

BY LAWS
OF
DISCOVERY BAY PROPERTY OWNERS ASSOCIATION, INC.
NON PROFIT ORGANIZATION

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 herein after 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. The member shall be upon payment of annual dues as to further outline shall 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 a sum equal to one-twelfth of the annual dues as in these Bylaws provided, unless such dues have been paid by the predecessor in title of the property.

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. Dues. (A) 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 Notwithstanding any other provision in these Bylaws, this Bylaw can be amended or repealed only by the vote of two-thirds or more of the members in good standing of this corporation.

(b) Dues. Shall be payable upon eligibility and renewable on the 1st day of January, in each year.

(c) 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 became 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 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.

ARTICLE III
Meetings of Members

Section 1. Annual Meetings. The members shall meet annually in September 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 of 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 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 percent 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% percent of the voting power of the corporation shall constitute a quorum, for annual meetings and special meetings as cited in Section 1 and Section 3 of Article III.

Section 7. Adjournment for Lack of Quorum. The absence of a quorum, the annual meeting or special meeting may be adjourned 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 until a new meeting date is announced by the Board of Directors. Not to exceed 30 days.

Section 8. 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 9. Voting Rights. (a) Each member in good standing shall be entitled to 1 vote as specified in Article II Section 1, on each matter submitted to a vote of the members.

(i) Two or more members owning a single multiple dwelling unit lot will be entitled to 1 vote. Such owners may designate one of their number to cast the vote 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 the vote.

(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 10. Proxy Voting. Members in good standing may vote in person or by written proxy executed and filed with the Secretary.

Section 11. Conduct of Meetings. (a) Meetings of members 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 chairperson chosen by majority of the members in good standing in person or by proxy. The Secretary of the corporation shall act as Secretary of all meetings of members, provided that in his absence the presiding officer shall appoint another person to act as Secretary of the meeting.

(b) Meetings 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 of the corporation, or with law.

ARTICLE IV Directors

Section 1. Number. The corporation shall have five Directors and collectively they shall be known as the Board of Directors.

Section 2. Powers. The Directors shall, subject to the limitations set forth in the Articles of Incorporation, exercise the powers of the corporation, control its property, and conduct its affairs.

Section 3. Qualifications. Each Director shall be a member of the corporation. Directors shall be eligible for

reelection without limitation on the number of terms they may serve, provided they continue to meet the qualifications therefor.

Section 4. Election and Term of Office. (a) Directors shall be elected at the annual meetings as set forth in Section 1 of Article III of these Bylaws, or by proxy, or at polls as provided in Paragraph (c) of this section, provided, however, that if the election 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) The Board of Directors shall appoint an election committee composed of 5 members, 60 days prior to the annual meeting. A Candidate for the office of Director shall file a nominating petition with the chairperson of the election committee no later than 30 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 signatures of at least 10 voters in good standing. The member circulating the petition shall certify that all signatures appearing therein are valid and were witnessed by him.

Polls. (c) Where votes are to be cast at polls, the place of such polls shall be the defined area and written notice of such place shall be given to each member not less than 7 days in advance of the election date. Such polls shall

be open from 7:30 to 10:00 P.M. on the evening of the 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 chairperson 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 chairperson before 10:00 P.M. on election day. If a member receives an absentee ballot and appears at the polling place on the day of election, he must first surrender his absentee ballot before casting his vote. No absentee ballots received at the polls later than 10:00 P.M. on the day of the election shall be valid. No absentee ballots to be opened prior to the counting of votes by the election committee.

(d) Candidates receiving the highest number of votes up to the number of Directors to be elected are elected.

Section 5. Vacancies. Any vacancy occurring in the Board of Directors and any vacancy created by reason of an increase in the number of Directors shall be filled by a majority of the remaining Directors, though less than a quorum or by a sole remaining Director. A Director elected to fill a vacancy shall serve the unexpired term of his predecessor.

Section 6. Meetings. Place. (a) Meetings of Directors shall be held as designated.

Regular Meetings. (b) The Board of Directors shall meet

regularly at least one each year on such day and at such time as it shall by resolution specify.

Special Meetings. (c) Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors.

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 meetings 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 Article 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 the 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 and 1 additional voting member.

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 exofficio 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. The Secretary shall also keep 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 Chairperson.

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, corporation, and such authority may be general

