action By Written Ballot Without A

Meeting Procedure may be used to obtain any other approval pursuant to this Section. If the Approval By Vote At A Meeting Procedure is used, more than fifty percent (50%) of the Members must be present in person or by proxy. If the Action By Written Ballot Without A Meeting Procedure is used, the number of votes cast by written ballot must be more than fifty percent (50%) of the Members.

3.3.1 **SELLING PROPERTY OF THE ASSOCIATION:** The Board shall not sell property of the Association during the Association's fiscal year which has an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without approval of each class of Members.

3.3.2 **BOARD VACANCIES RESULTING FROM REMOVAL:** The Board shall not fill a vacancy on the Board created by the removal of a Director without the approval of each class of Members.

3.3.3 **COMPENSATING DIRECTORS AND OFFICERS:** The Board shall not pay compensation to Directors or officers of the Association for their services as Directors or as officers without the approval of each class of Members. This limitation does not apply to reimbursements of reasonable expenses actually incurred by a Director or officer in carrying on the business of the Association.

3.3.4 **IMPROVEMENTS TO THE COMMON AREA:** The Board shall not incur aggregate expenditures for Improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of each class of Members. This limitation does not apply to any expenditure of funds from the Reserve Account made in accordance with the scheduled expenditures anticipated by the Budget.

3.3.5 **CONTRACTS FOR GOODS OR SERVICES:** The Board shall not enter into a contract with a third person for goods or services for the Common Area or the Association for a term longer than one (1) year without the approval of each class of Members. This limitation does not apply to the following:

(a) A management contract, the terms of which have been approved by the Federal Housing Administration or the Department of Veterans Affairs;

(b) A contract with a public utility 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;

(c) Prepaid casualty or liability insurance of not more than three (3) years duration, provided that the policy permits for short rate cancellation by the insured;

(d) Lease agreements for laundry room fixtures and equipment not to exceed five (5) years in duration provided that the lessor/supplier under the agreement is not an entity in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(e) Agreements for cable, satellite, or any other telecommunications services, regardless of delivery method, not to exceed five (5) years in duration provided that the lessor/supplier under the agreement is not an entity in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(f) Agreements not to exceed five (5) years in duration for the sale or lease of burglar alarm and/or fire alarm equipment, installation and services provided that the supplier(s) is not an entity in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more; and



(g) A contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one (1) year, without cause, penalty or other obligation, upon ninety (90) days written notice of termination to the other party.

### 3.4 **ASSOCIATION BOOKS AND RECORDS:**

3.4.1 **DOCUMENTS TO BE DELIVERED TO THE ASSOCIATION:** Declarant shall deliver to the Association copies of the documents identified in and in compliance with the provisions of Title 10 California Code of Regulations Section 2792.23.

3.4.2 **PROCEDURES WHILE DECLARANT RELATED DIRECTORS ARE A MAJORITY OF THE BOARD:** The provisions of this Section shall apply until (a) the Homeowner Directors comprise a majority of the Board or (b) the tenth (10<sup>th</sup>) anniversary of the first conveyance of a Condominium by Declarant to an Owner other than a Declarant, whichever occurs first. Notwithstanding the preceding sentence, the Board may vote to terminate the provisions of this Section 3.4.2 at any time. When the provisions of this Section 3.4.2 terminate, the provisions of Section 3.4.3 (Procedures While Homeowner Directors Are a Majority of the Board) shall apply.

(a) **Books and Records:** The Board shall cause a complete record of all of its acts and corporate affairs to be kept. The membership register, including mailing addresses and telephone numbers and all accounting books and records of the Association, and the Project Documents shall be available for inspection and copying by any Member or duly appointed representative of a Member during reasonable business hours if the purposes are related to the Member's interest as a Member. The Board shall establish rules regarding (i) notice to be given to the custodian of the 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. 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.

(b) **Minutes:** All minutes of meetings of the Board, or a summary of the minutes (other than minutes of an executive session) shall be available for inspection and copying by any Member or duly appointed representative of a Member within thirty (30) days of the meeting. If the minutes have not been approved by the Board within the thirty (30) day period, then the minutes shall be marked "proposed but not yet adopted" and shall be available for inspection and copying. Minutes of meetings of Members 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. 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 accounting books and records. All minutes (or summaries of minutes or proposed minutes, as the case may be) shall be distributed to any Member upon request and upon reimbursement of the costs incurred by the Association in making that distribution. At the time of the distribution of the Association's Budget or Budget summary and at the time of any other general mailing to the entire membership, all Members shall be notified in writing of their rights to copies of the minutes of meetings of the Board and how and where the minutes may be obtained.

3.4.3 **PROCEDURES WHILE HOMEOWNER DIRECTORS ARE A MAJORITY OF THE BOARD:** The provisions of this Section shall apply when the provisions of Section 3.4.2 (Procedures While Declarant Related Directors Are a Majority of the Board) terminate. Association Records and Enhanced Association Records, as those terms are defined in California Civil Code Section 1365.2, shall be available for inspection and copying in accordance with the provisions of California Civil Code Section 1365.2. Every Director shall have the absolute right to inspect all Association Records and all Enhanced Association Records and the physical properties owned or controlled by the Association at any

reasonable time. A Director is entitled to make extracts and copies of all Association Records, all Enhanced Association Records and any other documents pertaining to the Association.

### 3.5 **NOTICE AND HEARING:**

3.5.1 **PROCEDURE:** If (i) a Member or a Member's Invitee appears to have damaged or permitted damage to occur to any portion of the Project which the Association is responsible for maintaining ("**Member Damage**"), or if a Member appears to be in violation of any provision of the Project Documents and (ii) the provisions of any of the Project Documents require that Notice and Hearing be provided, the Association shall give written notice to the Member specifying the nature of the damage or violation (and providing any other appropriate information) and stating the time, date and place that the Member will have an opportunity to attend and address the Board. The notice shall also state that the Association may levy a Reimbursement Assessment if the Association finds that Member Damage or a violation has occurred. Written notice shall be given at least fifteen (15) days prior to the date set for the hearing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after it has been deposited in the United States mail, first class postage prepaid, addressed to the Member at the address given by the Member to the Board for the purpose of service of notice or to the address of the Member's Condominium if no other address has been provided. Any address may be changed from time to time by giving written notice to the Board. The Board shall meet in executive session if requested to do so by the Member who is the subject of the Notice and Hearing.

3.5.2 **DETERMINATION:** After the hearing has taken place, the Board shall (i) determine whether Member Damage or a violation has occurred and, if so, may impose a Reimbursement Assessment; or (ii) take such other action as may be appropriate. The determination of the Board shall be final. If the Board imposes a Reimbursement Assessment or other discipline on a Member, the Board shall provide the Member a written notification of the determination, by either personal delivery or first-class mail, within fifteen (15) days following the action. No Reimbursement Assessment or other disciplinary action shall be effective unless the Board fulfills the requirements of this Section 3.5, and no Reimbursement Assessment shall be effective until five (5) days after the date of the written notification of the determination. However, nothing herein shall be construed to prevent the Board from making any emergency repairs or taking any other emergency action it deems necessary and subsequently providing Notice and Hearing.

3.6 **TAX EXEMPT STATUS:** If the Board elects to obtain and maintain tax-exempt status for the Association, the Board shall cause any annual election for tax-exempt status required under federal or state law to be filed timely and shall cause the Association to comply with the statutes, rules and regulations adopted by federal and state agencies pertaining to such exemptions.

3.7 **CAMPAIGN FUNDS:** The Board shall not expend Association funds for "campaign purposes" as that phrase is defined in California Civil Code Section 1363.04.

<p><b>ARTICLE IV</b> <b>MEMBERSHIP AND VOTING</b></p>
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4.1 **CLASSES OF MEMBERSHIP:** Until the conversion of Class B membership to Class A membership, the Association shall have two (2) classes of Members.

4.1.1 **CLASS "A" MEMBERS:** Each Owner, except Declarant, shall be a Class A Member. Declarant shall be a Class A Member after the expiration of Class B membership. One (1) vote for each Condominium owned by a Class A Member may be cast.

4.1.2 **CLASS "B" MEMBER:** Until the expiration of Class B membership, Declarant shall be a Class B Member. Three (3) votes for each Condominium owned by a Class B Member may be cast. Class B membership shall expire and shall be converted to Class A membership on the first to occur of the following events:

(a) The date which is the second (2nd) anniversary of the first conveyance of title to a Condominium which was covered by the originally issued Public Report for the most recent Phase of the Project; or

(b) The date which is the fourth (4th) anniversary of the first conveyance of title to a Condominium which was covered by the originally issued Public Report for the first Phase of the Project.

## 4.2 **VOTING GENERALLY:**

4.2.1 **CASTING VOTES:** The vote for each Condominium shall be cast as a majority of co-Owners of the Condominium shall determine. Any vote cast by a single Member shall be deemed the authorized vote for that Condominium. If the majority of co-Owners present in person or by proxy at a meeting cannot agree as to how to cast the vote for the Condominium, no vote shall be cast for that Condominium. The power to cast a particular Member's vote may be exercised by (i) the Member's conservator; (ii) the guardian of the Member's estate; (iii) the parent(s) entitled to custody of a Member if the Member is a minor; or (iv) the executor or administrator of a deceased Member's estate if the Member's interest in the Condominium is subject to estate administration.

4.2.2 **VESTING OF VOTING RIGHTS:** A Member's voting rights shall vest when Regular Assessments for the Member's Condominium commence, but in no event before that time.

4.2.3 **RECORD DATE:** The term "**Record Date**" shall mean the date on which eligibility to vote on a specific matter or at a meeting is determined. The Board shall set a Record Date for any vote held pursuant to the Secret Ballot Procedure or the Action By Written Ballot Without A Meeting Procedure and may set a Record Date for any vote held pursuant to the Approval By Vote At A Meeting Procedure. If a Record Date is not specified for votes held pursuant to the Approval By Vote At A Meeting Procedure, the Record Date shall be the date of the meeting.

4.3 **VOTING PROCEDURES:** Any action required by law or by the Project Documents to be approved by the Owners, the Members or each class of Members shall be approved, if at all, in accordance with the procedures set forth in this Section.

4.3.1 **SPECIFIED PERCENTAGE:** All references in this Section 4.3 to the term "**Specified Percentage**" shall refer to the percentage vote expressly required by the Project Documents, unless no percentage is specified, in which case the action to be approved shall only require a majority vote.

4.3.2 **APPROVAL:** Approval shall be obtained, if at all, in accordance with one of the following three (3) procedures:

(a) **Secret Ballot Procedure:** A Secret Ballot Matter may only be approved in accordance with the Secret Ballot Procedure. An approval pursuant to the Secret Ballot Procedure requires the vote by written ballot of the Specified Percentage of the total number of votes which are cast by the Members; as long as the number of votes cast by written ballot is at least equal to a quorum. However, the results of an election of Directors shall be determined in accordance with the provisions of Section 5.4.4 (Election Results). The Secret Ballot Procedure must also be conducted in full compliance with California Corporations Code Section 7513.

(b) **Approval By Vote At A Meeting Procedure**: 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 the Approval By Vote At A Meeting Procedure. An approval pursuant to the Approval By Vote At A Meeting Procedure requires the vote of the Specified Percentage of the total number of votes which may be cast by the Members who are present at the meeting or represented by proxy. If a quorum is not present after a quorum was initially established, any action taken shall be subject to the limitations of California Corporations Code Section 7512.

(c) **Approval By Written Ballot Without A Meeting Procedure**: 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 the Approval By Written Ballot Without A Meeting Procedure. An approval pursuant to the Approval By Written Ballot Without A Meeting Procedure requires the vote by written ballot of the Specified Percentage of the total number of votes which are cast by the Members; as long as the number of votes cast by written ballot is at least equal to a quorum. Action without a meeting must be in full compliance with California Corporations Code Section 7513.

4.3.3 **OF THE MEMBERS**: Each provision of the Project Documents or of law which requires the approval of the Members requires all Members to vote as a single group.

4.3.4 **OF EACH CLASS**: Each provision of the Project Documents which requires the approval of each class of Members shall be approved in accordance with one of the following provisions:

(a) Prior to the conversion of Class B membership to Class A membership, any action for which the Project Documents expressly require the approval of each class of Members shall require the separate approval of the Specified Percentage of each class of Members.

(b) After the conversion of Class B membership to Class A membership, if Declarant owns one or more Condominiums in the Project, any action for which the Project Documents expressly require the approval of each class of Members shall require the separate approval of (i) the Specified Percentage of the Members and (ii) the Specified Percentage of the Members, excluding the vote of Declarant.

(c) After the conversion of Class B membership to Class A membership, if Declarant does not own one or more Condominiums in the Project, any action for which the Project Documents expressly require the approval of each class of Members shall require the Specified Percentage of the Members.

#### 4.4 **PROXY AND WRITTEN BALLOT REQUIREMENTS**:

4.4.1 **PROXIES**: Each Member may vote by proxy. Each proxy shall be in writing, shall identify the person or persons authorized to exercise the proxy and the length of time it will be valid, and shall be signed and dated by the Member and filed with the Secretary of the Association. No proxy shall be valid as to those matters described in Corporations Code Section 7613(g) unless it sets forth the general nature of the matter as required by Section 7613(g). 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 Condominium or the death or judicially declared incompetence of the Member.

4.4.2 **CHOICES**: Any form of proxy or ballot distributed by any person to the Members shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon except that a candidate for election as a Director need not be named in the proxy or ballot. The proxy or ballot shall provide that where the Member specifies a choice the vote shall be cast in accordance with that choice.

4.4.3 **PROXIES USED IN SECRET BALLOT PROCEDURE:** If the proxy is to be used in a vote held pursuant to the Secret Ballot Procedure, any instruction to the proxy holder as to how to cast the Member's vote(s) shall be set forth on a separate page and retained by the proxy holder.

#### 4.5 **CHANGES TO SECTION 1363.03:**

4.5.1 **CHANGE IN DEFINITION OF SECRET BALLOT MATTER:** If California Civil Code Section 1363.03(b), as originally enacted, is amended to modify the list of matters which are subject to the secret ballot procedures set forth in Section 1363.03, then the term "Secret Ballot Matter" as defined in Section 2.6 (Secret Ballot Matter) shall refer to the matters set forth in Section 1363.03(b) as amended.

4.5.2 **AUTHORIZE CUMULATIVE VOTING:** If California Civil Code Section 1363.03, as originally enacted, is amended to authorize the use of cumulative voting when using the secret ballot procedures set forth in Section 1363.03, then the following two (2) paragraphs shall be applicable beginning with the first election of Directors held after the effective date of the amendment to Section 1363.03:

(a) **Cumulative Voting:** Cumulative voting shall be used in any vote to elect or remove Directors. 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 Condominiums owned. Class B Members shall be entitled to cast a number of votes equal to the number of Condominiums 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.

(b) **Removal of Directors:** This paragraph supersedes and replaces in full Section 5.6 (Removal of Directors). Unless the entire Board is removed from office by a vote of the Members, an individual Director shall not be removed prior to the expiration of the Director's term if the number of votes cast against removal is greater than the sum arrived at by using the following formula:  $X/Y + 1$ , where X equals the total number of votes cast at the election to remove the Director and Y equals the number of Directors authorized to be elected by these Bylaws. However, any Director who has been elected pursuant to Section 5.4.2(a) (Class A Election) or Section 5.4.3(a) (Special Election) may be removed from office prior to the expiration of the Director's term only by the vote of not less than fifty-one percent (51%) of Members other than Declarant. When voting for the removal of a Director, each Member shall be entitled to cumulate votes.

4.5.3 **AMEND OR REPEAL OF SECTION 1363.03:** If Section 1363.03 is repealed or amended in a manner which makes it inapplicable to the Association, then there shall be no "Secret Ballot Matters" and the Board shall have the power to amend the Bylaws, subject to the limitation of Section 9.1.2 (Title 7 Provisions) so as to entirely eliminate the Secret Ballot Procedure and to make other revisions which are required for the Association to properly conduct business without the Secret Ballot Procedure. Any such amendment must be approved by the unanimous consent of all Directors; no approval of Members is required.

4.5.4 **TOLLING OF SECTION 1363.03:** If the operative date of Section 1363.03 is tolled so that it does not become operative on July 1, 2006, the Board shall have the right to adopt an amendment to the Bylaws, subject to the limitation of Section 9.1.2 (Title 7 Provisions), so as to entirely eliminate the Secret Ballot Procedure and to make other revisions which are required for the Association to properly conduct business without the Secret Ballot Procedure. Any such amendment must be approved by the unanimous consent of all Directors; no approval of Members is required. Any such amendment shall automatically terminate and cease to have any further applicability on the operative date of Section 1363.03.

**ARTICLE V**  
**DIRECTORS AND OFFICERS**

5.1 **DESIGNATION:** The affairs of the Association shall be managed by a Board of five (5) Directors who shall be elected and hold office as provided in this Article. The officers of the Association shall be a President, a Secretary and a Chief Financial Officer (Treasurer).

5.2 **QUALIFICATIONS OF DIRECTORS:** Directors are not required to be Members of the Association. Beginning with the Initial Election of Directors, at least two (2) Director's positions must be occupied by Homeowner Directors at all times. The Class A Director must be a Homeowner Director. All other Directors may be either a Homeowner Director or a Declarant Related Director as long as there are always at least two (2) Homeowner Directors. Any replacement Director must satisfy the same qualifications, if any, required by the Director position being filled.

5.3 **NOMINATING PROCEDURE:**

5.3.1 **NOMINATING COMMITTEE:** The nominating committee shall consist of a chairman, who shall be a Director, and two (2) or more Members ("**Nominating Committee**"). The address of the Nominating Committee shall be that of the Association's principal office. The Board shall appoint the members of the Nominating Committee at each Annual Meeting of Directors. Each member of the Nominating Committee shall serve until the member is replaced at the next Annual Meeting of Directors or until the member resigns, whichever occurs first. Prior to the Initial Election of Directors, the Board shall perform the duties of the Nominating Committee.

5.3.2 **POSITIONS AND DATES:** The Board shall announce which Director positions will be filled at each upcoming election and the Election Dates established pursuant to Section 5.4.1 (Election Dates). The Election Dates shall be communicated to the Members by an Association newsletter, a separate written notice mailed to the Members or any other method which the Board determines to be appropriate.

5.3.3 **NOMINATIONS:** The Nominating Committee may make as many nominations as it determines appropriate, as long as there are at least as many nominations as there are vacancies to be filled. Each nominee must be nominated for a specific Director position. If a nominee is nominated to stand for election to more than one (1) Director position and is qualified for those positions, the nominee shall decide which Director position to run for. Members may also make nominations for election to the Board and may nominate themselves or other Members by notifying the Nominating Committee in writing during the Nomination Period.

5.4 **ELECTION OF DIRECTORS:** The initial Board shall be appointed by Declarant and shall hold office until the Initial Election of Directors. Directors shall be elected as provided in this Section.

5.4.1 **ELECTION DATES:** For each election, the Board shall set the (a) the period of time during which nominations may be made ("**Nomination Period**"), (b) the record date for voting ("**Record Date**"), and (c) the date on which the ballots are to be mailed or delivered to the Members ("**Election Mailing Date**"). The inspector(s) of election shall determine the time and date when the polls close for each election ("**Polls Close Date**") The Nomination Period, Record Date, Election Mailing Date and Polls Close Date are referred to in Section 5.3 (Nominating Procedure) and this Section 5.4 as the "**Election Dates.**"

5.4.2 **INITIAL ELECTION OF DIRECTORS:** The initial election of Directors ("**Initial Election of Directors**") shall consist of a Class A Election and a Class B Election, which shall be held concurrently.

(a) Class A Election: The Class A Members shall elect (“**Class A Election**”) two (2) Homeowner Directors using the Secret Ballot Procedure.

(b) Class B Election: The Class B Members shall elect (“**Class B Election**”) three (3) Directors using the Secret Ballot Procedure.

(c) Counting and Tabulating Votes: If the Polls Close Date is before the date on which the first Annual Meeting is required by Section 6.1 (Annual Meetings) to be held, the votes shall be counted and tabulated and the results of the election determined by the inspector(s) of election at the first Annual Meeting. If the Polls Close Date is after the date of the first Annual Meeting, the Board shall notice and hold a special meeting of the Board at which the votes shall be counted and tabulated and the results of the election determined by the inspector(s) of election. The special meeting must be noticed and held within thirty (30) days after the Polls Close Date.

**5.4.3 SUBSEQUENT ELECTIONS OF DIRECTORS**: The second election of Directors shall be held to replace the Class A Directors elected at the Initial Election of Directors when their terms expire. 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.

(a) Special Election: The provisions of this Section 5.4.3(a) shall only apply while (i) Declarant is a Class B Member or (ii) Declarant is entitled to cast a majority of the votes which may be cast by the Members. During this period of time, one (1) Director must be or have been separately elected solely by a vote of Members other than Declarant (“**Class A Director**”). At the first election held pursuant to this Section 5.4.3, at every other election of Directors held thereafter and at any election conducted to replace a Class A Director who has been removed or who has resigned and not been replaced by the Board as permitted in Section 5.7 (Resignation of Directors), a special election shall be held to elect a Class A Director (“**Special Election**”). Only Class A Members may vote in a Special Election. Special Elections shall be conducted using the Secret Ballot Procedure. The Class A Election described in Section 5.4.2(a) (Class A Election) satisfies the requirements of this Section for the Initial Election of Directors. Each Special Election shall be held concurrently with the General Election, unless there is no need for a General Election.

(b) General Election: Except for any Director elected at a Special Election, all Directors shall be elected in a general election in which all Members may vote (“**General Election**”). General Elections shall be conducted pursuant to the Secret Ballot Procedure.

**5.4.4 ELECTION RESULTS**: Votes shall be counted at the first Annual Meeting after the Polls Close Date for that election. In the Class A Election and in a Special Election, the candidate who receives the greatest number of votes shall be the Class A Director. In a General Election, the candidate(s) receiving the greatest number(s) of votes shall be deemed elected; provided, however, if there would not then be at least two (2) Homeowner Directors, then the candidate(s) who (a) received the greatest number of votes of all candidates and (b) would be a Homeowner Director(s) if elected shall be deemed elected to fill the Homeowner Director position(s). The remaining candidates who receive the greatest number of votes shall be deemed elected to fill all remaining positions on the Board, if any. If the vote count is a tie, the inspector(s) of election shall conduct a drawing of straws and determine the results of the election by the results of the straws. The results of a Special Election shall be determined before the results of the General Election are determined so that the results of the Special Election are taken into account when determining the results of the General Election as provided in this Section. The inspector(s) of election shall promptly report the results to the Board. The results shall be recorded in the minutes of the next Board meeting. Within fifteen (15) days after the election results are determined, the Board shall publicize the results of the election in a communication directed to all Members.

**5.5 TERM OF OFFICE:** The term of office of each Director begins at the close of the meeting at which the inspector(s) of election determine the results. Except for Directors elected at the Class B Election, the term of office of each Director shall be two (2) years. The term of the three (3) Directors elected at the Class B Election shall be three (3) years. Each Director, including a Director elected to fill a vacancy, shall hold office until the Annual Meeting at which the results of the election of a successor are determined, unless the Director resigns, is removed or is otherwise disqualified from serving.

**5.6 REMOVAL OF DIRECTORS:** Unless the entire Board is removed from office, the Class A Director may be removed from office only by the approval of a majority of the total voting power of Class A Members using the Secret Ballot Procedure. Any Director other than the Class A Director or the entire Board may be removed from office by the approval of a majority of the total voting power of the Association using the Secret Ballot Procedure.

**5.7 RESIGNATION OF DIRECTORS:** Any Director may resign by giving written notice to the Board. The resignation shall be effective on the date specified in the notice. Unless otherwise provided in the notice, the acceptance of a resignation shall not be necessary to make it effective. The vacancy created by the resignation may be filled by a majority vote of a quorum of the Board. However, if the number of Directors remaining after the resignation is less than a quorum, the vacancy may be filled by the unanimous written consent of all Directors then holding office. If a Director position remains vacant for more than sixty (60) days, the Members may elect a director to fill the vacancy, using the Secret Ballot Procedure. A vacant Director position can only be filled by a candidate who satisfies the qualifications (if any) required by the Director position being filled. Notwithstanding the foregoing, so long as Section 5.4.3(a) (Special Election) is in effect, if there is no Class A Director, a Special Election shall be held to elect a new Class A Director.

**5.8 ELECTION OF OFFICERS:** Officers shall be elected by the Board at each Annual Meeting of Directors. The Board may also elect a Vice President or such other officers as the affairs of the Association may require. The terms of office shall be prescribed by the Board. Each officer shall hold office until a successor is elected unless the officer resigns, is removed or otherwise is disqualified from serving.

**5.9 REMOVAL AND RESIGNATION OF OFFICERS:** Any officer may be removed from office by the Board with or without cause. If a Director serving in the office of President or Vice President has been removed pursuant to Section 5.6 (Removal of Directors), the Director shall also be automatically removed from the position as an officer. Any officer removed by the Board shall not be removed from the position of Director except pursuant to 5.6 (Removal of Directors). Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation shall be effective on the date specified in the notice. Unless otherwise specified in the notice, the acceptance of a resignation shall not be necessary to make it effective.

**5.10 DUTIES OF OFFICERS:** Unless otherwise (i) directed by the Board or (ii) required by law, officers shall perform the duties described herein:

**5.10.1 PRESIDENT:** The President or other person designated by the President shall (i) preside at all meetings of the Board and of the Members; (ii) see that orders and resolutions of the Board are carried out; and (iii) sign all leases, mortgages, deeds, promissory notes and other written instruments.

**5.10.2 VICE PRESIDENT:** The Vice President, if any, shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act.

**5.10.3 SECRETARY:** The Secretary shall (i) record the votes and keep the minutes of all meetings and proceedings of the Board and the Association; (ii) serve notice of meetings of the Board and



the Association; and (iii) keep appropriate current records showing the Members together with their addresses.

5.10.4 **CHIEF FINANCIAL OFFICER:** The Chief Financial Officer shall (i) receive and deposit into appropriate bank accounts all monies of the Association; (ii) disburse funds as directed by resolutions of the Board; (iii) keep proper books of account; and (iv) prepare or cause to be prepared all budgets and financial statements.

<p><b>ARTICLE VI</b> <b>MEETINGS OF MEMBERS</b></p>
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6.1 **ANNUAL MEETINGS:** Meetings of Members shall be held once each calendar year (“Annual Meeting of Members”). The first Annual Meeting of Members shall be held within six (6) months after the date of the closing of the sale of the first Condominium in the Project. The second and subsequent Annual Meeting of Members shall be set by the Board so as to occur during the next and subsequent calendar years. The specific day and time of each meeting shall be determined by the Board. Annual Meetings Of Members shall be held within the Project or at a location as close to the Project as possible.

6.2 **SPECIAL MEETINGS:** A special meeting of Members must be promptly scheduled by the President, or, if the President refuses or is unable to, by any Director, upon (i) a vote of the Board itself; or (ii) receipt by the Board of a written request for such a meeting signed by Members entitled to cast not less than five percent (5%) of the total votes which may be cast by the Members. Special meetings of Members may also be called at any time by the President or the Board.

6.3 **NOTICE:** Except where the Project Documents require otherwise, written notice of regular and special meetings of Members shall be given by or at the direction of the Secretary or other person authorized to call the meeting. Notice of each meeting shall be given to each Member entitled to vote at the meeting and shall be addressed to the Member at either (i) the most recent address appearing on the books of the Association or (ii) the address supplied by the Member to the Association for the purpose of notice. Notice of each meeting shall also be given to KB HOME North Bay Inc. (“KB HOME”) at the address supplied by KB HOME for such notice. The Association’s obligation to give notice to KB HOME shall continue whether or not KB HOME owns any portion of the Project or the Annexable Property until KB HOME notifies the Association in writing that it waives its right to receive future notices. Once given, such waiver shall be irrevocable. Notices for a meeting called pursuant to Section 6.1 (Annual Meetings) or Section 6.2(i) (Special Meetings) shall be personally delivered or mailed first class with postage prepaid at least ten (10) but not more than ninety (90) days before the meeting; however, notices for a meeting called pursuant to Section 6.2(ii) (Special Meetings) shall be given at least thirty-five (35) but not more than ninety (90) days after receipt by the Board of the request. Notices of meetings shall specify the place, day and hour of the meeting and any matters the Board intends to present for action by the Members. Notices of special meetings shall also state the purpose of the special meeting. Except as otherwise provided in these Bylaws or by law, any proper Association matter may be presented at a meeting for action. If mailed, notices shall be deemed to be delivered seventy-two (72) hours after their deposit in the United States mail, first class postage prepaid.

6.4 **QUORUM:** The presence at the meeting of Members and proxies entitled to cast one-third (1/3) of the total number of votes which may be cast by the Members shall constitute a quorum for any action, unless a higher percentage is required by the Davis-Stirling Common Interest Development Act. If a quorum is not present or represented at any meeting, a majority of the Members present in person shall have the power to adjourn the meeting to another time with no notice other than an announcement at the meeting. If a time and place for the reconvened meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the reconvened meeting after adjournment, notice of the time and place of the

reconvened meeting shall be given to Members in the manner prescribed for regular meetings. The quorum for the reconvened meeting shall be twenty-five percent (25%); however, if fewer than one-third (1/3) of the total number of votes which may be cast by the Members are present in person or by proxy, the only business that may be transacted are those items which were generally described in the notice of the meeting.

6.5 **PARLIAMENTARY PROCEDURE**: Meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure which shall be adopted by the Board.

6.6 **TITLE 7 DECISIONS**: Declarant shall not cast any votes in any Title 7 Decision submitted to Members. Any such Title 7 Decision may be approved only by Members other than Declarant.

<p><b>ARTICLE VII</b> <b>MEETINGS OF DIRECTORS</b></p>
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7.1 **MEETING DEFINED**: The term “meeting” shall mean 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.

7.2 **REGULAR MEETINGS**:

7.2.1 **ANNUAL MEETING**: A meeting of the Board shall be held annually (“**Annual Meeting of Directors**”) and shall be scheduled immediately before or immediately after the scheduled date and time of the Annual Meeting of Members. The failure of the Association to conduct an Annual Meeting of Members for any reason does not relieve the Board of its obligation to timely conduct an Annual Meeting of Directors.

7.2.2 **QUARTERLY MEETINGS**: Regular meetings of the Board shall be held quarterly unless the Board determines that the business to be transacted requires more frequent meetings. In that event, regular meetings shall be held at intervals determined by the Board but not less frequently than quarterly. Regular meetings shall be held at the time and place fixed by the Board. The Annual Meeting of Directors shall be considered a regular meeting of the Board.

7.3 **SPECIAL MEETINGS**: Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two Directors other than the President.

7.4 **EMERGENCY MEETINGS**: Emergency meetings of the Board may be called by the President of the Association or by any two (2) Directors other than the President, (i) if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board and (ii) which, of necessity, make it impracticable to provide notice in accordance with the provisions of Section 7.5 (Notice to Directors).

7.5 **NOTICE TO DIRECTORS**: Regular meetings of the Board may be held without notice if the time and place of the meetings are fixed by the Board. A notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to the holding of such meeting. Notice of special meetings of the Board and notice of any regular meeting of the Board that deviates from the regular meeting schedule shall be communicated to each Director either (a) not less than four (4) days prior to the date fixed for such meeting, if notice is by mail, or (b) not less than forty-eight (48) hours’ prior to the date fixed for such meeting, if notice is delivered personally, by telephone, including a voice messaging system, or by electronic transmission. Notice shall also be given to KB HOME at the address supplied by KB HOME for such notice. The Association’s obligation to give notice to KB HOME shall continue whether or not KB

HOME owns any portion of the Project or the Annexable Property until KB HOME notifies the Association in writing that it waives its right to receive future notices. Once given, such waiver shall be irrevocable. The notice shall specify the time, place and purpose(s) of the meeting. If the notice is mailed, it shall be deemed to be delivered seventy-two (72) hours after deposit in the United States mail with first class postage fully prepaid. If notice is given by telegram, facsimile or electronic mail, notice shall be deemed to be delivered when transmitted. The attendance of a Director at the meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

**7.6 NOTICE TO MEMBERS:** The Secretary shall post a notice of the time and place of all meetings of the Board in a conspicuous place within the Common Area. Notice shall also be given by mail to any Owner who has requested notification of meetings of the Board by mail. If there is no suitable location for posting within the Common Area, the Board shall communicate the notice by any means it deems appropriate, including by newsletter or similar means of communication. Notices shall be posted not less than four (4) days prior to the scheduled time of the meeting, except for emergency meetings of the Board.

**7.7 QUORUM:** A majority of the Directors then in office, but not less than two (2), shall constitute a quorum for the transaction of business. Every action taken and every decision made by the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for the meeting, and any such action shall be regarded as the act of the Board. It is expressly intended that after the Declarant Related Directors leave a meeting as required by Section 7.8 (Title 7 Decisions), (i) the Homeowner Directors shall have the right to transact business relating to Title 7 Decisions and (ii) the decision of both Homeowner Directors if there are only two (2) Homeowner Directors, or of a majority of the Homeowner Directors if there are more than two (2) Homeowner Directors, shall constitute a proper and valid action of the Board.

**7.8 TITLE 7 DECISIONS:** All Declarant Related Directors are hereby declared to have a conflict of interest and are hereby expressly prohibited from voting or participating in any discussions related to any Title 7 Decision. In addition, the Declarant Related Directors are required to leave any meeting in which a Homeowner Director announces that such Director would like to begin discussions or a vote on a Title 7 Decision. Any vote on any Title 7 Decision shall require the approval of a majority of the Homeowner Directors present at the meeting, but not less than two (a majority of a quorum). The discussion and voting on the Title 7 Decision shall be conducted after all other business either scheduled for that meeting or which any Director intends to present to the Board for discussion or decision (other than a Title 7 Decision) has been completed. After the Declarant Related Directors have left the meeting, the Homeowner Directors may discuss or decide Title 7 Decisions; however, no other business shall be transacted until the Declarant Related Directors are notified of their right to re-enter the meeting and participate in all discussions and voting on other than Title 7 Decisions.

**7.9 PARTICIPATION BY MEMBERS:** Meetings of the Board shall be open to all Members except when the Board adjourns to executive session. Members may speak at any meeting they are entitled to attend subject to the reasonable time limits established by the Board.

**7.10 PARTICIPATION BY KB HOME:** KB HOME may continue to attend Board and Member meetings as a non-voting "Advisory Member" of the Association whether or not KB HOME owns any portion of the Project or the Annexable Property. KB HOME shall have the same rights as other Members to attend and participate in each meeting; provided however, that KB HOME's attendance at any meeting shall not count toward the quorum requirements and KB HOME may not cast any vote on any issue, except for the votes it otherwise has the right to cast as an Owner or Director.

7.11 **ELECTRONIC MEETINGS**: Directors may participate in a meeting of Directors using any means permitted under California Corporations Code Section 7211(a)(6). 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.

7.12 **EXECUTIVE SESSION**: If the nature of the business is first announced in open session, with the approval of a majority of the Directors present at a meeting in which a quorum for the transaction of business has been established, the Board may vote to adjourn 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 or to meet with a Member, upon the Member's request, regarding the Member's payment of assessments, as specified in California Civil Code Sections 1367 or 1367.1. 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 immediately following the meeting that is open to the entire membership.

7.13 **EMERGENCY ACTION WITHOUT A 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, (ii) the written consent of all Directors to such action is obtained, and (iii) the meeting qualifies as an emergency meeting pursuant to California Civil Code Section 1363.05(h). Unless mailed, an explanation of the action taken without a meeting must be posted in a conspicuous place within the Common Area within three (3) days after the consent of all Directors is obtained; provided, if there is no suitable location for posting within the Common Area, 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.

## **ARTICLE VIII INDEMNIFICATION**

8.1 **GENERALLY**: A Director, officer, committee member, employee or other agent of the Association (collectively "**Agent**") who is a party to or is threatened to be made a party to any proceeding (including a proceeding by or on behalf of the Association) by reason of the fact that such Agent is or was an agent of the Association shall be indemnified by the Association against all expenses and liabilities actually and reasonably paid or incurred in connection with the proceeding to the maximum extent permitted by the California Nonprofit Mutual Benefit Corporation Law. Terms used in this Article shall have the same meaning as in California Corporations Code Section 7237.

8.2 **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 California Nonprofit Mutual Benefit Corporation Law 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 for which indemnification is sought, 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 California Nonprofit Corporation Law has been met. If so, the Members shall authorize indemnification. Members or other persons seeking to be indemnified shall not be entitled to vote on the question of indemnification.

8.3 **ADVANCING EXPENSES**: Prior to the final disposition of a proceeding described in Section 8.1 (Generally), 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.

8.4 **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.

8.5 **CONTRACTUAL INDEMNITY**: The provisions of this Article shall not affect any right to indemnification to which persons other than officers and directors may be entitled to by contract or otherwise.

<p><b>ARTICLE IX</b> <b>AMENDMENTS</b></p>
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9.1 **PROCEDURE**: Except as provided in the Declaration, these Bylaws may be amended if all of the following requirements are satisfied:

9.1.1 **APPROVAL OF MEMBERS**: Each class of Members has approved the amendment.

9.1.2 **TITLE 7 PROVISIONS**: Sections 7.7 (Quorum) and 7.8 (Title 7 Decisions), this Section 9.1.2, and any provision which deals with (a) Homeowner Directors, (b) Declarant Related Directors, or (c) a Title 7 Decision may not be amended without the consent of Declarant until all claims that could be filed pursuant to Title 7 are barred by statutes of limitation.

9.1.3 **KB HOME PROVISIONS**: The provisions of Sections 6.3 (Notice), 7.5 (Notice to Directors), 7.10 (Participation by KB HOME) and this Section 9.1.3 which confer rights on KB HOME may not be amended without the approval of KB HOME until KB HOME has waived all such rights in writing.

9.2 **RECORDS OF AMENDMENTS**: Whenever an amendment or a new Bylaw is adopted, it shall be added in the appropriate place in the Association's minute book. If any Bylaw repeals any portion of these original Bylaws, either the date of the meeting at which the Bylaws or portion thereof was repealed or the date written consent was filed with the Secretary shall be written on the original Bylaws retained in the Association's minute book.

<p><b>ARTICLE X</b> <b>MISCELLANEOUS PROVISIONS</b></p>
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In the case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

## CERTIFICATION

I, the undersigned, do hereby certify that:

I am the incorporator of Hampton Village Homeowners' Association, a California nonprofit mutual benefit corporation; and

The foregoing Bylaws are hereby adopted as the original Bylaws of the Association.

Dated: June 23, 2006

  
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John A. Barnhart, Incorporator