

BY LAWS
OF
DISCOVERY BAY PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

Offices

The principal office of the corporation for the transaction of its business is located in the County of Contra Costa, California.

ARTICLE II

Members

Section 1. Classes of Membership and Rights. The corporation shall have one (1) class of members only, and the property and other rights, interests, and privileges of each member in good standing shall be equal. No member shall hold more than one (1) membership in the corporation.

Section 2. Qualifications. Every beneficial owner (as distinguished from a security owner) of real property situated in the area known as Discovery Bay, sometimes hereinafter referred to as the "defined area", in Byron, County of Contra Costa, California, which area is more particularly described in the exhibit attached hereto, marked Exhibit "A", and incorporated herein, shall be eligible for membership in this corporation.

Section 3. Admission. Application for membership shall be in writing on a form prescribed by the Board of Directors. The application shall include, in addition to such other matters as shall be determined by the Board, an undertaking by the applicant to comply with and be bound by the Articles of Incorporation of this corporation, by these Bylaws, and by any amendments thereto, and by the policies, rules, and regulations at any time adopted

by the corporation in accordance with these Bylaws. Such applications shall be accompanied by a sum equal to one-twelfth of the annual dues as in these Bylaws provided, unless such dues have been paid by the applicant's predecessor in title of the property, and shall be acted on promptly by the Board of Directors.

Section 4. Termination of Membership. Membership in this corporation shall terminate on the death of the member or on his ceasing to be a beneficial owner of property within the defined area.

Section 5. Assignability of Membership. Membership in this corporation shall not be transferrable or assignable, except that any member may assign his membership rights to the tenant residing in or on his property within the defined area which property qualified said member for membership, and such assignment shall become effective on the filing by the member of a written notice of assignment with the Secretary of the corporation.

Section 6. Fees and Dues. (a) Neither application fees nor transfer fees shall be imposed or required.

(b) Annual dues shall be in an amount determined by the Board of Directors, provided, however, that such dues shall not exceed the sum of \$25.00 per year. Notwithstanding any other provision in these Bylaws, this Bylaw can be amended or repealed only by the vote of two-thirds or more of the members in good standing of this corporation and not otherwise.

(c) Annual dues shall be payable in advance on the 1st day of January, in each year.

(d) Any member who fails to pay dues for a period of ninety days from the date on which such dues become payable, or who fails to pay any assessment in full, as hereinafter provided,

on or prior to the delinquent date thereof, shall, for the purposes of voting, be considered a member not in good standing. Any member who fails to pay such dues for a period of ninety days from the date on which such dues become payable, or who fails to pay any assessment in full within ninety days after the delinquent date thereof, shall be dropped from active membership and his name shall be placed on the inactive roll. Such member shall not be reinstated to good standing in the corporation until he has paid all dues and assessments in full from the date on which they became delinquent. All members other than those described in this paragraph are members in good standing.

(e) In the event that any member whose dues are paid should terminate his membership as provided in Section 5 of this Article II of these Bylaws, his successor in title can acquire the benefit of such paid up dues by applying for and becoming a member of the corporation.

Section 7. Membership Certificates. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation. Each such certificate shall state the year for which it is valid and shall have printed on its face in clear type that the corporation is nonprofit. The form, size and contents of the certificate in all other respects shall be as fixed from time to time by resolution of the Board of Directors. Each certificate shall be consecutively numbered, signed by the President and by the Secretary, and sealed with the seal of the corporation.

ARTICLE III

Meetings of Members

Section 1. Annual Meetins. The members shall meet annually on August 6 at such time and place as shall be

fixed by the Board of Directors for the purpose of electing Directors and transacting such other business as may come before the meeting, provided, however, that if the Board so determines, Directors may be elected as provided in Section 4 of Article IV of these Bylaws, instead of at the annual meeting.

Section 2. Regular Meetings. In addition to the annual meeting, members shall be meet regularly at such time and place as shall be determined by the Board of Directors.

Section 3. Special Meetings. Special meetings of members may be called and held at such times and places as may be ordered by the Board of Directors. Special meetings of the members shall be called by the President or by the Board within 14 days after receiving a written request for such meeting signed by the holders in good standing of not less than 10 per cent of the voting power of the corporation.

Section 4. Notice. Written, typed, or printed notice of meetings shall be delivered either personally or by mail to each member in good standing addressed to him at his address as it appears on the books of the corporation, not less than seven days prior to the date of such meeting, by or at the direction of the Secretary.

Section 5. Contents of Notice. Notice of meetings of members shall specify the place, the day, and the hour of the meeting, and in the case of special meetings, the general nature of the business to be transacted.

Section 6. Quorum. The presence in person or by proxy of not less than 51 per cent of the voting power of the corporation shall constitute a quorum.

Section 7. Adjournment for Lack of Quorum. In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the members in good standing present in person or by proxy, but no other business shall be transacted.

Section 8. Notice of Adjourned Meeting. When a meeting of members is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than 30 days, it is not necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat other than by announcement at the meeting at which the adjournment is taken.

Section 9. Loss of Quorum. 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 10. Voting Rights. (a) Each member in good standing shall be entitled to vote on each matter submitted to a vote of the members subject to the following rules:

(i) Each member beneficially owning one or more single family dwelling lots within the defined area shall be entitled to the number of votes equal to the total number of such lots so owned by him.

(ii) Each member beneficially owning a multiple dwelling unit lot shall be entitled to one vote for such lot having zero to ten multiple dwelling units thereon, whether occupied or not, and one additional vote for each ten additional multiple dwelling units, or fraction thereof in excess of four thereon.

(iii) If two or more members own a single lot,

whether a single family dwelling lot or a multiple dwelling unit lot having ten or less multiple dwelling units thereon, within the defined area, they shall be entitled to one vote only for such lot; such joint owners shall designate and register with the Secretary of the corporation the name of the member who shall be entitled to cast the single vote.

(iv) If two or more members own a single multiple dwelling unit lot entitled to two or more votes, such owners may designate one of their number to cast all votes or divide such votes between them in such manner as they shall see fit, provided, however, that they shall register with the Secretary of the corporation the name of the single member who is entitled to cast all votes or the names of the members entitled to vote with the number of such votes each is entitled to cast because of the ownership of said lot, and provided, further, that the total number of votes so designated shall not exceed the number of votes to which such lot is entitled.

(b) No single vote shall be split into fractional votes.

(c) Voting at meetings, other than to elect Directors, shall be by voice vote, except as otherwise expressly provided in these Bylaws. Election of Directors shall be by secret ballot.

Section 11. Proxy Voting. Members in good standing may vote in person or by written proxy executed and filed with the Secretary, provided, however, that no proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy.

Section 12. Conduct of Meetings. (a) Meetings

is to be held other than at the annual meeting, at least 30 days' written notice thereof must be delivered to each member either personally or by mail addressed to him at this address as it appears on the books of the corporation. Any election by mail or polling shall be held in the month specified in Section 1 of Article III hereof for the holding of the annual meeting.

Nomination. (b) A candidate for the office of Director shall file a nominating petition with the Secretary no later than 30 calendar days nor earlier than 50 calendar days prior to the date of the annual meeting as specified in Section 1 of Article III of these Bylaws. The petition shall contain the signature or signatures of a member or members holding at least 10 votes. The member circulating the petition shall certify that all signatures appearing therein are valid and were witnessed by him, and such certification shall be made under oath before a notary public.

Polls. (c) Where votes are to be cast at polls, the place or places of such polls shall be within the defined area and written notice of such place or places shall be given to each member not less than 7 days in advance of the election date. Such polls shall be open from 8:00 a.m. to 8:00 p.m. on the day of election. Ballots shall be provided at each polling place and shall contain the names of all candidates qualifying as such under the provisions of this section and Section 3 of Article IV. Members shall be entitled to cast their votes secretly at the polls. On written application therefor received by the Secretary at least 15 days prior to the election, absentee ballots shall be furnished those members who will be absent on election day. The completed ballot must be delivered to, or mailed to and received by, the Secretary before 8:00 p.m. on election day. If a member receives an absentee ballot

Notice. (d) Notice of the time and place of meetings shall be given by, or at the direction of, the Secretary to each Director personally or by United States mail addressed to him at his address as it appears on the books of the corporation at least 7 days prior to the date of the meeting.

Quorum. (e) A majority of Directors shall constitute a quorum for the transaction of the business.

Conduct of Meetings. (f) The Board of Directors shall consider no business at any meeting at which a quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn, provided, however, that a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

(g) Meetings of Directors shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent or in conflict with these Bylaws, with the Articles of Incorporation, or with law.

(h) Meetings of Directors shall be presided over by the President of the corporation or in his absence by the Vice President or, in the absence of both, by a chairman chosen by a majority of the Directors present. The Secretary of the corporation shall act as Secretary of the Board, provided, however, that in the absence of the Secretary the presiding officer shall appoint a person to act as Secretary for the meeting.

Section 7. Majority Action as Board Action. Every act or decision done or made by a majority of the Directors present at any meeting duly held at which a quorum is present is the act of the Board of Directors, unless the law, the Articles of Incorporation, or these Bylaws require a greater number.

ARTICLE V

Officers

Section 1. Number and Titles. The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer.

Section 2. Qualification, Election, and Term of Office. Officers shall be members of the corporation and elected annually by the Board of Directors at the first regular meeting of the Board following the annual election of Directors, and each officer shall hold office until he resigns, or is removed, or is otherwise disqualified to serve, or until his successor shall be elected, whichever occurs first.

Section 3. Removal and Resignation. Any officer may be removed as such with or without cause by a majority of the Directors at the time in office, and such officer shall be removed as such should he cease to be qualified for the office as in these Bylaws provided. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall become effective on the date of receipt of such notice or at such later time as may be specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be required to make it effective.

Section 4. Vacancies. A vacancy in any office caused by the death, resignation, removal, disqualification, or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Duties of President. The President shall exercise general supervision of the affairs and activities of

the corporation, shall preside at all meetings of the members and Board of Directors at which he is present, and shall serve as an ex officio member of all standing committees.

Section 6. Duties of Vice President. The Vice President shall assume the duties of the President whenever the latter is absent or is unable or refuses to act.

Section 7. Duties of Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall be the custodian of all corporate records. He shall also keep at the principal office of the corporation a membership book containing the name and address of each member, and, in any case where membership has been terminated, record such fact in the book together with the date on which the membership ceased.

Section 8. Duties of Treasurer. The Treasurer shall receive all funds of the corporation, shall deposit such funds as provided in Section 3 of Article VII of these Bylaws, and shall pay out funds only on the written directive of the Board of Directors signed by the President. The Treasurer shall be an ex officio member of the Finance Committee.

Section 9. Compensation. Officers of the corporation shall serve without compensation, except that they shall be allowed and paid their actual and necessary expenses incurred in attending meetings of the Directors and members.

ARTICLE VI

Committees

Section 1. The corporation shall have such committees as established by the President.

Section 2. Terms of Office. Chairmen of Standing Committees shall serve until the next annual election of Directors and

until their successors are appointed unless they are removed earlier by the President or cease to be a Director. Members of Committees shall serve at the pleasure of the respective Chairmen.

Section 3. Vacancies. Any vacancy on any Committee may be filled in the same manner as provided in the case of the original appointment and any such appointee shall serve the unexpired portion of his predecessor's term.

ARTICLE VII

Instruments, Deposits, and Fund

Section 1. Contracts. The Board of Directors may authorize any officer or agent of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority, except as in these Bylaws provided, to bind the corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

Section 2. Checks. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by the Treasurer and countersigned by the President unless otherwise directed by resolution of the Board of Directors as provided in Section 1 of Article VII hereof.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositaries as the Board of Directors may select.

