

BY LAWS

BELL CANYON ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Bell Canyon Association, hereinafter referred to as the "Association." The principal office of the Corporation shall be located in the County of Ventura, California, but meetings (sic) of members and directors may be held at such places within the State of California as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

- Section 1. "Association shall mean and refer to Bell Canyon Association, its successors and assigns.
- Section 2. "Properties" shall mean and refer to all of Tract 2008-1 through 2008-7, in the County of Ventura, State of California, described as the Existing Property, plus any additional properties that may be added.
- Section 3. "Common Area" shall mean all real property, including private roads, owned by the Association for the common use and enjoyment of the members of the Association.
- Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision of the properties, with the exception of the common area.
- Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.
- Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties (but excluding those having such interest merely as security for the performance of a obligation) and shall include vendees of any such lot who purchase under an installment sales contract.
- Section 7. "Declarant" shall mean and refer to SPRUCE LAND CORPORATION, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.
- Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to Tract 2008-1 through 2008-7, recorded in the office of the County Recorder of Ventura County, California, and an amendments thereof, plus any additional properties that may be added.

ARTICLE III

MEMBERS

- Section 1. Member - Every owner of any lot which is subject by covenants of record to assessment by the Association shall be a member of the Association. The purchaser and not the seller under an installment sales contract covering the lot shall be entitled to membership in the Association while such contract is in effect. The existence of a mortgage or deed of trust on a lot shall not entitle the mortgagee or beneficiary to Association membership. Membership shall be appurtenant to and may not be separated from the fee ownership of any lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership.
- Section 2. Transfer - The membership held by any owner of a lot shall not be transferred, pledged or alienated in any way, except upon the sale of such lot, and then only to the purchaser. In the event the owner of any lot should fail or refuse to transfer the membership registered in his name to the purchaser of such lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new certificate to the purchaser, and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered: PROVIDED, HOWEVER, that notwithstanding anything to the contrary hereinabove set forth the owner shall be permitted to pledge his membership certificate to the holder of a first mortgage or first deed of trust (meaning any mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value. Said pledges shall be bound by the provisions of the Declaration, Articles of Incorporation and Bylaws of the Association.
- Section 3. Voting Rights - The Association shall have only one class of voting membership. Members shall be entitled to one vote for each lot in which they hold the interest required for membership. When more than one person holds such interest, or interests, in any lot, all such persons shall be members and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot. Said voting rights shall be subject to the restrictions and limitations provided hereinafter and in the Articles of Incorporation.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

- Section 1. Members' Easements of Enjoyment - Every member shall have a right and easement of enjoyment in and to the common area, and such easement shall be appurtenant to and shall pass with the title to every assessed lot, subject to the following provisions:
- a - the right of the Association by action of the Board to limit the number of guests of members;
 - b - the right of the Association by action of the Board to establish uniform rules and regulations pertaining to the use of the common area and the recreational facilities thereof;
 - c - the right of the Association by action of the Board to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area;
 - d - the right of the Association by action of the Board to suspend the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his lot remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Association, provided that any suspension of such voting rights or right to use of recreational facilities, except for failure to pay assessments, shall be made only by the Association or a duly appointed committee thereof, after notice and hearing, given and held in accordance with the Bylaws of the Association. Before any such action may be taken, at least ten (10) days written notice must be given to such member specifying the charges and stating the time and place of hearing on such charge. At such hearing, the member shall be given an opportunity to be heard and to present evidence in answer to such charge.
- Section 2. Delegation of Use - Any member may delegate, in accordance with the Bylaws, his right of enjoyment to the common area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.
- Section 3. Encumbrances -
- a. the right of the Association in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the common area and facilities and in aid thereof to mortgage said property.

ARTICLE IV, Property Rights in the Common Properties, Continued
Section 3., cont.

b. the right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast two thirds (2/3) of the votes of the membership has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than thirty (30) nor more than sixty (60) days prior.

ARTICLE V

MEETINGS OF MEMBERS

- Section 1. Annual Meeting - Each Annual Meeting of the Association shall be held in the month of October, at a time and place as designated by the Board of Directors in notice of Annual Meeting.
- Section 2. Special Meeting - A special meeting of the members may be called at any time by the president, by the Board of Directors, or upon written request of the members who are entitled to vote one-fifth (1/5) of all of the votes of the entire membership.
- Section 3. Notice of Meetings - Written notice of each meeting of the members shall be given by mail at least seven (7) days but not more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. All such meetings shall be held at a reasonable place, date and hour.
- Section 4. Quorum -
- a. a quorum shall consist of members of the Association entitled to cast fifty percent (50%) of the membership vote, proxies being allowed. If, however such quorum shall not be present, there shall be an adjourned meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time of the original meeting, at which meeting the quorum requirement shall be members entitled to cast twenty-five (25%) of the vote of the Association membership. There need be no notice of the adjourned meeting other than announcement by the chairman at the meeting.

ARTICLE V, Meetings of Members, continued
Section 4., cont.

b. the members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 5. Other Quorum Requirements - Notwithstanding Section 4, Article V, the quorum required for any action requiring members' assent under Articles VII, IX, X and XIII of the Articles of Incorporation shall be not less than the number or percentage of the entire membership required to take action under the applicable Article. If, however, such quorum shall not be present in person, or by proxy at any such meeting, the members entitled to vote thereat shall have the power to adjourn the meeting and without notice other than announcement at the meeting by the chairman, to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time of the original meeting was called, at which meeting the quorum requirement shall be only one half (1/2) of such required number or percentage.

Section 6. Proxies - At all meetings of the Association each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the meeting. However, no proxy shall be valid eleven months from date of its execution unless otherwise provided in the proxy. Except as otherwise provided in the Articles of Incorporation, Declaration or Bylaws a majority of those present and voting, in person or by proxy, shall prevail.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. Number - The affairs of this Association shall be managed by a Board of nine (9) directors who must be owners as defined in Article II, Section 6. The number of directors may be increased or decreased from time to time, but in no event shall there be less than five (5) directors, by amendment of these Bylaws or Articles of Incorporation.

Section 2. Election - Election shall be by ballot at the annual meeting. At such election members, or their proxies may cast as many votes as they are entitled to exercise under the provisions of the Declaration. Directors shall be elected by cumulative vote of the members.

Section 3. Term - Except as provided below in this Section 3 for the terms of the Amended 10/22/85 Directors to be elected in 1985, 1986 and 1987, the term of office of each Director of this Corporation shall be three years or until a successor is elected. At the Annual Meeting in 1985, five (5) Directors shall be

elected, and shall each serve for a two (2) year term. At the Annual Meeting in 1986, four (4) Directors shall be elected to serve terms as follows: the person elected at the meeting who receives the highest number of votes shall serve a three (3) year term; and the three other persons elected at that meeting shall each serve a two (2) year term. At the Annual Meeting in 1987, five (5) Directors shall be elected to serve terms as follows: the three persons elected at that meeting who receive the highest number of votes shall each serve a three (3) year term; and the other two persons elected at that meeting shall each serve a two (2) year term.

- Section 4. Vacancies - In the event of resignation, death or removal of a director, his successor shall be elected by ballot by the remaining members of the Board and shall serve for the unexpired term of his predecessor.
- Section 5. Compensation - No director shall receive compensation for any service he may render to the Association as a director, except he shall be exempt from payment on one only lot of Association regularly monthly assessment while serving as a director on the Board of Directors of the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.
- Section 6. Meetings - A quorum for the legal transaction of business shall be a majority of the number of directors.
- a. Regular Meetings - shall be held monthly, without notice, at such reasonable place, date and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.
- b. Special Meetings - of the Board of Directors shall be held when called by the president of the Association or by any two directors with notice of not less than three (3) days to each director.
- Section 7. Action Taken Without a Meeting - The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.
- Section 8. Nomination - Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting.

ARTICLE VI, Board of Directors, Continued
Section 8., cont.

a. Nominating Committee: the Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors at the time of election, and two or more members of the Association. The Nominating Committee shall be elected by the Board of Directors not more than ninety (90) days after the Annual Meeting; it shall serve from the date of its election until its successor is elected; the election of the Nominating Committee shall be recorded in the minutes of the Corporation. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations must be made from among members of the Association. The report of the Nominating Committee shall be attached to the Notice of the Annual Meeting.

ARTICLE VII

DUTIES OF THE BOARD OF DIRECTORS

Section 1. It shall be the duty of the Board of Directors:

a - to cause to be kept a complete record of all its acts and corporate affairs and to present a report thereof to the members at the Annual Meeting, or at any special meeting when such report is requested in writing by one fifth (1/5) of the entire membership entitled to vote;

b - to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

c - as more fully provided herein and in the Declaration,

1 - to fix, subject to the assent of the members as provided in the Declaration, the amount of the regular assessment against each lot at least thirty (30) in advance of each annual assessment period, as hereinafter provided in Article XI, and,

2 - to fix, subject to the assent of the members as provided in Declaration, the amount of any special assessment against each lot, as hereinafter provided in Article XI, and,

ARTICLE VII, Duties of the Board of Directors, continued
Section 1., cont.

3 - to send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period, if there is a change from the previous annual assessment.

d - to issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of this certificate. Such certificate shall be conclusive evidence of any assessment therein stated having been paid;

e - to procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;

f - to cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

g - to cause the Common Area to be maintained; and

h - to cause the exterior of the dwellings to be maintained in the manner and to the extent provided for in the Declaration;

l - to cause an annual audit of the Association books to be made at the completion of each fiscal year.

ARTICLE VIII

POWERS OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have power;

a. to adopt and publish rules and regulations governing the use of the Common Area and facilities, the personal conduct of the members and their guests thereon;

b. to exercise for the Association all powers, duties and authority vested in or delegated to the Association not reserved to the membership by other provisions of these Declarations, Articles of Incorporation or Bylaws;

c. to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board without notification and for good cause;

ARTICLE VIII, Powers of the Board of Directors, continued
Section I., cont.

d. to employ a manager, an independent contractor, managing agent (which may be a corporation) or such other employees as they deem necessary, and to prescribe their duties;

e. to establish, levy, assess and collect the assessments, or charges referred to in Article XI.

ARTICLE IX

OFFICERS

- Section 1. The officers of the Association shall be a president, vice-president, secretary and treasurer who shall be members of the Board of Directors. There may be such other officers as the Board may create from time to time by resolution.
- Section 2. Election - The officers shall be elected by the Board of Directors at the first regular meeting of the Board of Directors following the Annual Meeting of the Association.
- Section 3. Term - The officers shall hold office for one (1) year unless he shall sooner resign, be removed or otherwise disqualified to serve, or until his successor is elected.
- Section 4. Resignation & Removal - Any officer may be removed from office with or without cause by a majority vote of the entire Board of Directors. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time as specified therein, unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.
- Section 5. Vacancies - A vacancy in any office may be filled for the unexpired term in the manner prescribed for regular election.
- Section 6. Multiple Offices - The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Article IX, Section 1.

Section 7. Duties -

Amended 10/1/75 a. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign promissory notes;

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

c. the Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Association; keep the Corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and the Association; keep appropriate current records showing the members of the Association, together with their addresses, and shall perform such other duties as required by the Board;

Amended 10/1/75 d. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association; shall disburse such funds as directed by resolution of the Board of Directors; shall sign promissory notes of the Association; keep proper books of accounts; shall prepare an annual budget and a statement of income and expenditures to be reported to the membership at the Annual Meeting; said report shall be made available to the members of the Association at the Annual Meeting.

Adopted 10/1/97 e. Any one of the above four officers may sign any check under \$500.00; any two of the above four officers must sign any check of \$500.00 or more.

ARTICLE X

COMMITTEES

Section 1. The Association shall appoint an Architectural Committee as provided in the Declaration.

Section 2. The Board of Directors shall appoint other committees as deemed appropriate in carrying out its duties, such as, but not limited to;

a. Recreational Committee - which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association, and shall perform such other functions as the Board, in its discretion determines.

b. Maintenance Committee - which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement on the properties, and shall perform such other functions as the Board in its discretion determines;

c. Publicity Committee - which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association;

d. Audit and Budget Committee - which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at the Annual Meeting. The Treasurer shall be ex-officio a member of the committee.

Section 3. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, officer of the Association or board as is further concerned with the matter presented.

ARTICLE XI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each contract purchaser or owner of any lot, by execution of a contract or acceptance of such deed or other conveyance, is deemed to covenant and agree to pay to the Association;

1. Regular assessments or charges, and
2. Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the lot against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who is the owner of such property at the time the assessment fell due. The personal obligation shall pass to his successors.

Section 2. Purpose of Assessments - The assessments levied by the Association shall

ARTICLE XI, Covenant for Maintenance Assessments, continued
Section 2., cont.

be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the existing property and, in particular, for the improvement and maintenance of the existing property, services, and facilities devoted to this purpose and related to the use and enjoyment of the common area, and of the dwelling units situated upon the properties.

Section 3. Basis and Maximum of Regular Assessments - The basis and maximum amount of the regular assessments shall be as follows:

a. Until January 1 or the year immediately following conveyance of the first lot to an owner, the maximum regular assessment shall not exceed \$12.50 per lot per month.

b. From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum monthly assessment may be increased effective January 1 of each year by the Board of Directors of the Association without a vote of the membership, provided that any such increase shall not be more than twenty-five (25%) of the maximum assessment provided for in subsection "a" above, exclusive of any increases resulting from increases in real property taxes on the common area. Such monthly assessment shall continue in effect for the calendar year, which period shall be deemed to be the assessment period.

c. From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum regular assessment may be increased by the Board of Directors of the Association in an amount greater than provided for in subsection "b" above, for the next such period, for each succeeding period of twelve (12) months, provided that any such change shall have the assent of two-thirds (2/3) of the votes of the Association members, voting in person or by proxy, at the Annual Meeting, or a meeting duly called for such purpose, written notice of which be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

d. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the regular monthly assessment at a lesser amount than provided (sic) for above.

Section 4. Special Assessments for Capital Improvements - In addition to the regular assessments, authorized above, the Association may levy in any calendar year a special assessment applicable to that year only, for the

ARTICLE XI, Covenant for Maintenance Assessments, continued
Section 4., cont.

purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Association members, voting in person or by proxy, at the Annual Meeting or at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

- Section 5. Uniform Rate of Assessment - Both regular and special assessments shall be fixed at a uniform rate for all lots and may be collected on a monthly basis.
- Section 6. Quorum For Any Action authorized Under Sections 3 and 4 of this Article XI-
At the first meeting called pursuant to Section 3 or 4 of this Article, the presence at the meeting of members of the Association, or their proxies, entitled to cast sixty percent (60%) of all the votes of the Association shall constitute a quorum. If the required quorum is not forthcoming at such meeting, another meeting may be called, subject to notice thereof to the members, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the first called meeting. No such subsequent meeting shall be held earlier than two (2) days nor later than (60) days from the date of the preceding meeting.
- Section 7. Date of Commencement of Regular Assessment, and Fixing Thereof -
- a. The regular assessments provided for herein shall commence as to all lots in the existing property one (1) year following the conveyance to the Association of the common area. The Association, by a majority vote of its Board of Directors, may extend the commencement date of regular assessments to a time not later than one (1) year following the completion of all improvements and landscaping within the common area, or two (2) years from the date of conveyance of the common area to the Association, whichever is earlier, if Declarant, by a written agreement with the Association, commits to maintain the common area until such extended date.
 - b. Subject to the provisions of Section 3, hereof, the Board of Directors shall determine and fix the amount of the regular monthly assessments against each lot at least thirty (30) days in advance of each assessment period which shall be deemed to be for the twelve (12) months of each calendar year, provided that if the month of the commencement of the initial assessments shall be a month other than January, the assessment period shall be deemed to be to the end of such fractional calendar

Article XI, Covenant for Maintenance Assessments, continued
Section 7., cont.

year. Written notice of the assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors.

Section 8. Certificate of Payment - The Association shall, upon demand, furnish to any owner liable for said assessment, a certificate in writing signed by an officer to the Association, setting forth whether the regular and special assessments on a specified lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Provisions Regarding Road Reserves - The proceeds of all assessments levied by the Association for road reserves shall be held, administered and distributed in accordance with the provisions of this Section 9, as follows:

ADOPTED 10/22/86

a. Applications - This Section 9 shall apply to all assessments for road reserves per the June 30, 1986 statement (approximately \$149,000) and levied by the Association after October 1986. An assessment shall be deemed to be "for road reserves" to the extent the Board of Directors so specifies in the proposed resolution submitted for the approval of the members whether the assessment is made pursuant to Section 10(C) or to Section II of Clause V of the Declaration.

b. Use of Proceeds - The proceeds of any assessments subject to this Section 9 in full, and the portion of the proceeds of any assessments partially subject to this Section 9, shall be designated and accounted for as capital contributions to the Association, and the Board shall take such steps as may be reasonably necessary to prevent the funds from being taxed income of the Association. All such proceeds and all earnings thereon shall be maintained in segregated accounts and not commingled with other funds of the Association. Disbursements may be made from such segregated accounts only for the purposes of maintaining, operating, repairing, improving, reconstructing or replacing the roads owned by the Association, including any necessary fixtures and/or personal property related to such roads.

ARTICLE XII

EFFECT OF NON-PAYMENT OF ASSESSMENTS

REMEDIES OF THE ASSOCIATION

- Section 1. Delinquency - Any assessment provided for in this declaration, which is not paid when due, shall be delinquent. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the then legal rate, and the Association may at its option, bring an action at law against the owner personally obligated to pay the same, or, upon compliance with the notice provisions set forth in Section 2, hereof, to foreclose the lien (provided for in Article XI, Section 1 hereof) against the lot, and there shall be added to the amount of such assessment, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney's fee, together with the costs of action. Each owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosures against such owner, or other owners, for the collection of such delinquent assessments.
- Section 2. Notice of Lien - No action shall be brought to foreclose said assessment lien or to proceed under the power of sale herein provided less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the owner of said lot, and a copy thereof is recorded by the Association in the office of the County Recorder in which the existing property is located; said notice of claim must recite a good and sufficient legal description of any such lot, the record owner or reputed owner thereof, the amount claimed (which may be at Association's option to include interest on the unpaid assessment at the legal rate, plus reasonable attorney's fees and expense of collection in connection with the debt secured by said lien), and the name and address of the claimant.
- Section 3. Foreclosure Sale - Any such sale provided for above is to be conducted in accordance with the provisions of the civil code of the State of California, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association, through its duly authorized agents, shall have the power to bid on the lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.
- Section 4. Curing of Default - Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or re cord (sic), as the case may

be, an appropriate release of such notice, upon payment by the defaulting owner of a fee, to be determined by the Association, but not to exceed twenty-five (\$25.00) dollars, to cover the costs of preparing and filing or recording such release.

Section 5. Cumulative Remedies - The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgement for unpaid assessments, as above provided.

Section 6. Subordination of Assessment Liens - If any lot subject to a monetary lien created by the declaration shall be subject to the lien of a first mortgage or deed of trust;

1. the foreclosure of any lien created by anything set forth in this declaration shall not operate to affect or impair the lien of such mortgage or deed of trust; an (sic)

2. the foreclosure of the lien of such mortgage or deed of trust or the acceptance of a deed in lieu of the foreclosure by the mortgagee, shall not operate to affect or impair the lien hereof, except that the lien hereof for said charges as shall have accrued up to the foreclosure or the acceptance of the deed in lieu of foreclosure shall be subordinate to the lien of the mortgage or deed of trust, with the foreclosure-purchaser or deed-in-lieu-grantee taking title free of the lien hereof for all said charges that have accrued up to the time of the foreclosure or deed given in lieu of foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the foreclosure or deed given in lieu of foreclosure.

Section 7. Exempt Property - The following property subject to this declaration shall be exempted from the assessments, charges and lien created herein:

a. All properties subject to any easement or other interest dedicated and accepted by the local public authority and devoted to public use; and

b. all common areas as defined in Article II, Section 3, hereof.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association, its date of incorporation, and such other matters as may be required by the laws of the State of California.

ARTICLE XV

AMENDMENTS

The Bylaws may be amended at the Annual meeting or a special meeting, notice having been given by mail or at the previous meeting, by a two-thirds (2/3) vote of the membership of the Association, proxies being permitted, of those present and voting, except in those matters where the Declaration, Articles of Incorporation, or Bylaws specify a greater vote for action, in which case such vote shall be required for amendment. Notice of each proposed amendment shall be mailed to each owner not less than fourteen (14) days prior to said meeting.

ARTICLE XVI

PARLIAMENTARY AUTHORITY

Robert's Rules of Order, latest edition, shall govern the proceedings of this Association insofar as such rules are not inconsistent or in conflict with these Bylaws, Articles of Incorporation or Declaration.

ARTICLE XVII

MISCELLANEOUS

Section 1. Fiscal Year - The fiscal year of the Association shall begin on the first day of Uly (sic) and end on the 30th day of June of each year.

BY-LAWS

Page 18, Article XVII, Miscellaneous, continued

Section 2. Conflict - In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in case of any conflict between the Declaration and these Bylaws or Articles of Incorporation, the Declaration shall control.

ARTICLE XVIII

INDEMNIFICATION

Adopted 10/17/82 To provide for indemnification by the Association for directors and officers in permissible situations to the fullest extent provided by the Law, as in Section 7237 of the California Non-Profit Mutual Benefit Corporations Law.

IN WITNESS WHEREOF, we being all the directors of the Bell Canyon Estates Association have hereunto set our hand to the Revision of Bylaws this 19th day of September 1973.

By: S/B Robert A. Larsen
By: S/B Donald R. Couch
By: S/B John F. Moistner
By: S/B Barbara Tabachnick
By: S/B Charles W. Smith
By: S/B Stuart Lichtman
By: S/B Lynn F. Kasel
By: S/B Robert Hurdle
By: S/B Shirley L. Howard