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EXHIBIT "A"

BY-LAWS OF LA CRESTA PROPERTY OWNER'S ASSOCIATION

PREAMBLE

The La Cresta Property Owner's Association is an unincorporated non-profit association formed for the maintenance, repair and upkeep of the private roads, drainage improvements, slope easements, water acquisition areas, and fire retreat areas within the boundaries of the La Cresta Development, County of Riverside, California.

As used in these By-Laws "Development" refers to the real property subject to the jurisdiction of this association; "Lot owner" refers to an owner of a lot in said development.

ARTICLE I

Office

The principal office for the transaction of the business of the La Cresta Property Owner's Association shall be located at the La Cresta Development, Riverside County, California.

ARTICLE II

Meetings of Lot Owners

Section 1. Place of Meeting

Meetings of lot owners shall be held at any place designated by the Board of Governors pursuant to authority hereinafter granted to the Board, or by the written consent of all persons entitled to vote thereat. In the absence of any such designation, lot owner meeting shall be held at the principal office of the association. Any meeting is valid wherever held, if held by the written consent of all persons entitled to vote thereat given either before or after the meeting and filed with the secretary of the association.

Section 2. Annual Meeting

The annual meeting of lot owners shall be held on the last Tuesday of July of each year, at 10:00 A. M., provided, however that should that day fall upon a legal holiday, then at the same time on the next day thereafter which is not a legal holiday. At such meetings governors shall be elected,

SEE
NOTE
BELOW

NOTE: The Bylaws were amended and the date of the Annual Meeting was changed to the last Sunday of September of each year at 1:00 pm.

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reports of the affairs of the association shall be considered, a budget for the succeeding year shall be adopted, and any other business may be transacted which is within the powers of the lot owners.

Section 3: (a) Notice of Meeting:

Notice of all meetings of lot owners shall be given in writing to lot owners entitled to vote by the secretary or other person charged with that duty, or in case of his neglect or refusal, or if there is no person charged with the duty of giving notice, by any governor or lot owner.

(b) Method of Notice:

A notice may be given by the association to any lot owner either personally or by mail or other means of written communication, charges pre-paid, addressed to the lot owner at his address appearing on the books of the association or given by him to the association for the purpose of notice. If a lot owner gives no address, then notice is duly given him if sent by mail or other means of written communication addressed to the place where the principal office of the association is situated, or if published at least once in some newspaper of general circulation in the Judicial District in which the principal office is located.

(c) Time of Notice:

Notice of any meeting of lot owners shall be sent to each lot owner entitled thereto not less than seven (7) days before the meeting and not more than sixty (60) days before the meeting.

(d) Contents of Notice:

Notice of any meeting of lot owners shall specify the place, the day and the hour of the meeting and, in the case of special meetings, the general nature of the business to be transacted.

(e) Notice of Adjourned Meeting:

When a lot owner's meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than 30 days it is not necessary to give any notice of the time and place of the adjourned meeting or the business to be transacted thereat other than by announcement at the meeting at which the adjournment is taken.

(f) Waiver of Notice:

Notice of any meeting may be waived by the written consent of any

lot owner delivered to the secretary of the association either before or after the meeting.

Section 4: (a) Special Meetings:

Upon request, in writing, to the president, vice president or secretary, sent by registered mail, or delivered to such officer in person, by any person entitled to call a meeting of lot owners, such officer shall forthwith cause notice to be given to the lot owners entitled to vote that a meeting will be held at a time picked by the officer not less than ten (10) nor more than sixty (60) days after the receipt of the request. If the notice is not given within seven (7) days within date of delivery or the date of mailing of the request, the person calling the meeting may pick the time of meeting and give the notice in the manner provided in these by-laws. Nothing contained in this section shall be construed as limiting the time or date when a meeting of lot owners called by action of the Board of Governors may be held.

(b) Persons Entitled to Call Special Meetings:

Special meetings of the lot owners for any purpose whatsoever may be called at any time by any of the following: (1) the president; (2) the Board of Governors; (3) lot owners holding not less than 1/5 of the voting power of the association.

Section 5. Quorum:

The presence in person or by proxy of the lot owners entitled to vote a majority of the lots in said tract shall constitute a quorum.

Section 6. Adjournment:

In the absence of a quorum, any lot owner's meeting may be adjourned by the vote of the majority of lot owners, either present in person or by proxy, for a period of not less than 48 hours nor more than thirty (30) days from the time the original meeting was called, but no other business shall be transacted and at such subsequent meeting the quorum shall consist of the presence in person or by proxy of the lot owners entitled to vote 25% of the number of lots in said tract.

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Section 7. Voting:

Each lot owner shall be entitled to cast one vote for each lot owned by him in said tract except as provided in Section 8 below. A majority of the voting power present in person or by proxy shall prevail at all meetings.

Section 8. Cumulative Voting:

Every lot owner entitled to vote at any election for governors may cumulate his votes and give one candidate a number of votes equal to the number of governors to be elected, multiplied by the number of votes to which he is entitled, or distribute his votes on the same principle among as many candidates as he thinks fit. The candidates receiving the highest number of votes up to the number of governors to be elected are elected.

Section 9. Voting by Voice and Ballot:

Election of governors need not be by ballot unless a lot owner demands election by ballot at the election and before the voting begins.

Section 10: (a) Proxies:

Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by written proxy executed by such persons or his duly authorized agent and filed with the secretary of the association.

(b) Regulating Proxies:

The Board of Governors may in advance of any annual or special meeting of the lot owners prescribe regulations concerning the manner of execution and filing of proxies and the validation of the same which are intended to be voted at any such meeting.

Section 11. Consent of Absentees:

The transactions of any meeting of lot owners, however called and noticed, are as valid as though had at a meeting duly held upon regular call and notice if a quorum is present, either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent of the holding of the 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 12. Conduct of Meetings:

At every meeting of the lot owners the president, or in his absence the vice-president, or in the absence of a vice president, a chairman chosen by a majority in interest of the lot owners of the association present in person or by proxy and entitled to vote, shall act as chairman. The secretary of the association, or in his absence an assistant secretary, shall act as secretary of all meetings of the lot owners. In the absence at such meeting of the secretary or assistant secretary the chairman may appoint another person to act as secretary of the meeting.

Article III

Governors

Section 1. Number of Governors:

The number of governors of this association shall be five. The number of governors may be changed by amendment to these by-laws duly adopted by the lot owners, but the votes or written consents of lot owners holding more than 80% of the voting power shall be necessary to reduce the authorized number of governors below five.

Section 2. Term of Office:

The governors shall be elected annually at the annual meeting of lot owners by the lot owners and shall hold office until the next annual meeting and until their successors are elected.

Section 3: (a) Vacancies:

Vacancies on the Board of Governors shall exist in case of the happening of any of the following events: (1) the death, resignation or removal of any governor; (2) the authorized number of governors is increased or (3) at any annual, regular or special meeting of lot owners at which any governor is elected, the lot owners fail to elect the full authorized number of governors to be voted for at that meeting.

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(b) Declaration of Vacancy:

The Board of Governors may declare vacant the office of a governor in either of the following cases: (1) if he is declared of unsound mind by an order of court or finally convicted of a felony or (2) if within 60 days after notice of his election he does not accept the office either in writing or attending a meeting of the Board of Governors.

(c) Filling of Vacancies:

Vacancies may be filled by a majority of the remaining governors though less than a quorum or by a sole remaining governor. Each governor so elected shall hold office until his successor is elected at the next annual meeting of the lot owners.

(d) Filling Vacancies by Lot Owners:

The lot owners may elect a governor at any time to fill any vacancy not filled by the governors. A reduction of the authorized number of governors shall not remove any governor prior to the expiration of his term of office.

Section 4. Removal of Directors:

The entire Board of Governors, or any individual governor, may be removed from office by a vote of lot owners holding a majority of the voting power entitled to vote at an election of governors. However, unless the entire Board is removed, an individual governor shall not be removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total number of outstanding lot owners entitled to vote is divided by one (1) plus the authorized number of governors. If any or all governors are so removed, new governors may be elected at the same meeting.

Section 5. Place of Meetings:

Regular meetings of the Board of Governors shall be held at any place which has been designated from time to time by the resolution of the Board or by written consent of all members of the Board. In the absence of such designation regular meetings shall be held at the principal office of the association. Special meetings of the Board may be held either at a place so designated or at the principal office. Any regular or special meeting is valid

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wherever held if held on written consent of all members of the Board given either before or after the meeting and filed with the secretary of the association.

Section 6:(a) Regular Meetings:

Regular meetings of the Board of Governors shall be held at such time during the year, but not less frequently than quarterly, as the Board of Governors shall direct. Regular annual meetings of the Board of Governors shall be held at the same time and place as and immediately following the annual meeting of the lot owners.

(b) Call of Regular Meetings:

All regular meetings of the Board of Governors of this association shall be called by the president or if he is absent or is unable or refuses to act, by any vice-president or by any two governors. Lot owners may attend, but may not vote at, regular meetings.

(c) Notice of Regular Meeting:

Written notice of the time and place of the regular meetings of the Board of Governors shall be delivered personally to each governor or sent to each governor by mail or by other form of written communication at least seven (7) days before the meeting and not more than sixty (60) days before the meeting. If the address of a governor is not shown on the records of the association and is not readily ascertainable, notice shall be addressed to him at the place at which the meeting of the governors are regularly held. Notice of the time and place of holding an adjourned meeting need not be given to absent governors if the time and place are fixed at the time of meeting so adjourned.

(d) Validation of Meeting Defectively Called or Noticed:

The transactions of any meeting of the Board of Governors however called and noticed or wherever held are as valid as though had at a meeting duly held upon regular call and notice if a quorum is present and if either before or after the meeting each of the governors not present signs a waiver of notice and consent to holding the meeting or an approval of the minutes thereof. All such waivers, consents or approvals thereof shall be filed with

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the association records or made a part of the minutes of the meeting.

Section 7: (a) Call of Special Meeting:

Special meetings of the Board of Governors shall be called by the president or if he is absent or is unable or refuses to act, by any vice-president or by any two governors. No owners may attend, but may not vote at, special meetings.

(b) Notice of Special Meeting:

Written notice of the time and place of special meetings of the Board of Governors shall be delivered personally to the governors or sent to each governor by mail or other form of written communication at least seven (7) days before the meeting and not more than sixty (60) days before the meeting. If the address of the governor is not shown on the records and is not readily ascertainable, notice shall be addressed to him at the place in which the meeting of the governors are regularly held. Notice of the time and place of holding an adjourned meeting need not be given to absent governors if the time and place were fixed at the meeting so adjourned.

(c) Validation of Special Meeting:

The transactions of any special meeting of the Board of Governors however called and noticed or wherever held are as valid as though had at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the governors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes thereof. All such waivers, consents or approvals thereof shall be filed with the association records or made a part of the minutes of the meeting.

Section 8. Quorum:

A majority of the authorized number of governors constitutes a quorum of the Board for the transaction of business.

Section 9. Majority Action:

Every act or decision done or made by a majority of the governors present at any meeting duly held at which a quorum is present is the act of the Board of Governors.

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Section 10. Action by Consent of Board without Meeting:

Any action required or permitted to be taken by the Board of Governors 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. Such action by written consent shall have the same force and effect as the unanimous vote of such governors.

Section 11. Adjournment:

In the absence of a quorum a majority of the governors present may adjourn from time to time until the time fixed for the next regular meeting of the Board. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place are fixed at the meeting adjourned.

Section 12. Conduct of Meetings:

At every meeting of the Board of Governors the chairman of the Board, if there shall be such an officer, and if not, the president, or in his absence the vice-president, or in the absence of such vice president, a chairman chosen by a majority of the governors present shall preside. The secretary of the association shall act as secretary of the Board of Governors. In case the secretary shall be absent from any meeting the chairman may appoint any person to act as secretary of the meeting.

Section 13. Powers and Duties:

Subject to the limitations of the laws of the State of California and subject to the duties of governors as prescribed by the by-laws, all association powers shall be exercised by, or under the authority of, and the business and affairs of the association shall be controlled by the Board of Governors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Governors shall have the following powers and duties:

- a. To enforce each and every provision of the Declaration of Restrictions.

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b. To provide and pay for the maintenance, repair, and upkeep of the private roads, fire protection areas, and water acquisition area within said development and the appurtenant drainage improvements and slope easements contained therein, including but not limited to the removal of ashes, garbage and refuse. Such maintenance, repair and upkeep shall be done in a continual and workmanlike manner.

c. To provide and pay for the opening, widening, extending straightening, and closing, in whole or in part, of any street in said development, subject to the consent of the governing body of the County of Riverside, when the same shall be deemed reasonably necessary.

d. To purchase materials, supplies and the like for the maintenance of the streets, fire protection areas, easements, and water acquisition area when the same shall be reasonably necessary.

e. To pay the taxes and special tax assessments which would be a lien upon the private roads or fire protection areas and to discharge any lien or encumbrances levied upon such roads of fire protection areas.

f. To enter personally, or by agent upon any lot when necessary in connection with the performance of any maintenance or repair responsibility provided for herein.

g. To provide, promulgate, and enforce all regulations reasonably necessary to govern and police the use of said roads, easements and fire protection areas, including, but not limited to, the establishment of parking regulations and restrictions on such private roads.

h. To provide and pay for, if deemed desirable, the equipping and maintaining of a security force or other police protection to protect and safeguard property and to enforce the rules and regulations with respect to the private roads, easements and fire protection areas of said tract.

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i. To provide and pay for labor and professional services to carry out the purposes of the association, including the contracting and paying of premiums for fire, casualty, liability and other insurance and Indemnity and other Bonds when required.

j. To provide and perform any work of construction or operation under its own superintendence or to contract for the performance of such work by others.

k. To contract with the County or State for any and all purposes necessary or convenient to the exercise of any of the powers, duties or functions of the association.

l. To perform all acts necessary to carry out fully the purpose of the association and to delegate any of its powers.

Section 14. Indemnification of Directors and Officers:

The Board of Governors may authorize the association to pay expenses incurred by or to satisfy a judgment or fine rendered or levied against any present or former governor, officer or employee of the association in an action brought by a third party against such person, whether or not the association is joined as a party defendant, to impose a liability or penalty on such person for an act alleged to have been committed by such person while a governor, officer or employee or by the association or by both, provided the governor, officer or employee or by the association or by both, provided the Board of Governors determine in good faith within what he reasonably believed to be his scope of appointment or authority and for a purpose for which he reasonably believed to be in the best interest of the association and its members.

Article IV

Officers

Section 1. Numbers and Titles:

The officers of the association shall be a president , a vice-president a secretary, and a treasurer. The association may also have at the discretion of the Board of Governors a chairman of the Board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant

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treasurers and such other officers as may be appointed by the Board of Governors. One person may hold two or more offices except those of president and secretary. In its discretion the Board of Governors may leave unfilled for any period it may fix any office except the office of president and secretary.

Section 2. Election:

The officers of the association except such officers as may be appointed in accordance with the provision hereafter provided shall be chosen annually by the Board of Governors and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve or his successor shall be elected and qualified.

Section 3. Subordinate Officers:

The Board of Governors may appoint such other officers or agents as the business of the association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the by-laws or as the Board of Governors may from time to time determine. The Board of Governors may delegate to any officer or committee the power to appoint any such subordinate officers, committees or agents to assist them in their duties.

Section 4. Removal and Resignation:

Any officer may be removed either with or without cause by a majority of the governors at the time in office at any regular or special meeting of the Board or, except in case of an officer chosen by the Board of Governors, by any committee or officer upon whom such power of removal may be conferred by the Board of Governors. Any officer may resign at any time by giving written notice to the Board of Governors 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 the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies:

If the office of the president, vice-president, secretary, treasurer

or assistant treasurer becomes vacant by reason of death, resignation, removal, or otherwise, the Board of Governors shall elect a successor who shall hold office for the unexpired term and until his successor is elected.

Section 6. Chairman of the Board:

The chairman of the board, if there shall be such an officer, shall if present, preside at all meetings of the Board of Governors and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board of Governors or prescribed by the by-laws.

Section 7. President:

Subject to such supervisory powers, if any, as may be given by the Board of Governors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the association and shall, subject to the control of the Board of Governors, have general supervision and control of the business and affairs of the association and shall have the general powers and duties of management usually vested in the office of president of an association and shall have such other powers and duties as may be prescribed by the Board of Governors or the by-laws.

Section 8. Vice-President:

In the absence or disability of the president, the vice-presidents, in order of their rank, fixed by the Board of Governors, or if not ranked the vice-president designated by the Board of Governors, shall perform all of the duties of president and when so acting shall have all of the powers of and will be subject to all of 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 them respectively by the Board of Governors or by the by-laws.

Section 9. Secretary:

The secretary shall certify and keep at the principal office of the association the original or a copy of the by-laws, as amended, and keep at the principal office of the association or such other place as the Board of Governors may order a book of minutes of all meetings of its governors. lot

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owners, executive committee and other committees 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 and the proceedings thereof; shall see that all notices are duly given in accordance with the provisions of these by-laws or as required by law. In the case of the absence or disability of the secretary or his refusal or neglect to act, notice may be given and served by an assistant secretary or by the president or vice-president or by the Board of Governors. The secretary shall be Custodian of the Records and see that the books, reports, statements, certificates and all other documents and records are properly kept and filed; shall exhibit at all reasonable times to any governor or lot owner upon application, the by-laws and minutes of proceedings of the association and shall perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the Board of Governors.

Section 10. Treasurer:

The treasurer shall have charge and custody of and be responsible for all funds and securities of the association and shall deposit all such funds in the name of the association in such bank or other depository as shall be selected by the Board of Governors; shall receive and give receipt of monies payable to the association from any source whatever; shall disburse or cause to be disbursed the funds of the association as may be directed by the Board of Governors taking proper vouchers for such disbursements; shall keep and maintain adequate accounts of the association's property and business transactions including account of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus; shall exhibit at all reasonable times the books of accounts and records to any lot owner or governor upon application; shall render to the president and governors whenever they request it, and shall render annually, an account of all transactions and of the financial condition of the association and shall perform all duties incident to the office of treasurer and all other duties as may from time to time be assigned to him by the Board of Governors.

Section II. Bonds

Each officer of the association shall give to the association a bond in a sum, with a surety company, satisfactory to the Board of Governors for the faithful performance of the duties of his office and for the restoration to the association in case of his death, resignation, retirement or removal from office all books, papers, vouchers, money and other property of whatever kind in his possession or under his control or belonging to the association.

Article V

Execution of Instruments and Deposit of Funds

Section 1. Authority for Execution of Contracts and Instruments:

The Board of Governors, except as otherwise provided in the by-laws, may authorize any officer or officers, agent or agents to enter into any contract, or execute and deliver 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 no officer, agent or employee shall have any power or authority to bind the association by a contract or engagement, or to pledge its credit or to render it liable therefor for any purpose and in any amount.

Section 2: (a) Bank Accounts and Deposits:

All funds of the association shall be deposited from time to time to the credit of the association with such banks or other depositories as the Board of Governors may select or as may be selected by an officer or officers, agent or agents of the association to whom such power may be delegated from time to time by the Board of Governors.

(b) Endorsements without Counter Signature:

Endorsements for deposit to the credit of the association in any of its duly authorized depositories may be made without counter signature by any officer or agent of the association to whom the Board of Governors, by resolution, shall have delegated such power or by hand stamp impression by the name of the association.

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(c) Signatures:

All checks, drafts or other order for payment of money, notes or other evidence of indebtedness issued in the name of the association shall be signed or endorsed by the president and treasurer or such other person or persons and in such manner as shall be determined by resolution of the Board of Governors.

Article VI

InitiativeSection 1. Petition:

Any proposed resolution may be submitted to the Board of Governors by an Initiative Petition filed with the secretary of the association signed by not less than 20% of the lot owners entitled to vote. Said petition shall include:

(a) A request that a special meeting be called;

(b) A statement of the resolution proposed and the grounds on which the initiative is sought.

Section 2. Notice:

Within ten (10) days after receipt of the Initiative Petition, the secretary of the association shall deliver personally or by mail a copy thereof to each lot owner, and shall concurrently therewith cause notice to be given to the lot owners entitled to vote that a special meeting will be held at a time fixed by the secretary, not less than ten (10) nor more than sixty (60) days after the mailing of the notice.

Section 3. Arguments:

The persons filing an Initiative Petition pursuant to this article, may file with the petition, which shall be a part thereof, a written argument in favor of the proposed resolution. The Board of Governors may submit and attach an argument against the resolution. Neither argument shall exceed 300 words in length.

Section 4. Adoption:

If the proposed resolution is adopted by the voters at such special meeting such resolution shall immediately become a valid and binding resolution of the association.

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Article VII

Amendment of By-Laws

Section 1. Inspection of By-Laws:

The association shall keep in its principal office for the transaction of its business the original or a copy of the By-Laws as amended to date which shall be open to the lot owners at all reasonable times for inspection.

Section 2. Adoptions, Amendments and Repeals of By-Laws:

By-laws may be adopted, amended or repealed by the vote or written consent of lot owners entitled to exercise not less than 3/4 of the voting power of the association except where a greater number is required by law and provided that such by-laws as adopted or amended are not in conflict with any law.

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RECEIVED FOR RECORD

AUG 7 1969

35 Min. Post 3 of Oct 1 11

SECURITY TITLE INSURANCE CO.

Recorded in Official Records
of Riverside County, California

W. D. Balogh
Recorder

PER 8.1.27

[Handwritten signature]

ASSOCIATION BYLAWS

This amendment is made as of this 21st day of October, 1986, by the owners of record of lots in La Cresta Unit Nos. 1, 2 and 3, acting through the Board of Governors of La Cresta Property Owners Association:

WHEREAS, the Board of Governors at its regular meeting duly held on October 21, 1986, resolved that in order to limit the liability of the property owners, promote fiscal integrity and insure the orderly operation of the Association, it is desirable that the Association incorporate;

WHEREAS, said resolution required the consent of owners of record of lots for building sites in the development having an aggregate area of not less than seventy-five percent (75%) of the voting power of the Association, pursuant to Article VII, Section 2 of the Bylaws; and

WHEREAS, the Board of Governors resolved to place before said owners for their approval the resolution adopted by the Board of Governors and set forth below:

NOW, THEREFORE, BE IT RESOLVED that the Bylaws shall be amended as follows:

1. The PREAMBLE shall be amended by deleting the first sentence thereof, and substituting in lieu thereof, the following sentence as paragraph 1 of the PREAMBLE.

"The La Cresta Property Owners' Association is an incorporated non-profit association formed for the maintenance, repair and upkeep of the private roads, drainage improvements, slope easements, water acquisition areas, and

The remainder of the PREAMBLE shall remain in full force and effect.

2. Each and every reference in the bylaws to "Board of Governors" shall be changed to "Board of Directors." Each and every reference contained in the Bylaws to "Governors" shall be amended to substitute the word "Directors," in lieu thereof. The substituted terms "Board of Directors" and "Directors" shall be amended so as to reflect each and every reference thereto, whether singular, plural, and possessive.

3. The remainder of the Bylaws of the La Cresta Property Owners' Association shall continue, in full force and effect, except as specifically amended herein.

4. The Association hereby agrees to adopt the existing bylaws of the La Cresta Property Owners Association, as presently constituted and amended as the bylaws of the newly formed corporation if incorporation is approved by the members of the Association.

IN WITNESS WHEREOF, the undersigned, being all of the members of the Board of Governors of La Cresta Property Owners' Association, have executed this proposed Amendment the day and year first written above.