

**BY-LAWS
HIALEAH ESTATES PROPERTY OWNERS ASSOCIATION**

**ADOPTED SEPTEMBER 28, 1975
AMENDED JULY 1987**

ARTICLE I - DEFINITIONS

1.01 SECTION I

The term Hialeah Estates shall mean all of the real property located in the County of San Diego, California, and more particularly described as follows:

All of the real property shown on that certain survey map entitled San Luis Rey Ranchos (hereinafter called "the Map") filed in the Office of the Recorder of the County of San Diego on the 30th day of January, 1969, according to Survey Map Number 7051 and more particularly described on Exhibit I of the Declaration of Protective Covenants, Restrictions and Conditions recorded February 13, 1969, in Document Number 26657.

SECTION 2

The term "Restrictions" shall mean the Declaration of Protective Covenants, Restrictions and Conditions applicable to the subdivided property as described in Section I, above, as the same may be amended from time to time in accordance with the terms thereof.

SECTION 3

Other terms used in these By-Laws shall have the meaning given to them in the Restrictions and the Articles of Association of this Association.

1.02 ORGANIZATION

This Association has been formed and exists as a non-profit association under the provisions of Title 3, Part I (SS 21000 et seq) of the Corporations Code of the State of California, and is referred to in these By-Laws as "the Association."

1.03 PURPOSE

The purposes for which the Association has been formed and exists are set forth in its Articles of Association. The general purpose of the Association is to promote the welfare of the members of the Association consistent with the needs and best interests of the community in which they own their properties.

1.04 BUSINESS ADDRESS

The mailing address of the Association shall be the place of residence of the President.

ARTICLE II - MEMBERS**2.01 CLASSES OF MEMBERSHIP & MEMBERSHIP RIGHTS**

The Association shall have one class of member only, and all rights, interest and privileges of all members in good standing shall be equal. Members shall hold one membership for each parcel of land owned by them. Any beneficial owner of real property situated in what is known as Hialeah Estates shall be eligible for membership.

2.01 (a) POWERS OF MEMBERS

The powers of a member may be exercised by an owner's conservator or by the guardian of his estate or, in the case of a minor having no guardian, the parent or parents entitled to the custody of such minor, or by the executor or administrator of a deceased owner during the administration of his estate.

2.01 (b) The spouse of every eligible beneficial owner of real property also shall be eligible for membership. However, only one voting membership exists for each parcel.

2.02 ADMISSION TO MEMBERSHIP

Applicants eligible for membership shall be admitted upon payment of dues.

2.03 TERMINATION OF MEMBERSHIP

Membership in the Association shall be terminated upon the death of a member, subject to the exceptions referred to in Paragraph 2.01 (a) or upon his ceasing to be eligible for membership. Membership may be terminated by written resignation submitted to the Secretary.

2.04 ASSIGNABILITY OF MEMBERSHIP

Membership shall not be transferable or assignable except as provided for in Paragraph 2.01 (a) and 2.01 (b).

2.05 MEMBERSHIP FEES AND DUES

(a) Membership dues shall be used only for expenses attendant to the business of the Association. They shall be set by the Board of Directors thirty days prior to the Annual Meeting and shall be subject to ratification by the membership. Dues shall be

payble upon admission to membership, and thereafter prior to, or at, the Annual Meeting.

(b) No application fee, initiation fee or membership fee shall be imposed.

(c) Any member who fails to pay dues timely shall, for a period of thirty days from the date upon which the dues became payable, be considered as a member not in good standing, at the end of which period he shall automatically be expelled. Expelled members may be reinstated upon payment of the current and delinquent year's dues. Resignees may be reinstated upon payment of current dues.

(d) Memberships shall be subject to assessment by the majority vote of the Board of Directors, but only in amounts necessary to assure proper maintenance of the members' jointly owned properties, but in no case to exceed Two Hundred Dollars (\$200.00) per parcel per year without the approval of the majority of the general membership.

(e) All members shall covenant and agree, for each parcel owned, to pay the dues and/or assessments as provided for in Paragraph 2.05 (a) and (d). Notification of such dues and/or assessments shall be mailed not less than thirty (30) days prior to the Annual Meeting. Notification of assessments shall be mailed not less than thirty days (30) prior to the due date as set by the Board of Directors. Assessments, if in default, together with interest, costs and reasonable legal fees, shall be a charge on the land and shall become a continuing lien upon said parcel. Each assessment, together with interest, costs and reasonable legal fees, shall also become a personal obligation of the owner of such parcel at the time the assessments became due and payable. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

2.06 SUSPENSION AND EXPULSION OF MEMBERS

A committee consisting of the Board of Directors plus not less than five (5) additional volunteer members in good standing shall be formed by the Board of Directors after invitation to membership on the committee is offered to the general membership. The committee shall inquire into any allegations of impropriety and decide what action(s), if any, shall be taken to suspend or expell a member for conduct which, in the committee's majority opinion, is likely to endanger the welfare or interests of the Association. In cases of violation of one or more sections of the By-Laws, or of the C.C. & R.'s, the committee is empowered to take such legal action as may be necessary to have such violation or violations corrected if, after notification of the existence of such violation or violations, the member shall not, within thirty (30) days, instigate corrective measures. The decisions of the committee shall be final and conclusive.

In the event that a full committee cannot be formed, it, nevertheless, shall be empowered to function with a lesser number of members, but in no event with less than seven. A two-thirds (2/3) majority vote shall be required for any action. All voting shall be by ballot.

Request for inquiry shall detail the alleged violation(s) and shall be in written form, submitted to the Board of Directors. Any member in good standing may submit such a request.

ARTICLE III - MEMBERSHIP MEETINGS

3.01 ANNUAL MEETING

Members shall meet annually on the first Sunday of May and at such time and place as shall be fixed and determined by the Board of Directors for the purpose of electing Officers and/or Directors for the ensuing term and transacting such other business as may come before the meeting.

3.02 NOTICE OF MEETINGS

Written notice of each annual and special meeting shall be given each member in good standing either personally or by mail or other means of written communication, charges prepaid, addressed to such member at his address appearing on the membership records of the Association or given by him to the Association for the purpose of notice. If a member gives no address, notice shall be deemed to have been given to him if sent by mail or other means of written communication addressed to his residence address furnished to the Association at the time of admission into membership. All notices shall be sent to each member entitled thereto not less than twenty (20) days prior to such meeting. Such notice shall specify the place, day and hour of such meeting, the general nature of the business to be transacted, and such other matters, if any, as may be expressly required by law.

3.03 SPECIAL MEETINGS

Special meetings may be called by a majority of the Board of Directors or by not less than twenty-five percent (25%) of the members granting written permission. Special meetings may be held by mail ballot.

3.04 QUORUM

The presence in person, by proxy or by mail ballot, at any meeting of members in good standing representing not less than two-thirds (2/3) of the parcels of land in Hialeah Estates shall constitute a quorum for the transaction of business.

3.05 ADJOURNMENT FOR LACK OF QUORUM

In the absence of a quorum, no business shall be transacted and the meeting shall be adjourned.

3.06 NOTICE OF ADJOURNED MEETING

When a meeting is adjourned, notice of the time, date and hour of the adjourned meeting reconvening shall be sent to all members in good standing within forty-eight (48) hours following adjournment. Adjourned meetings may not be reconvened within less than seven (7) days.

Meetings may be recessed for periods of twenty-four (24) hours or less. Notification of such recess shall not be required.

3.07 VOTING RIGHTS

Each member in good standing shall be entitled to one (1) vote for each parcel of land he represents on each matter submitted to a vote of the membership. If the several owners of a parcel disagree, each may then vote his proportionate share of the vote allotted that parcel. Voting may be by voice vote, by proxy or by direct or mail ballot, providing however, that an election of directors or officers must be by ballot if requested by any member before the voting begins.

3.08 PROXIES

Only written proxies shall be recognized. Such proxy shall be filed with the Secretary of the Association prior to the meeting and shall be valid only for voting at that particular meeting, including any adjournments thereof.

3.09 NEW BUSINESS

Motions proposed under new business shall be submitted to the President not less than twenty-five (25) days prior to the Annual Meeting that they may be included in the notice of the meeting. Motions for new business not included in the notice of the Annual Meeting may be passed only by a majority aye vote of the members of the Association. In the absence of a majority aye vote at the meeting, the membership shall be polled by mail. The Secretary shall mail ballots to the membership not more than ten (10) days following the date of the Annual Meeting. The motion will be considered failed if it has not received a majority of "aye" votes from the total membership entitled to vote by the end of the forty-five (45) days from the date of the Annual Meeting. This section shall also apply to special meetings.

ARTICLE IV - DIRECTORS

4.01 POWERS

Subject to limitations of the Articles of Association, of the By-Laws, C.C.& R.s and the laws of the State of California, the Board of Directors shall have the power to conduct, manage and control the affairs and business of the Association and to make rules and regulations pertaining thereto.

4.02 NUMBER & QUALIFICATIONS OF DIRECTORS

The Board of Directors shall consist of five (5) members. All shall serve without compensation. Each shall be a member in good standing. Each Officer shall serve as one of the five Directors.

4.03 REGULAR MEETINGS

The Board of Directors shall, by resolution, provide for regular meetings of the Board.

4.04 SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the President or by any two (2) Directors. Special meetings shall be called if requested by any five (5) members in good standing. Notice of the time and place of special meetings shall be communicated personally to each Director or sent to each by mail or any other form of written communication, charges prepaid, and addressed to him at his residence address as it is shown in the records of the Association. If such notice is mailed or telegraphed, it shall be deposited in the U. S. Mail or delivered to the Telegraph Company, California, at least three (3) working days prior to the time of holding of the meeting. Such mailings, telegraphing or other communication, as provided above, shall constitute due, legal and personal notice. Time requirements stated above may be waived by agreement of a majority of the Board agreeing that an emergency exists.

4.05 QUORUM

A majority of Directors shall constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors shall be considered as the act of the full Board of Directors, unless a greater number be required by law, the Articles of Association or these By-Laws.

4.06 WAIVER OF NOTICE

A Director may waive lack of proper notice of a meeting by (1) written waiver, (2) attendance or participation in a meeting. Waivers of notice shall be noted in the minutes.

4.07 ADJOURNMENTS

A majority of the Directors present may adjourn or recess any meeting to meet again at a stated day, hour and place.

4.08 NOTICE OF ADJOURNMENT OR RECESS

Notice of the time and place of holding an adjourned or recessed meeting shall be communicated to absent Directors within twenty-four (24) hours of the time of adjournment or recessing.

4.09 REMOVAL

The entire Board of Directors or any individual Director may be removed from office at any membership meeting by affirmative vote of a majority of the members entitled to vote. Such removal may be effected by mail ballot.

ARTICLE V - OFFICERS**5.01 OFFICERS**

The Officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. No person shall hold more than one (1) office. All Officers shall be members in good standing. Each Officer shall hold office until (1) he resigns, (2) is removed from office by vote of the membership, (3) is disqualified for the office, or (4) his successor shall be elected and take office.

5.02 REMOVAL AND RESIGNATION

Any Officer may be removed by affirmative vote of a majority of members entitled to vote. The term of office of any Officer shall cease and terminate if and when he shall cease to be qualified for the office as in these By-Laws provided. Any Officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Any such resignation shall become effective on the date of receipt or at such later date as may be specified therein.

5.03 PRESIDENT

The President shall be the Chief Executive Officer and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the affairs and activities of the Association. He shall preside at all meetings at which he is present and shall serve as an ex-officio member of all standing committees. He shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.

5.04 **VICE-PRESIDENT**

In the absence of, or upon the disability of the President, the Vice-President shall perform all of the duties of the President and, when so acting, shall have all of the powers and be subject to all the restrictions incumbent upon the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for him by these By-Laws or by the Board of Directors.

5.05 **SECRETARY**

The Secretary shall keep or cause to be kept, a book of minutes of all meetings of the membership or of the Board of Directors. It shall specify the time and place of such meetings, whether regular or special and, if special, how authorized and the notice thereof given. The names of all persons present at any meeting or represented therein shall be recorded along with the proceedings thereof. The Secretary shall keep copies of all communications to or from the Association. He shall also keep a membership book containing the name and address of each member, the effective date and, in cases where membership has been terminated, the date on which membership ceased. He shall give, or cause to be given, notice of all meetings and shall report to the membership the actions taken at such meetings. He shall be custodian of all Association records. Such records shall be made available for examination by any member in good standing upon request in writing.

5.06 **TREASURER**

The Treasurer shall keep and maintain a full and complete set of books and records of all assets, liabilities, receipts, disbursements, business and financial transactions of the Association. Such books and records shall be maintained in accordance with generally accepted accounting principles consistently applied. The books of account shall, at all reasonable times, be open to inspection by any member in good standing. The Treasurer shall receive all funds of the Association and shall deposit all monies and other valuables in the name of, and to the credit of the Association in such depositories as may be specified by the Board of Directors. He shall disburse funds as may be ordered by the Board of Directors. He shall render, upon request, by either the President or the Board of Directors, an account of all of his transactions as Treasurer and of the financial condition of the Association during his term in office. A current financial report shall be rendered at the Annual Meeting. He shall have such other powers and perform such other duties as may, from time to time, be prescribed by the Board of Directors.

ARTICLE VI - ELECTION OF OFFICERS AND DIRECTORS**6.01 NOMINATING COMMITTEE**

A Nominating Committee consisting of five (5) members in good standing and containing not more than two (2) members of the Board of Directors, shall be appointed by the Board of Directors not less than fifty (50) days prior to the annual membership meeting. It shall be the duty of the Committee to present, not less than twenty-five (25) days prior to the annual meeting, a list containing the names of members proposed to fill the coming vacancies. The action of the Committee shall, in no way, prevent further nominations for such offices by any member in good standing.

6.02 ELECTION PROCEDURE

Officers and Directors shall be elected by a majority vote of the membership casting votes.

6.03 TERM OF OFFICE

Officers and Directors At Large shall be elected for terms of two (2) years. The President, Vice-President and Secretary shall be elected on even numbered years. The Treasurer and Director At Large shall be elected on odd numbered years.

6.04 ELECTION AT SPECIAL MEETING

Directors and/or Officers may be elected at a special meeting held for that purpose by the general membership.

6.05 VACANCIES

Vacancies in the Board of Directors may be filled by a majority vote of the remaining Directors. Each Director so appointed shall hold office only until his successor is elected at the next annual or special meeting. If a quorum does not exist in the Board of Directors, a special meeting shall be held to fill the vacancies. A vacancy shall be deemed to exist (a) upon the death, resignation or removal of a Director, (b) if any Director ceases to be the record owner of a parcel of land in Hialeah Estates, (c) the authorized number of Directors is increased, or (d) the full authorized number of Directors is not elected at the annual or a special meeting held for that purpose.

ARTICLE VII - RESTRICTIONS - ARCHITECTURAL COMMITTEE**7.01 RESTRICTIONS BY DEED, DECLARATION**

It is and shall be the policy and purpose of the Association to support and enforce all legally enforceable restrictions created by deed, declaration or restrictions or other

instrument duly recorded in the Office of the County Recorder of San Diego County, California, affecting each parcel of real property located within the membership area as defined in Section 1.01 of these By-Laws.

7.02 MUNICIPAL ORDINANCES

It is and shall be the policy of the Association to advise and consult with employees of the Planning Department and other officials of the County of San Diego and to appear before the Planning Commission and Council of said County in matters pertaining to zoning, minimum lot size and building ordinances affecting real property located within the membership area of the Association as defined in Article I, Section 1.01.

7.03 ARCHITECTURAL COMMITTEE

The Board of Directors is authorized and empowered to constitute and appoint an Architectural Committee composed of the President, Vice-President and three (3) other persons, not members of the Board of Directors. The Board of Directors, in its discretion, may appoint persons as members of the Committee who possess professional, technical or business education, skills or capacities, notwithstanding that they are not members of the Association, provided that not less than a majority of the members of the Committee shall be members of the Association. The Architectural Committee shall organize as it may see fit, provided that the Chairman of the Committee shall be appointed and designated by the Board of Directors of the Association. Any and all actions by the Architectural Committee shall be taken upon concurrence by a majority of its members.

7.04 POWERS OF ARCHITECTURAL COMMITTEE

Any and all power and authority in respect to approval or disapproval on the part of this Association of any improvements erected upon any real property located within the membership area shall be exercised by the Architectural Committee and shall be binding upon this Association and its members.

ARTICLE VIII - MISCELLANEOUS

8.01 CONTRACTS

The Board of Directors may authorize any officer or agent of the Association, in addition to the Officers so authorized under these By-Laws, to enter into any contract or execute and deliver any instrument in the name of, and in behalf of, the Association, 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 By-Laws provided, to bind the Association by any contract or engagement or

to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

8.02 APPEARANCE BEFORE COUNTY PLANNING COMMISSION, ETC.

The Board of Directors is authorized and empowered to appoint such persons, from time to time, as it shall deem appropriate, to appear before any agency of the County of San Diego and to represent the Association and its membership in matters of interest to the Association and its members or affecting the general welfare of members of the Association.

8.03 INDEBTEDNESS

The Board of Directors shall have the power to incur indebtedness in the amount not to exceed Three Thousand Dollars (\$3,000.00) without prior authorization. The terms and amounts of any indebtedness shall be entered in the minutes of the meeting of the Board of Directors at which the same is authorized, and any note or written obligation evidencing the indebtedness shall be signed by the President and Treasurer, whereupon the indebtedness shall be binding upon the Association. Any indebtedness of the Association in excess of Three Thousand Dollars (\$3,000.00) shall be incurred only with the approval of a majority of the members in good standing and entitled to vote.

8.04 DEPOSITS

All funds of the Association shall be deposited to the credit of the Association at such banks, trust companies or other depositories as the Board of Directors may select.

8.05 CHECKS, DRAFTS, ETC.

All checks, drafts or orders for the payment of monies, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time, by resolution of the Board of Directors, but in no instance by less than two Directors.

8.06 GIFTS

The Board of Directors may accept on behalf of the Association any contribution, gift or device for the general purpose or for any special purpose of the Association.

8.07 CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California General Corporation Law shall govern the construction of these By-Laws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular

includes the plural, and the plural number includes the singular and the term "person" includes the Association as well as a natural person.

ARTICLE IV - ANNEXATION BY CONSENT OF THE MEMBERS

9.01 Additional residential property, and or common areas, may be annexed to Hialeah Estates with the prior written consent of two-thirds (2/3) of the property owners of Hialeah Estates. Such annexation must be recorded in the Office of the County Recorder of the County of San Diego, California, and contain the following:

(1) A legal description of the annexed property, the names and addresses of the owner or owners of record, and

(2) A statement submitting the annexed property to the Articles of Association, the By-Laws and the Declaration of Protective Covenants, Restrictions and Conditions as from time to time amended and originally recorded on February 13, 1969, in Document Number 26657 in the Office of the County Recorder, County of San Diego, which shall be referred to by title and date, book and page of recording.

ARTICLE X - BY-LAWS - AMENDMENTS

10.01 EFFECTIVE DATE

These By-Laws shall become effective immediately upon their adoption. Amendments to these By-Laws shall become effective immediately upon their adoption unless the Board of Directors or members, in adopting them, provide that they are to become effective at a later date.

10.02 AMENDMENT BY MEMBERS

New By-Laws may be adopted or these By-Laws amended or repealed by majority vote of members entitled to vote except as otherwise provided by law or by the Articles of Association.

10.03 INSPECTION OF BY-LAWS

A copy of these By-Laws and of the Articles of Association shall be furnished each member upon acceptance into the Association.

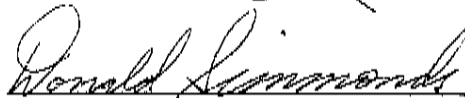
The Association shall keep at its principal office the original or a true copy of the By-Laws and of the Articles of Association, as amended or otherwise altered to date, certified by the Secretary, which same shall be open to inspection by the membership at all reasonable times.

RESPECTFULLY SUBMITTED THIS 15th DAY OF July, 1987

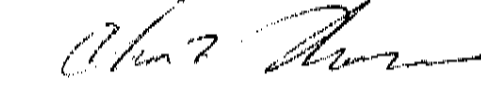
COMMITTEE ON REVISION OF THE BY-LAWS OF
HIALEAH ESTATES PROPERTY OWNERS ASSOCIATION



Angus Graham, Chairman



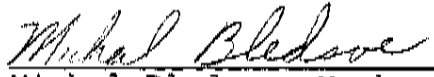
Donald Simmonds, Member



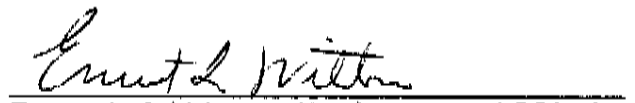
Charles Thomas, Member



Gerald Odegaard, Member



Michal Bledsoe, Member



Ernest Witten, Member Ex-Officio