

**BYLAWS
OF
VISTA HOMEOWNERS ASSOCIATION**

ARTICLE I

NAME AND LOCATION

The name of the corporation is VISTA HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association is located at 1170 Via Santiago, Vista, California, 92081. The principal office of the Association may be changed at any time by the Board of Directors.

ARTICLE II

DEFINITIONS

1. **"Association"** shall mean and refer to VISTA HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation.

2. **"Common Area"** shall be as defined in the Declaration.

3. **"Declaration"** shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Vista Homeowners Association, dated September 23, 1982, recorded at the San Diego County Recorder's Office on November 19, 1982 at File/Page No. 82-357994, and all amendments thereof.

4. **"Individual Lot"** shall be as defined in the Declaration.

5. **"Member"** shall be as defined in the Declaration. Whenever "member" or "membership" is used in these Bylaws for the purpose of determining quorums, percentages, or minimum or maximum numbers for voting as specified in these Bylaws, all persons who are Members because of their joint ownership of a particular Individual Lot shall be counted as one (1).

6. **"Owner"** shall be as defined in the Declaration. Whenever "owner" is used in these Bylaws for the purpose of determining quorums, percentages, or minimum or maximum numbers for voting, as

specified in these Bylaws, all of the Owners of a particular Individual Lot shall be counted as one (1).

7. The terms defined in the Declaration shall have the same meaning when used herein, unless the context clearly indicates a contrary intention.

ARTICLE III

MEETING OF MEMBERS

1. Annual Meetings. Annual meetings of the Members of the Association shall be held at such reasonable time, place, location, as may be designated by the Board of Directors from time to time, and as set forth in the notice of meeting sent to Members in accordance with these Bylaws. Unless unusual conditions exist, meetings shall not be held outside of San Diego County, California.

2. Special Meetings. Special meetings of the Members shall be called at any time by the Board of Directors upon: (a) the vote for such a meeting by a majority of a quorum of the Board of Directors, (b) by the president, or (c) receipt by the Board of Directors of a written request for such meeting signed by Members representing at least five percent (5%) of the total voting power of the Association.

3. Notice of Members' Meetings. Except as otherwise provided in the Declaration, written notice of each meeting of the Members shall be given by the Board of Directors by mailing a copy of such notice, postage prepaid, not less than ten (10) days nor more than ninety (90) days before such meeting, to each Member entitled to vote there at. The notice shall be addressed to the Member's address last appearing on the books of the Association or supplied by such Member for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

4. Quorum. Except as otherwise provided in the Declaration, the presence at any meeting, in person or by proxy, of the Owners of a majority of the Individual Lots shall constitute a quorum for the transaction of business at such meeting. In the absence of a quorum at a meeting, a majority of the Owners present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date, and the quorum for such resumed meeting shall

be the presence in person or by proxy of twenty-five percent (25%) of the total voting power of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting, after adjournment, then notice of the time and place of the adjourned meeting shall be given to Members in accordance with the provisions of Article III, Paragraph 3, of these Bylaws.

5. **Proxies.** At all meetings of Members, each vote entitled to be cast may be cast in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his/her Individual Lot.

6. **Action without Meeting.** Any action which may be taken by the vote of Members at a regular or special meeting, except the election of Board members (which must be held by secret ballot at a meeting of Members), may be taken without a meeting if done in compliance with the provisions of California Corporations Code Section 7513 (or any superseding statute).

7. **Vacancies.** Vacancies in the Board created by death or resignation may be filled by a vote of the majority of the remaining directors, though less than a quorum, and each director so elected shall hold office until his/her successor is elected at an annual meeting of Members or a special meeting called for that purpose.

If any director tenders his/her resignation to the Board, the Board shall have the power to elect a successor to take office at such time as his/her resignation shall become effective. If the number of directors is reduced, it shall not have the effect of removing any director prior to the expiration of his/her term of office.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

1. Number. The affairs of this Association shall be managed by a Board of seven (7) directors, all of whom must be Members of the Association, reside within the Community and in good standing, with all Assessments current and are not subject to any suspension of membership rights. Only one Owner per Individual Lot shall be eligible to serve on the Board at any time.

2. Terms of Office. The term of office for each director will be two (2) years. Members shall elect the directors in such a manner that, at one annual election, the number to be elected shall be four (4), and at the following annual election the number elected shall be three (3). However, at each annual meeting the Members must elect such number of directors as may be required to maintain the specified number of seven (7) Directors of the Board during the forthcoming year. The Nominating Committee shall set the nominated and elected Directors' terms of office to maintain the specified order of elections on an annual basis.

3. Removal. The entire Board of Directors or any individual director may be removed from the Board by a vote of Members holding a majority of the memberships entitled to vote at an election of Directors by secret written ballot. However, unless the entire Board of Directors is removed, an individual director shall not be removed prior to the expiration of his/her term of office, if the votes opposing removal, if cumulated, and all cast in favor of the director, would be insufficient to elect him/her to the Board. [See California Corporations Code 7222 (b)(1), or any superseding statute]. If any one (1) or all directors are so removed, new directors may be elected at the same meeting.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

1. 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. The Nominating Committee shall consist of a Chairman, who shall be a Member in good standing appointed by the Board of Directors no later than April 1 each year, and two (2) or more other Members of the Association appointed by the Chairman. The Nominating Committee, which shall serve until the end of the annual meeting, 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.

2. Voting. Voting of the Members may be by voice or by ballot, as required. However, all elections for directors shall be by secret written ballot. Cumulative voting is permitted for all elections for directors, subject to the following: At least one (1) member must state his/her intention to cumulate votes. [See California Corporations Code 7615, or any superseding statute.]

ARTICLE VI

MEETINGS OF BOARD OF DIRECTORS

1. **Regular Meetings.** Regular meetings of the Board of Directors shall be held monthly at a time and place within the Community fixed by resolution of the Board. Notice of the time and place of such meeting shall be posted at a prominent place or places within the Common Area and shall be communicated to Board members not less than four (4) days prior to the specified meeting unless the time and place of the meeting is fixed by these Bylaws; provided, however, that notice of a meeting need not be given to any Board member who has signed a waiver of notice or a written consent to holding of the meeting.

2. **Special Meetings.** A special meeting by the Board of Directors may be called by the president of the Association or by any two (2) members of the Board other than the president of the Association. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all members of the Board and posted in the manner for notice of regular meetings not less than ninety six (96) hours prior to the scheduled time of the meeting; provided, however, that notice of the meeting need not be given to any Board member who signed a waiver of notice or a written consent to holding of the meeting.

3. **Open Meetings.** Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

4. **Executive Sessions.** The Board may, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to discuss: (i) personnel matters, (ii) litigation

in which the Association is or may become involved, (iii) matters relating to the formation of contracts with third parties, (iv) Member discipline, or (v) to meet with a Member, upon the Member's request, regarding the Member's payment of Assessments, as specified in Section 1367.1 of the Civil Code (or any superseding statute). The nature of all business to be considered in executive session shall first be announced in open session and shall be generally noted in the minutes of the immediately following Board meeting that is open to the entire membership. The Board may also convene an executive session between open meetings to consider the items noted above. The nature of the business at such sessions shall be announced at the beginning of the next open meeting.

5. **Quorum.** A majority of the number of the directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

6. **Action Without a Meeting.** The Board may take an action without a meeting if all of the members of the Board consent in writing to the action to be taken. If the Board resolves by unanimous written consent to take an action, an explanation of the action to be taken shall be posted at a prominent place or places within the Common Area within three (3) days after the written consents of all members of the Board have been obtained.

ARTICLE VII

OFFICERS AND THEIR DUTIES

1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, a chief financial officer/treasurer and such other officers as the Board may from time to time by resolution create.

2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

3. Term. The officers of the Association shall be elected annually by the Board, and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

5. Resignation and Removal. Any officer may be removed from office with or without cause by a majority of the Board. 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 specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

7. Multiple Offices. No person shall simultaneously hold more than one (1) office except in the case of special offices created pursuant to Section 4 of this Article.

8. Duties. The duties of the officers shall be as follows:

(a) The president shall preside at all meetings of the

Board of Directors and the Members; see that orders and resolutions of the Board are carried out; and sign documents and written instruments on behalf of the Association.

(b) The vice-president shall act in the place and stead of the president in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

(c) The secretary or designee shall record the votes. The secretary shall keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and perform such other duties as required by the Board.

(d) The chief financial officer/treasurer (or at the option of the Board of Directors, the Association's designated agent) shall additionally receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; keep proper books of account; and prepare or cause the preparation of financial statements.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

BOOKS AND RECORDS

1. Member Inspection Rights. The membership register, books of account, and minutes of meetings of the Members, the Board of Directors and of committees of the Board of Directors shall be made available for inspection and copying by any Member of the Association (or by his/her duly appointed representative) for all purposes reasonably related to such Member's interest as a Member. A Member's rights of inspection shall be exercisable on ten (10) days' prior written demand on the Association, which demand shall state the purpose for which the inspection rights are requested. Further, if a Member desires to inspect the records in person, he/she shall give at least twenty-four (24) hours' notice to the secretary of the Association, of the records he/she desires to inspect, and of the date and time when he/she wants to inspect the records. The place where said items shall be available for inspection shall be the principal office of the Association or such other place within the Community as the Board of Directors may prescribe. The hours and days of the week when an inspection may be made are Monday through Friday (except legal holidays) from 9:00 a.m. to 3:00 p.m. Each Member requesting copies of documents shall pay the cost of reproducing the copies, upon receipt thereof.

2. Director's Inspection Rights. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association, and the physical properties owned or controlled by the Association. Every director shall also have the right to make extracts and copies of all such books, records and documents.

ARTICLE X

AMENDMENTS

1. **Amendments.** These Bylaws may be amended, at a regular or special meeting of the Members, by a vote or written consent of a majority of the voting power of the Association.

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

ARTICLE XI

INDEMNIFICATION

The Association shall, to the maximum extent permitted by the California law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was an agent of the Association. For purposes of this Article, an "agent" of the Association includes any person who is or was a director, officer, employee or other agent of the Association.

ARTICLE XII

DISCIPLINARY ACTION

1. **Forfeiture.** The Association shall not be empowered to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his/her Individual Lot, on account of the failure by the Owner to comply with provisions of the Association Governing Documents except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments duly levied by the Association.

2. Penalties.

a. In the event of a breach or violation of any provision of the Association Governing Documents by an Owner, his/her family or the Owner's guests, employees, invitees, licenses or tenants, the Board may undertake enforcement action against the affected Owner, including, but not limited to, the imposition of fines and monetary penalties, suspension of the Owner's right to use the recreation Common Facilities or suspension of the Owner's voting rights as a Member. However, neither the Association, the Board of Directors nor any other Committee acting on their behalf shall be entitled to impose monetary penalties, temporary suspensions of an Owner's rights as a Member of the Association or other appropriate discipline for failure to comply with the provisions of the Association Governing Documents unless the following procedures are followed with respect to the accused Member before a decision to impose discipline is reached:

(i) Fifteen (15) days prior notice of the proposed disciplinary action and the reasons therefore shall be given to the Member(s) (potentially) subject thereto; and,

(ii) The affected Member(s) shall have an opportunity to be heard, either orally or in writing, before the body seeking to impose the discipline not less than five (5) days before the effective date of the proposed disciplinary action.

b. The Board shall be entitled to adopt rules and or further elaborate and refine the procedures for conducting disciplinary proceedings.

c. Notwithstanding the foregoing, the Board or its duly authorized agents, may undertake immediate corrective or disciplinary action against an Owner, in circumstances involving conduct that constitutes: (i) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners, (ii) a traffic or fire hazard, (iii) a threat of material damage to, or destruction of, the Common Area or Common Facilities, or (iv) a violation of the Association Governing Documents that is of such a nature that there is no material question regarding the identity of

the violator or whether a violation has occurred (such as parking violations or late payment of Assessments).

d. Any notice required under this Article shall be given by a method reasonably calculated to provide actual notice. Any notice given by mail must be given by registered mail, return receipt required, sent to the last address of the affected Member shown on the Association's records.

e. The notice and hearing procedures set forth above shall not apply to any actions by the Association or its duly authorized agents to collect delinquent Assessments. Assessment collections and/or dispute resolution requirements related to Assessment collections shall be subject to procedures specifically applicable by law to Association Assessment collection.

3. Penalties as Assessments.

a. A monetary penalty imposed by the Association as a disciplinary measure for failure of a Member to comply with the Association Governing Documents shall not be characterized nor treated as an Assessment which may become a lien against the Members' Individual Lot enforceable by a sale of the Individual Lot.

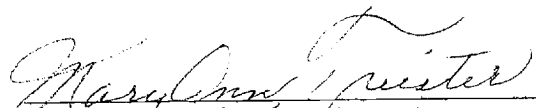
b. However, a monetary penalty imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to the Common Area for which the Member was allegedly responsible or in bringing the Member and his/her Individual Lot into compliance with the Association shall be characterized or treated as an assessment that may become a lien against the Member's Individual Lot enforceable by a sale of the Individual Lot.

c. Any charges imposed against an Owner consisting of reasonable late payment penalties for delinquent Assessments and/or charges to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorney's fees) in its efforts to collect delinquent Assessments shall also be characterized or treated as an assessment which may become a lien against the Member's Individual Lot enforceable by a sale of the Individual Lot.

CERTIFICATION

The undersigned hereby certifies that:

He/she is the duly elected secretary of VISTA HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation; and the foregoing Bylaws constitute the original Bylaws of said Association as subsequently lawfully revised on four (4) occasions.



Mary Ann Treister, Secretary

Dated: 9/27/06

**CERTIFICATION OF PRESIDENT AS TO APPROVAL OF
FIRST AMENDMENT TO BYLAWS OF VISTA HOMEOWNERS ASSOCIATION**

I, James E. Howe, declare and state as follows:

1. I certify that I am the current President of Vista Homeowners Association. ("Association").
2. This document is executed for the purpose of certifying the requisite approval for the First Amendment to Bylaws of Vista Homeowners Association ("First Amendment"), solicited by the Association, pursuant to California Civil Code Section 1363.05.
3. Article X, Section 1. Amendments, of the Association's Bylaws provides that Bylaws may be amended, at a regular or special meeting of the members, by a vote or written consent of a majority of the voting power of the Association.
4. I hereby certify that, according to the books and records of the Association at the time of the mailing of the Solicitation Statement and voting documents, there were two hundred and fifty-six (256) total membership votes which were entitled to be cast on the proposed Fourth Amendment. One vote is given per Individual Lot, to the Owners and Members of each of the two hundred and fifty-six (256) Individual Lots of the Association. As such, at least one hundred and twenty nine (129) votes of the total voting power must be cast in favor of the proposed First Amendment, in order to approve the proposed First Amendment to Bylaws.
5. After tabulating the ballots received at the Special Meeting of Members held on September 21, 2006, the vote count from Secret Ballots received from the Membership was as follows:

First Amendment to Bylaws of Vista Homeowners Association

<u>Total Votes Received</u>	<u>Yes</u>	<u>No</u>
178	170	8

6. Therefore, the requisite votes required of the Membership under the Association's Governing Documents to approve the First Amendment to Bylaws was obtained.

On behalf of the Association, I declare under penalty of perjury under the laws of the State of California that the foregoing facts are true and correct.

Executed on 20 Sept 2006, at Vista, California

By: James E. Howe
James E. Howe, President
Vista Homeowners Association

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On 26th Sept, 2006 before me, Cheryl Walker, a Notary Public in and for said State, personally appeared James E. Howe, Association President for Vista Homeowners Association, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Cheryl Walker
Notary Public in and for said State

