

BY-LAWS OF
CASA CANON HOMEOWNER'S ASSOCIATION, INC.,
A California Non-Profit Corporation

ARTICLE I
NAME AND PURPOSE

The name of this corporation is the CASA CANON HOMEOWNER'S ASSOCIATION, INC., a California Non-Profit Corporation.

This corporation shall operate as a community association, immediately subsequent to the organization meeting, which organization meeting shall be held after the close of escrow of Fifty-One (51%) Percent of the condominiums (51 condominiums) in connection with the CASA CANON CONDOMINIUM PROJECT, or within one (1) year after the close of escrow of the first condominium in the project, whichever of the latter two events occurs first. The purpose of these By-Laws is to supplement in certain respects the Declaration of Covenants, Conditions and Restrictions, hereinafter referred to as "Conditions," heretofore recorded for the benefit of said project, and for the benefit of all purchasers and owners of condominiums within said project.

ARTICLE II

MEETINGS OF THE OWNERS

- (1) Place of Meetings: Meetings of the owners shall be held at the project, Anaheim, California, or at such other suitable place as may be designated by majority vote of the Board of Directors.
- (2) Annual Meetings: The annual meetings shall be held on the first Tuesday in May of each year, commencing the year following the year of the organization meeting, at 7:30 P. M. If such day be a legal holiday, then the annual meeting shall be held on the following day at the same time. At such meeting, there shall be elected by ballot, a Board of Directors, whose duties shall be as hereinafter provided. The owners may also transact at such annual meetings, such other business as may properly come before them.
- (3) Special Meetings: The President may call a special meeting of the owners at any time he deems the same necessary, or any Fifty-One (51) owners may petition the President, in writing, to call a special meeting, and in such event, the calling of such meeting by the President shall be mandatory.

(4) Notice of Meetings: It shall be the duty of the Board to mail or personally deliver a notice of each annual or special meeting, stating the time and place where it is to be held, to each owner, at least seven (7) days but not more than sixty (60) days prior to such meeting. In the case of special meetings, such notice shall state the purpose for which said meeting is called.

(5) Quorum and Voting: The rules concerning a quorum and voting shall be as set forth in Article III of said Conditions.

(6) Order: The order of business at all meetings of the owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of Minutes of preceding meeting.
- (d) Reports of Officers.
- (e) Election of Officers (Annual Meeting only)
- (f) Unfinished business.
- (g) New business.

(7) Parliamentary Procedure: All questions of Parliamentary Procedure shall be decided in accordance with Robert's Rules of Order.

ARTICLE III

OFFICERS

- (1) Designation: The officers shall be a President, Vice-President, Secretary, Assistant Secretary and Treasurer.
- (2) Election of Officers: The officers shall be elected by and from the Board of Directors, within seven (7) days after the organization meeting, following the election by the owners of the Board of Directors, and both Board members and officers shall hold office for one (1) year, unless removed as herein provided.
- (3) Removal of Officers: Upon an affirmative vote of Fifty-One (51%) Percent of the Board present and entitled to vote in any duly constituted meeting, any officer may be removed, either with or without cause, and his successor elected at any regular or special meeting of the Board called for that purpose. Any such person removed from his position as an officer, may remain on the Board, subject to the will of the owners pursuant to Article IV, Subsection 3.
- (4) Vacancies: In the event of a vacancy in any office because of death, incapacity, resignation, removal or any other cause, such vacancy shall be filled as promptly as possible by vote of the owners in the manner prescribed in the By-Laws for regular election to such office.

(5) President: The President shall preside at all meetings and shall have all of the powers and duties which are usually vested in the office of President of a non-profit corporation, including but not limited to, the power to appoint committees from among the owners, from time to time, and he may in his discretion, decide what is appropriate in connection with the management of the project.

(6) Secretary: The Secretary shall keep a record book in which he shall keep the Minutes of all regular and special meetings of the owners and in addition, an informal summary of all actions taken at all meetings of the Board. He shall also send out or deliver notices of all regular and special meetings of the owners and Board. In addition, he shall have all of the powers and duties usually vested in the Secretary of a non-profit corporation.

(7) Treasurer: The Treasurer shall maintain an accurate record of all of the receipts and disbursements in connection with the operation of the project. At such times as a professional management agent is not operating said project, he shall collect the maintenance charges periodically from each owner, give proper receipts therefor, and promptly deposit the same in a joint bank account.

(8) Signing of Checks: All checks for payment of obligations and expenses of the owners as a whole, must be signed by no fewer than two (2) of the officers. Until such time as a management agent may be employed, the Treasurer shall draw and sign all such checks and the President shall countersign all of the same when he is available. In the absence of the President or the Treasurer, the Secretary may sign and/or countersign checks. Further, during such time as a management agent may be employed, the Treasurer shall act as liaison officer between the Board of Directors and the management agent, if any.

ARTICLE IV

BOARD OF DIRECTORS

(1) Powers, Duties and Term of Board of Directors: The Board of Directors shall consist of five (5) members, all of whom shall be owners, and their powers, duties and terms shall be as set forth in Article III above, and as this appears in the Declaration of Covenants, Conditions and Restrictions. Declarant of said Conditions shall be deemed the owner of any unsold units for purposes of the election of the Board and further, Declarant, or his authorized agent shall be considered an owner for purposes of sitting on the Board.

(2) Election of the Board of Directors: A Board of Directors shall be elected by the owners at the organization meeting. Every owner entitled to vote at any election of the Board may cumulate his vote and give one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of votes to which his condominium or condominiums are entitled, or may distribute his vote on the same principal among as many candidates as he desires.

(3) Removal of the Board of Directors: The entire Board may be removed from office by an affirmative vote of Fifty-One (51%) Percent of the owners entitled to vote at any such election of the Board. However, an individual director may be removed only by the cumulative voting procedure set forth in Section 810 of the California Corporations Code.

(4) Meetings: In addition to the annual meeting provided in said Conditions, the Board shall meet at the call of the President, and no written notice of such meeting shall be required. The Secretary shall keep summarized informal written Minutes of such meetings in the Minute Book.

(5) Voting: A majority of the members of the Board shall constitute a quorum for the transaction of business, but no question may be decided on the vote of fewer than three (3) of the members.

ARTICLE V

FISCAL YEAR

The fiscal year for the operation of said project, shall be the calendar year, unless and until changed by action of the owners at a duly constituted meeting.

ARTICLE VI

LEASING

(1) That liability of any owner under these By-Laws, Conditions and under the covenants of his deed, shall continue, notwithstanding the fact that he may have leased his condominium for any period of time, to another person or persons.

(2) It shall be an express condition of the leasing of any condominium that the grantees or lessees thereof, read and agree to abide by all of the provisions of said Conditions, these By-Laws and all reasonable Rules and Regulations that may be enacted by the Board.

ARTICLE VII

MISCELLANEOUS PROVISIONS

(1) Amendment or Repeal of the By-Laws: These By-Laws and any thereof, may be amended or repealed by the vote or the written assent of owners representing at least Seventy-Five (75%) Percent of the voting power of the Association. Subject to such right of the members, said By-Laws may be amended or repealed by the Board of Directors; provided, however, that the By-Laws or amendment thereof, changing the authorized number of Directors only pursuant to Section 301 of the California Corporations Code; provided further, that no material change to these By-Laws may be made without approval of the Department of Real Estate of the State of California, In accordance with Section 11018.7 of the Business and Professions Code of the State of California.

(2) Suspension After Hearing: The Board of Directors or a committee duly appointed by the Board to act in such matters, after hearing and by majority vote, shall have the right to suspend the voting rights and right of a member to use the Common Area and recreational facilities of the Association for:

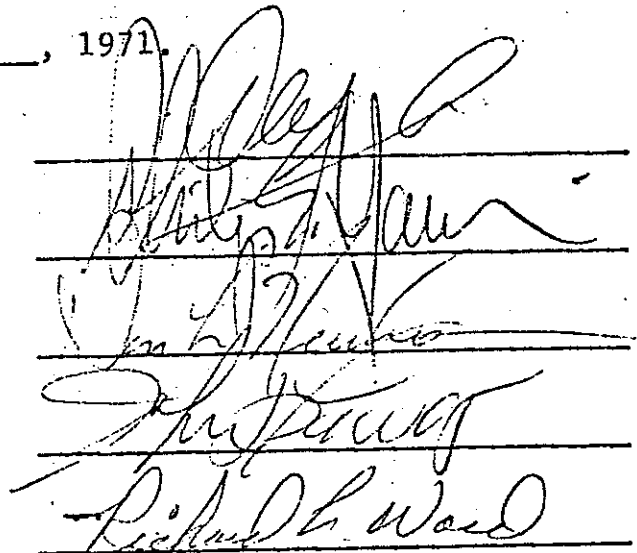
(a) His failure to pay any regular or special assessments; such suspension shall not exceed the period in which say payment remains delinquent; and

(b) His violation of the rules and regulations of the Association, provided that suspension for such cause shall not exceed thirty (30) days for any single violation.

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.

(3) Conflict: In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in the case of any conflict between the Declaration and these By-Laws or the Articles, the Declaration shall control.

IN WITNESS WHEREOF, we being all of the directors of the CASA CANON HOMEOWNER'S ASSOCIATION, INC., hereunto set our hands this 10 day of December, 1971.


Four handwritten signatures are written over four horizontal lines. The signatures are: 1. A large, stylized signature. 2. A signature that appears to be "John J. ...". 3. A signature that appears to be "Richard L. Ward". 4. A signature that appears to be "Richard L. Ward".

**FIRST AMENDMENT TO BYLAWS OF
CASA CAÑON HOMEOWNERS ASSOCIATION, INC.
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION**

Pursuant to Article VII, Paragraph 1 of the Casa Cañon Homeowners Association, Inc.'s Bylaws, dated December 10, 1971, the membership, voting by written ballot, approved the following amendments to the Bylaws, on October 15, 2002.

1. Article III, Section 2 of the Bylaws is hereby amended to read in its entirety as follows:

“2. Election of Officers.

Notwithstanding any other provision in the Bylaws to the contrary, at the 2003 annual meeting of the Members that follows the adoption of this amendment, all positions of the Board shall be filled. Of the Directors who are elected, the three (3) Directors who receive the highest number of votes shall be elected to serve two (2) year terms and the remaining two (2) Directors elected shall serve one (1) year terms. Upon the expiration of such terms, all successor Directors shall be elected to two (2) year terms.”

2. Article IV, Section 2 of the Bylaws is hereby amended to read as follows:

“2. Election of the Board of Directors.

In each election or matter to be voted on at any general or special meeting, there shall not be cumulative voting. At an election of directors, each lot shall have one vote for each vacancy to be filled but such votes shall not be voted cumulatively by casting more than one vote in favor of one candidate.”

Except as amended herein, the Bylaws of the Casa Cañon Homeowners Association, Inc., dated December 10, 1971, are hereby ratified and republished in their entirety.

CERTIFICATE OF SECRETARY

I, CARMEN DELIBRADO am the duly appointed and acting Secretary of Casa Cañon Homeowners Association, Inc., a California nonprofit mutual benefit corporation, and hereby certified that the foregoing Bylaw Amendment is a true and correct copy of the Bylaw Amendment adopted by the Association on 10/21, 2002, at Brea, California.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 21 day of October, 2002.

Carmen Delbrado
Secretary