

X

BY-LAWS  
OF  
WINDING WAY COMMUNITY  
ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is WINDING WAY COMMUNITY ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located within the "Properties" as that term is hereinafter defined and at that particular address that the Board of Directors may from time to time determine.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to WINDING WAY COMMUNITY ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to M. J. BROCK & SONS, INC., a Delaware 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 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of County Recorder, Orange County, California.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9. "Unit" shall mean and refer to a lot and the improvements thereon.

Section 10. "Institutional Holder" shall mean and refer to any mortgagee or trust deed beneficiary which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within forty-five (45) days after the closing of the sale of the lot, unit or undivided interest, which represents the fifty-first (51st) percentile interest authorized for sale under the first public report for the Properties, but in no event shall such first meeting be held later than six (6) months after the sale of the first lot, unit or undivided interest of the subdivision. Each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Place of Meetings. Meetings, both regular and special, of Association members shall be held within the Properties or at a meeting place as close thereto as possible. In no event shall meetings of members be held outside of Orange County.

Section 3. Special Meetings. Special meetings of the members may be called at any time by a majority of a quorum of the Board of Directors, or upon written request of the members who are entitled to vote not less than twenty-five percent (25%) of the total voting power of the Association or by members representing not less than fifteen percent (15%) of the voting power residing in members other than Declarant.

Section 4. Notice of Meetings. Written notice of regular and special meetings of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 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 nature of the business to be undertaken.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, a majority of those members present or represented may adjourn the meeting to another time, but may not transact any other business. Such 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.

Section 6. Proxies. At all meetings of members, each member may vote 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 Lot.

#### ARTICLE IV

##### BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) Directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. However, unless the entire board is removed, an individual director shall not be removed if the number of votes against his removal exceeds the quotient arrived at when the total number of votes entitled to be cast is divided by one plus the authorized number of directors. It is further provided that if the individual Director to be removed was elected by the special procedure provided for in Article V, Section 2(b), said Director may be removed only by a majority vote of the owners excluding Declarant.

In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. 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.

#### ARTICLE V.

##### NOMINATION AND ELECTION OF DIRECTORS

Section 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 of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. 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 may be made from among members or nonmembers.

Section 2. Election. (a) Election to the Board of Directors shall be by secret written ballot. At such election, each member or his proxy, shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of

votes the member is entitled to exercise under the provisions of the Declaration, or to distribute his votes on the same principle among as many candidates as he desires. The candidates, up to the number of directors to be elected, receiving the highest number of votes shall be elected.

(b) In the event the owners, other than Declarant, do not have a sufficient percentage of the voting power of the Association to elect at least one director through the cumulating of all of their votes, one vacancy on the Board shall be designated as the non-Declarant owner vacancy and only the owners other than Declarant shall be entitled to vote for that vacancy. The candidate receiving the greatest number of votes from the Owners, other than Declarant, shall be elected to said vacancy.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, at such place within the Properties, 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. Notice of the time and place of each such regular meeting shall be posted at a prominent place or places within the Common Area.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, other than the President. Notice shall be given to each director and posted in the same manner as prescribed for notice of regular meetings not less than seventy-two (72) hours prior to the scheduled time of the meeting, and such notice shall specify the time and place of the meeting and the nature of any special business to be considered.

Section 3. Quorum. A majority of the number of 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.

Section 4. Conduct of Meetings. Regular and special meetings of the Board of Directors shall be open to all members of the Association provided, however, that Association members who are not on the Board of Directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board of Directors. The Board of Directors may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use and operation of the Common Area and facilities owned or controlled by the Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for a period of not to exceed thirty (30)

days for any infraction of published rules and regulations after reasonable written notice and on opportunity for a hearing before the Board of Directors of the Association.

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) 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 of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary; and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and



(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) prepare, or cause the preparation of, a balance sheet and an operating (income) statement for the Association and distribute copies thereof to each member of the Association within sixty (60) days of accounting dates as follows:

(1) a balance sheet as of an accounting date which shall be the last day of the month closest in time to six (6) months from the date of closing of the first sale of a subdivision interest to a member of the Association and an operating statement for an accounting period from the aforesaid date of first closing to the aforesaid accounting date. The operating statement for this approximate six month accounting period shall include a schedule of assessments received or receivable itemized by lot or unit number and by the name of the person or entity assessed; and

(2) a balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year.

(e) issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(g) cause all officers or employees having fiscal responsibilities to be bonded in a sum equal to 150% of the maximum annual assessment plus reserves, as it may deem appropriate;

(h) cause the Common Area to be maintained.

(i) provide written notice to and obtain the prior written approval of not less than Seventy-Five Percent (75%) of the Institutional Holders for:

(i) abandonment or termination of the Planned Unit Development; or

(ii) Material amendments to the Declaration, these By-Laws or the Articles of Incorporation of the Association.

(j) upon the written request of an Institutional Holder to the Board of Directors of the Association, the Institutional Holder shall receive what is requested of the following:

(i) copies of budgets, notices of assessments, or any other notices or statements provided under the Declaration or these By-Laws by the Association to the Owner of the Lot covered by the Institutional Holder's mortgage or deed of trust;

(ii) any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Owners;

(iii) copies of notices of meetings of the Owners;

(iv) notice of the decision of the Association to terminate professional management and assume self-management;

(v) notice of any substantial damage to the Common Area; or

(vi) notice of the commencement of any condemnation or eminent domain proceedings with respect to the Common Area.

Failure of the Association to provide any of the foregoing to an Institutional Holder who has made a proper request therefor shall not affect the validity of any action related to the foregoing.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. 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, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 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.

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

Section 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.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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.

Section 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 replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(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 all checks and promissory notes.

Vice-President

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

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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 shall perform such other duties as required by the Board.

### Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

## ARTICLE IX

### COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

## ARTICLE X

### 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 By-Laws 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. The Board of Directors shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the member desiring to make the inspection;

(b) Hours and days of the week when such an inspection may be made; and

(c) Payment of the cost of reproducing copies of documents requested by a member.

## ARTICLE XI

### ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 6 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

## ARTICLE XII

### CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:

WINDING WAY COMMUNITY ASSOCIATION, INCORPORATED

## ARTICLE XIII

### AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of each class of members present in person or by proxy, provided, however, that the percentage of the voting power of each class of members necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under the clause. The Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

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

## ARTICLE XIV

### MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of \_\_\_\_\_ Association, have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 1976.

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\_\_\_\_\_

STATE OF CALIFORNIA     )  
                                  )   SS.  
COUNTY OF LOS ANGELES )

On \_\_\_\_\_, 1976, before me, the under-  
signed, personally appeared \_\_\_\_\_

\_\_\_\_\_

known to me to be the persons whose names are subscribed to the  
within instrument and acknowledged to me that they executed the  
same.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public



CERTIFICATION

I, the undersigned, do hereby certify: THAT I am the duly  
THAT I am the duly elected and acting secretary of the  
WINDING WAY COMMUNITY ASSOCIATION, a \_\_\_\_\_  
corporation; and,

THAT the foregoing By-Laws constitute the original By-  
Laws of said Association, as duly adopted at a meeting of the  
Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_,  
1976.

IN WITNESS WHEREOF, I have hereunto subscribed my name and  
affixed the seal of said Association this \_\_\_\_\_ day of \_\_\_\_\_,  
1976.

\_\_\_\_\_  
SECRETARY