

---

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

(Revised pursuant to board approval in order to update Davis-Stirling Act references.)

---

---

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

---

ARTICLE I. NAME AND LOCATION ..... 1

    1.01 Corporation..... 1

    1.02 Principal Office ..... 1

ARTICLE II. DEFINITIONS..... 1

    2.01 Definitions ..... 1

    2.02 References ..... 1

ARTICLE III. BYLAWS APPLICABILITY..... 1

    3.01 Applicability..... 1

ARTICLE IV MEMBERSHIP AND VOTING ..... 2

    4.01 Eligibility..... 2

    4.02 Termination and Transfer..... 2

    4.03 Classes of Membership ..... 2

    4.04 Voting..... 4

    4.05 Record Dates ..... 4

ARTICLE V. OWNERS MEETINGS..... 6

    5.01 Place of Meeting..... 6

    5.02 Annual Meeting..... 6

    5.03 Special Meetings ..... 6

    5.04 Notice of Meeting..... 6

    5.05 Quorum..... 7

    5.06 Proxies..... 8

    5.07 Conduct of Owner Meetings ..... 8

    5.08. Action..... 8

ARTICLE VI. ACCESS AND NOTICE REQUIREMENTS..... 9

    6.01 Access to Records ..... 9

    6.02. Notices, Reports, and Copies of Association Documents ..... 11

ARTICLE VII. BOARD OF DIRECTORS; ELECTION; TERM OF OFFICE..... 12

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

7.01 Number and Election of Directors .....	12
ARTICLE VIII. MEETINGS OF DIRECTORS.....	13
8.01 Organizational Meeting.....	13
8.02 Regular Meetings .....	13
8.03 Special Meetings .....	14
8.04 Notice of Special Meetings .....	14
8.05 Quorum.....	14
8.06 Posting of Notices .....	14
8.07 Notice of Adjourned Meetings.....	14
8.08 Waiver of Notice .....	15
8.09 Open Meetings .....	15
8.10 Executive Session.....	15
8.12 Board Actions Without a Meeting .....	15
8.13 Notice of Actions .....	16
ARTICLE IX. ASSOCIATION DUTIES AND RESPONSIBILITIES.....	16
9.01 Association Duties.....	16
ARTICLE X. POWERS AND DUTIES OF THE BOARD OF DIRECTORS. ....	17
10.01 Duties of the Board .....	17
10.02 Powers of the Board .....	18
10.03 Additional Powers .....	19
10.04 Prohibited Board Actions and Delegations .....	20
10.05 Actions Requiring Member Assent.....	21
10.06 Contracts with Interested Directors.....	22
10.07 Alternative Dispute Resolution (Association Disputes).....	22
10.08 Dispute Notification and Resolution Procedure (Declarant Disputes).....	23
ARTICLE XI. OFFICERS.....	26
11.01 Designation and Enumeration of Officers.....	26
11.02 Election of Officers .....	26
11.03 Term .....	26
11.04 Special Appointments .....	26
11.05 Resignation and Removal.....	26

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

11.06 Vacancies .....	26
11.07 President.....	26
11.08 Vice President .....	27
11.09 Secretary.....	27
11.10 Chief Financial Officer.....	27
11.11 Execution of Documents .....	27
ARTICLE XII. COMMITTEES.....	28
12.01 Purpose of Committees .....	28
12.02 Appointment of Committees .....	28
ARTICLE XIII. FINANCIAL INFORMATION AND REQUIREMENTS.....	28
13.01 Budgets and Financial Statements.....	28
13.02 Reserve Studies .....	30
13.03 Reserve Account Fund Management .....	31
ARTICLE XIV. ASSESSMENT OBLIGATIONS.....	32
14.01 Regular and Special Assessments .....	32
ARTICLE XV. INDEMNIFICATION.....	33
15.01 Owner's Liability.....	33
15.02 Nonliability of Agents.....	33
15.03 Indemnification of Corporate Agents.....	33
15.04 Approval by Board.....	34
15.05 Payments .....	34
15.06 Expenses of Defense .....	34
ARTICLE XVI MORTGAGEES.....	34
16.01 Notice to Association .....	34
16.02 Notice of Unpaid Assessments.....	35
ARTICLE XVII. ENFORCEMENT AND MEMBER DISCIPLINE.....	35
17.01 Suspension.....	35
17.02 Fines .....	35
17.03 Delinquent Assessments and Liens.....	36
17.04 Remedies Cumulative .....	36
17.05 Attorneys' Fees.....	36

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

ARTICLE XVIII. AMENDMENTS.....	37
18.01 Amendment of Declaration .....	37
18.02 Amendment of the Articles .....	37
18.03 Amendment of the Bylaws .....	38
18.04 Approval of Real Estate Commissioner .....	38
18.05 Approval of First Mortgagees .....	38
ARTICLE XIX. CONFLICTS.....	39
19.01 Conflicts .....	39
ARTICLE XX. FISCAL YEAR.....	39
20.01 Fiscal Year.....	39
CERTIFICATION .....	40

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

---

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

---

**ARTICLE I. NAME AND LOCATION.**

1.01 Corporation.

The name of the Corporation is 22 Station Owners Association, Inc. (the "Association").

1.02 Principal Office.

The principal office of the Association shall be located at 1910 Squaw Valley Road, P.O. Box 3710, Olympic Valley, Placer County, California, 96146-3710.

**ARTICLE II. DEFINITIONS.**

2.01 Definitions.

The definitions contained in the Declaration of Covenants, Conditions, and Restrictions for 22 Station at The Village at Squaw Valley USA (herein referred to as the "Declaration") are applicable to these Bylaws and are incorporated herein by reference. The Declaration was recorded on May 5, 2003, as Document No. DOC20030068494 of the Official Records of Placer County, California.

2.02 References.

All cross-references in these Bylaws are to Articles and Sections contained in these Bylaws unless specifically noted otherwise. Where cross-references are to the declaration, such references specifically mention the Declaration.

**ARTICLE III. BYLAWS APPLICABILITY.**

3.01 Applicability.

The provisions of these Bylaws are applicable to the Condominium Project, its operation, occupancy, ownership, maintenance and use, and to all present and future Owners, Guests, and to any other Person who uses the Condominium Project in any manner. These Bylaws provide for the regulation and management of the Association. Any conflicts or inconsistencies in terms or conditions between the Association Documents shall be resolved as specified in Article XIX of these Bylaws.

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 1 of 41

## ARTICLE IV MEMBERSHIP AND VOTING.

### 4.01 Eligibility.

Every Owner, upon taking title to a Unit within the Condominium Project, shall automatically become a member of this Association, which membership shall be appurtenant to the Owner's Unit. Any Owner shall be permitted to hold a separate membership for each Unit owned. Each Owner shall have the rights, duties and obligations set forth in the Declaration, the Articles, these Bylaws and the Rules and Regulations. Voting rights attributable to the Owner's interest shall not vest until assessments against those interests have been levied by the Association. Any Person who holds an interest in a Unit merely as security for performance of an obligation shall not be a member.

### 4.02 Termination and Transfer.

A membership in the Association shall automatically terminate when the Owner no longer holds any ownership interest in any Unit. Membership may not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except by transfer of title to the Unit to which it is appurtenant and then only to the transferee. Upon any such transfer, the transferor's membership in the Association shall terminate and the transferee shall automatically become a member of the Association. Any attempt to make a prohibited transfer shall be void; provided, however, that an Owner may assign its voting rights to any Person by duly executed proxies timely delivered to the Association.

### 4.03 Classes of Membership.

The Association shall have three (3) classes of voting membership as follows:

(a) Class A: class A members are all Owners, other than the Declarant. Notwithstanding the foregoing, Declarant shall be a class A member and shall have class A voting rights only after Declarant's class B Voting rights-expire.

(i) Each Residential Unit owned by a class A member shall be allocated one (1) class A vote, regardless of the number of Owners of that Residential Unit.

(ii) Each Commercial Unit owned by a class A member shall be allocated that number of class A votes equal to the quotient (rounded to the nearest 1/100th) obtained by dividing:

(A) the Area of the Commercial Unit, by

(B) seven hundred fifty (750), regardless of the number of Owners of that Commercial Unit.

(iii) Each Upper Parking Unit (excluding the Upper Parking Unit labeled P2 on the Plan and excluding the Upper Parking Unit labeled P5 on the Plan for the Phase Two Property if the Phase Two Property is annexed) shall be allocated two (2) class A votes,

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 2 of 41

regardless of the size of the Upper Parking Unit or the number of Owners of the Upper Parking Unit.

(iv) Each Lower Parking Unit shall be allocated two (2) class A votes, regardless of the size of the Lower Parking Unit or the number of Owners of the Lower Parking Unit.

(b) Class B: The sole class B member shall be the Declarant, who shall be entitled to the following voting rights:

(i) Each Residential Unit owned by the class B member shall be allocated three (3) class B votes; and

(ii) Each Commercial Unit owned by the class B member shall be allocated that number of class B votes equal to the product of:

(A) three (3) multiplied by

(B) the quotient (rounded to the nearest 1/100th) obtained by dividing (1) the Area of the Commercial Unit (as determined by the Association in its sole discretion) by (2) seven hundred fifty (750).

(iii) Each Upper Parking Unit (excluding the Upper Parking Unit labeled P2 on the Plan and excluding the Upper Parking Unit labeled P5 on the Plan for the Phase Two Property if the Phase Two Property is annexed) owned by the class B member shall be allocated six (6) class B votes.

(iv) Each Lower Parking Unit owned by the class B member shall be allocated six (6) class B votes.

(v) Class B membership for each Phase shall cease and be irreversibly converted to class A membership on the first to occur of the following:

(A) A prescribed date certain which is not later than the second (2<sup>nd</sup>) anniversary of the first conveyance of a Unit in the most recent Phase of the Condominium Project; or

(B) A prescribed date which is not later than the fourth anniversary of the first conveyance of a Unit in the first Phase of the Condominium Project.

(c) Class C membership: Declarant shall be the sole class C member. As the sole class C member, Declarant shall have no voting rights in the Association, but shall have the right to appoint and remove that number of Directors allocated to the class C members as set forth in Article VI of the Declaration. Class C membership shall not entitle Declarant to any rights other than those appointment and removal rights set forth in Article VI of the Declaration. The class C time period (the "Class C Period") shall commence when the first Assessment is levied upon an Owner and shall expire upon the later to occur of the following: (i) when seventy-five percent (75%) of the Proposed Residential Units have been conveyed to Purchasers, or (ii) on the second (2<sup>nd</sup>) anniversary following the first conveyance of a Residential Unit to a Purchaser.

## 22 STATION OWNERS ASSOCIATION, INC.

### BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*



(d) So long as more than one (1) class of voting memberships exist, any action by the Association that requires approval of a Majority of the voting power of Owners other than Declarant for action to be taken by the Association shall, notwithstanding the provisions of paragraph 4.04(c) below, require the approval by the designated percentage of voting power in each class, except the action described in Section 4.08 of the Declaration.

(e) If there is a single class of voting memberships, any action by the Association that requires approval of a Majority of the voting power of Owners other than Declarant for action to be taken by the Association shall, notwithstanding the provisions of paragraph 4.04(c) below, require the vote or written assent of a Majority of the total voting power of the Association as well as the vote or written assent of a Majority of the total voting power of the Owners other than Declarant.

(f) Voting for the members of the Board shall be by secret written ballot, and the Owners shall be entitled to exercise cumulative voting rights as provided in paragraph 7.01(e) below

(g) From the first election for members of the Board and thereafter for so long as a Majority of the voting power of the Association resides in Declarant or for so long as there is more than one (1) class of membership in the Association, not less than one-third (1/3rd) of the incumbents on the Board shall be elected solely by the votes of Owners other than Declarant.

#### 4.04 Voting.

(a) Fractional voting shall not be allowed. If the Owners of a Unit cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a membership appurtenant to a particular Unit, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the membership, unless objection thereto is made by an Owner of that Unit to the Person presiding over the meeting at the time the vote is cast. If more than the number of allocated votes are cast for any particular membership, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) The Association shall have no voting rights for any membership appurtenant to any Unit owned by the Association.

(c) Except as otherwise provided in the Declaration, the Articles, or these Bylaws, and subject to the provisions set forth above, including, but not limited to, paragraphs 4.03(d) and (e) above, all matters requiring the approval of a Majority of the voting power of the Owners shall be deemed approved if Owners holding a Majority of the total voting power of all Owners assent to them by written consent or, if approved at any duly called regular or special meeting at which a quorum is present, either in person or by proxy, by Owners holding a Majority of the total voting power of all Owners present, either in person or by proxy.

#### 4.05 Record Dates.

(a) Record Dates Established by the Board. For the purpose of determining which Owners are entitled to receive notice of any meeting, to vote, to act by written ballot without a

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 4 of 41

meeting, or to exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Owners of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. The record dates established by the Board pursuant to this section shall be as follows:

(i) in the case of determining those Owners entitled to notice of a meeting, the record date shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting and such record date shall also apply in the case of an adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting;

(ii) in the case of determining those Owners entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting and such record date shall also apply in the case of an adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting;

(iii) in the case of determining Owners entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(iv) in the case of determining Owners entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

(b) Failure of the Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the following rules shall apply:

(i) the record date for determining those Owners entitled to receive notice of a meeting of Owners shall be the business day preceding the day on which notice is given or if notice is waived, the business day preceding the day on which the meeting is held;

(ii) the record date for determining those Owners entitled to vote at a meeting of Owners shall be the day of the meeting or, in the case of an adjourned meeting, the day of the adjourned meeting;

(iii) the record date for determining those Owners entitled to vote by written ballot on proposed Association action without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action;

(iv) the record date for determining those Owners entitled to exercise any rights in respect to any other lawful action shall be the close of business on the day on which the Board adopts the resolution relating thereto or the sixtieth (60th) day prior to the date of such other action, whichever is later; and

(v) for purposes of this paragraph 4.05(b), a Person holding a membership as of the close of business on the record date shall be deemed the Owner of record.

## ARTICLE V. OWNERS' MEETINGS.

### 5.01 Place of Meeting.

Meetings of the Owners shall be held at a place designated by the Board within the Condominium Project or as close thereto as possible. If no meeting place is designated, the meetings shall be held at the principal office of the Association.

### 5.02 Annual Meeting.

(a) The First Meeting. The first meeting of the Owners, whether a regular or special meeting, shall be held on the first to occur of the following:

(i) within forty-five (45) days after the close of escrow for the sale of the Unit that represents the fifty-first percentile (51%) of the Units authorized for sale under the first public report, if that report authorizes the sale of at least 50 subdivision interests; or

(ii) within six (6) months after the close of escrow on the sale of the first Unit in the Condominium Project.

(b) Annual Meetings. The next annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent regular annual meetings shall be held on the same day of the same month of each year thereafter, unless such date is a legal holiday, in which case the meeting will be held on the first day following which is not a legal holiday (excluding Saturday and Sunday). At such meetings, a Board shall be elected by ballot of the Owners in accordance with the requirements of Article VII.

### 5.03 Special Meetings.

It shall be the duty of the President to call a special meeting of the Owners (a) upon the vote for such a meeting by a Majority of the Board or (b) upon receipt of a written request signed by Owners representing not less than five percent (5%) of the total voting power of the Association.

### 5.04 Notice of Meeting.

It shall be the duty of the Secretary or Management Agent to give to all Owners written notice of each annual or special meeting of the Owners. Such notice shall specify the date, time and place where the meeting is to be held and, in the case of a special meeting, the purpose of the meeting.

(a) Delivery of Notice. Notice shall be given not less than ten (10) nor more than ninety (90) days prior to such meeting by personal delivery or first-class mail, postage prepaid, addressed to the Owner's address last appearing on the membership books of the Association or given by the Owner to the Association for purposes of notice or if no such address appears or is

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 6 of 41

given, at the Association's office or by public notice in a local newspaper. The mailing or personal delivery of a notice in the manner provided in this paragraph shall be considered notice served.

(b) Contents of Notice. Only that business stated in the notice of meeting shall be transacted at the special meeting. The notice shall state the general nature of the proposal if action is proposed to be taken at any meeting for approval of any of the following proposals: (i) removing a Director without cause; (ii) filling vacancies in the Board by the Owners; (iii) amending the Articles; or (iv) approving a contract or transaction in which a Director has a material financial interest. Owner action on the foregoing proposals shall be invalid unless the notice or written waiver of notice states the general nature of such proposals. Notice to the Owners of the meeting shall include the names of all those who are nominees for election of Directors. Except as otherwise provided by law or required by this paragraph, any proposed matter may be presented at the meeting for action.

(c) Notice to Mortgagees. Upon written request therefor, written notice of each annual meeting shall be given to all First Mortgagees.

(d) Waiver of Notice. The transactions of any meeting of Owners, however called and noticed, shall be valid as though taken at a duly called, noticed and held meeting if (i) a quorum is present, in person or by proxy, and (ii) either before or after the meeting each of the Owners not present, in person or by proxy, signs a written waiver of notice or a consent to holding of the meeting or an approval of the minutes of the meeting. Any such waiver, consent or approval shall be filed with the Association records or made part of the minutes of the meeting.

#### 5.05 Quorum.

(a) Assessments. Notwithstanding anything herein to the contrary, for purposes of obtaining membership approval of Special Assessments or increases in annual Assessments as may be required by Article VII of the Declaration, a "quorum" means more than fifty percent (50%) of the Owners present either in person or by proxy.

(b) Other Matters. For matters other than approval of increases in Assessments, the presence, either in person or by proxy, at any meeting of Owners entitled to cast fifty-one (51) percent of the total voting power of the Association (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting), shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, unless otherwise provided by law, a Majority of the Owners entitled to vote thereat may not transact any other business at the meeting except to adjourn the meeting to a date not less than five (5) days and not more than thirty (30) days from the meeting date, at which meeting the quorum requirement shall be one-third (1/3) of the total voting power (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting). (c) Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum is not present or represented, a Majority of the Owners who are present, whether in person or by proxy, may not transact any business except to adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the meeting date. Except as otherwise provided in the Declaration or these Bylaws, the quorum requirement for the subsequent meeting shall be one-third (1/3) of the total voting power of the Association

## 22 STATION OWNERS ASSOCIATION, INC.

### BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

(excluding the number of votes as to which voting rights are suspended at the time of the subject meeting). The 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, notice of the time and place of the adjourned meeting shall be given to Owners in the manner described for regular meetings.

(d) Continuation of Business. Provided that twenty-five percent (25%) of the total voting power of the Association remains present in person or by proxy, and provided further than any action taken shall be approved by a Majority of the Owners required to constitute a quorum, the Owners 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 Owners to leave less than a quorum.

#### 5.06 Proxies.

At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Board before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his Unit, or upon receipt of written notice by the Secretary of the Board of the death or judicially declared incompetence of an Owner prior to the counting of the vote, or upon the expiration of eleven (11) months from the date of the proxy. Any form of proxy distributed by any Person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon. The proxy shall provide that, where the Owner specifies a choice, the vote shall be cast in accordance with that choice. In any election of Directors, any form of proxy (or written ballot) in which the Directors to be voted upon are named therein as candidates and which is made by an Owner in a manner to indicate that the authority to vote for the election of Directors is withheld, shall not be voted either for or against the election of the Director. In any election of Directors, any form of proxy also shall identify the Person or Persons authorized to exercise the proxy and the length of time it will be valid. In addition, voting by proxy shall comply with any other applicable requirements of Section 7613 of the Corporations Code (Proxies).

#### 5.07 Conduct of Owner Meetings.

Meetings of the Owners shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt.

#### 5.08. Action Without Meeting -Written Ballots.

Any action which may be taken by the vote of Owners at a regular or special meeting, other than the election of Directors where cumulative voting is required, may be taken without a meeting if such action complies with the following provisions:

(a) Distribution of Written Ballots. If an action is taken without a meeting the Board shall distribute a written ballot to every Owner entitled to vote on the matter. The ballot shall state the proposed action, provide an opportunity to specify approval or disapproval of the proposal, and provide a reasonable time within which to return the ballot to the Association. All such written

ballots shall be filed with the Secretary of the Association and maintained in the Association's records.

(b) **Validity of Action by Written Ballot.** Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) **Written Ballots.** Any form of written ballot distributed to Owners shall afford an opportunity on the form of written ballot to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot is distributed, to be acted upon at the meeting, except it shall not be mandatory that a candidate for election to the Board be named the written ballot. The ballot shall provide that where the Owner specifies a choice with respect to any such matter the vote shall be cast in accordance therewith.

(d) **Election of Directors by Proxy or Written Ballot.** In any election of Directors, any form of proxy or written ballot in which the Directors to be opted upon are named therein as candidates and which is marked by an Owner "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of Directors is withheld shall not be voted either for or against the election of a Director.

(e) **Compliance.** Failure to comply with this Section shall not invalidate any Association action taken, but may be the basis for challenging any proxy at a meeting or written ballot and the Superior Court may compel compliance therewith at the suit of any Owner.

(f) **Notice of Quorum Requirements.** All such solicitations shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of Directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted.

(g) **No Revocation of Written Ballot.** A written ballot may not be revoked.

(h) **No Cumulative Voting by Written Ballot.** Directors may be elected by written ballot under this Section, where authorized by the Articles or these Bylaws, except that election by written ballot may not be authorized where the Directors are elected by cumulative voting.

## **ARTICLE VI. ACCESS AND NOTICE REQUIREMENTS.**

### **6.01 Access to Records.**

Owners and their duly appointed representatives shall have access to Association records including accounting books, records, budgets, financial statements, the membership register (including names, mailing addresses, telephone numbers and voting rights), and minutes of meetings of the Board (including drafts and summaries) and of committees Of the Board. Board minutes or drafts of summaries thereof, other than those from an Executive session, shall be

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 9 of 41

available to Owners within thirty (30) days of the meeting and shall be distributed to any Owner upon request and upon reimbursement of the costs in making that distribution.

(a) Rights of Owners. Owners shall have the right to:

(i) inspect and copy the record of all the Owners' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand upon the Secretary or Management Agent; or

(ii) obtain from the Secretary, or Management Agent, upon written demand and tender of a reasonable charge established by the Board, a list of the names, addresses and voting rights of those Owners entitled to vote for the election of Directors as of the most recent record date for which it has been compiled or as of a date specified by the Owner subsequent to the date of demand. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

(b) Purpose of Inspection. The demand shall state the purpose for which the inspection rights are requested. Such right may only be exercised for a purpose reasonably related to such Person's interest as an Owner. Where the Association reasonably believes that the information will be used for a purpose other than one reasonably related to such Person's interest as an Owner, it may deny the Owner access to the list, and where the Association in good faith and with a substantial basis believes the membership list demanded will be used for a purpose not reasonably related to the interest as an Owner of the Person(s) making the demand, it may petition the Superior Court of Placer County for an order setting aside the demand in accordance with the provisions of Article 3 (commencing with Section 8331) of Chapter 13 of Part 3 of Title 1 of the Corporations Code.

(c) Reasonable Charges. On payment of a reasonable charge, Owners shall also have the right to obtain from the Management Agent, or if there is not one, the Secretary, within ten (10) days of delivery of such a request, a copy of the Declaration, the Articles, these Bylaws, Rules and Regulations (including those pertaining to Owner discipline), penalty policies, any other policies developed by Association, Board, Board committees, Board employees or agents, current Assessments and fees, as well as any Assessments levied upon the Owner's interest which are unpaid on the date of the statement, including late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the Owner's Unit. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

(d) Prospective Purchasers. Subject to the same limitations as to time, place, notice and payment that apply to Owners' inspection of such records, the Board, upon written request, shall make available to any prospective purchaser current copies of the Declaration, the Articles, these Bylaws and the most recent annual financial statements.

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 10 of 41

## 6.02. Notices, Reports, and Copies of Association Documents.

The Association shall cause to be prepared and distributed notices, reports and copies of Association Documents to each Owner as follows:

(a) Enforcement Procedures. A statement describing the Association's policies and practices in enforcing its remedies against Owners for delinquent Assessments, including the recording and foreclosing of Assessment Liens against a delinquent Owner's Unit. A copy of this statement shall be distributed to each Owner and to any Mortgagee that has requested a copy annually within sixty (60) days prior to the beginning of the Association's fiscal year.

(b) Right to Receive Annual Report. The Association shall notify each Owner yearly of the Owner's right to receive an annual report consisting of a balance sheet rendered as of the last day of the Association's fiscal year, an operating statement for that fiscal year, a statement of changes in financial position for the fiscal year, a statement of the place where the names and address of the current Owners are located, and any information required pursuant to Section 8322 of the Corporations Code. A copy of the annual report shall be distributed to each Owner and any Mortgagee that has requested a copy within one hundred twenty (120) days after the close of the Association's fiscal year. In any fiscal year in which the gross income to the Association exceeds \$75,000.00, a copy of the review of the annual report of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. If the annual report is not reviewed by an independent accountant, the report shall be accompanied by the certification of an authorized Officer that the report was prepared from the books and records of the Association without independent audit or review.

(c) Increase in Assessments. Not less than thirty (30) or more than sixty (60) days prior to any increase in any Regular or Special Assessment becoming due, the Association shall provide notice, by first-class mail to the Owners of such increase.

(d) Right to Receive Minutes. At the time a pro forma operating budget or summary in lieu thereof is distributed to the Owners in accordance with Section 13.01 of these Bylaws or at the time of any general mailing, members of the Association shall be notified in writing of their right to have copies of the minutes of Board meetings, including information on how and where those minutes may be obtained and the cost of obtaining such copies.

(e) Alternative Dispute Resolution. During the sixty (60) day period immediately preceding the beginning of the Association's fiscal year, the Association shall provide to the Owners a statement describing the alternative dispute resolution provision of the Act, including, but not necessarily limited to, the statement required by Section 1354 of the Act.

6.03 Owners' Right to Inspection of Books and Records. Every Owner shall have the right at any reasonable time to inspect all books, records and documents of the Association and he physical properties owned or controlled by the Association. The right of inspection by an Owner includes the right to make extracts and copies of documents.



## ARTICLE VII. BOARD OF DIRECTORS; ELECTION; TERM OF OFFICE

### 7.01 Number and Election of Directors.

(a) The first election of the Board shall be conducted at the first meeting of the Association. All positions on the Board shall be filled at that election.

(b) The Board shall consist of three (3) Directors who shall have full voting rights as follows:

(i) two (2) Directors who shall represent the Residential Units; and

(ii) one (1) Director who shall represent the Commercial Units and the Parking Units.

The Declarant shall appoint all of the initial members of the Board. Subject to the terms and conditions of Sections 10.04 and 10.05 below, each Director will hold office for a term of three (3) years. One of the three initial Directors shall hold office until the second annual meeting, one of the three initial Directors shall hold office until the third annual meeting, and one of the three initial Directors shall hold office until the fourth annual meeting. Thereafter, at each annual meeting, the successors to the Directors whose terms expire at that meeting shall be elected or appointed to hold office for terms expiring at the annual meeting held in the third year following the year of their election.

(c) Notwithstanding the foregoing, during the Class C Period, the Directors shall be appointed and elected as follows:

(i) the class A members who are Owners of Residential Units, other than Declarant, shall elect one (1) Residential Director;

(ii) the class A members who are Owners of Commercial Units and Parking Units shall elect the Commercial Director; and

(iii) the class C member shall appoint one (1) Residential Director.

(d) After the Class C Period, the Directors shall be appointed and elected as follows:

(i) the class A members who are Owners of Residential Units shall elect both Residential Directors; and

(ii) the class A members who are Owners of Commercial Units and the Parking Unit shall elect the Commercial Director.

(e) In any election of Directors to the Board, each member shall be entitled to the number of votes that is equal to the product obtained by multiplying:

(i) the number of votes allocated to that membership in accordance with Section 4.03 above, by

(ii) the number of Directors to be elected by that group of members.

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 12 of 41

(f) The election of Directors may be by cumulative voting as described herein whenever more than two (2) positions on the Board are to be filled, provided a member has placed a candidate's name in nomination prior to the voting and given notice at the meeting prior to the voting of the member's intention to cumulate votes. If any member has given such notice, then all members shall have the right to cumulate their votes for candidates in nomination. Under cumulative voting, each member, either in person or by proxy, may give a single candidate the 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 Declaration, or the member may distribute these cumulated votes among any two (2) or more candidates as the member desires. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected. Unless the entire Board is removed by a vote of the Owners, an individual Director may not be removed prior to the expiration of his or her term if the votes against removal would have been sufficient to elect that Director if cast cumulatively for the Director at an election at which the same total number of votes were cast and the entire number of Directors authorized at the time of the most recent election of that Director were then being elected. These cumulative voting provisions do not apply to the election of special Directors by Owners other than Declarant under the provisions set forth in these Bylaws.

## ARTICLE VIII. MEETINGS OF DIRECTORS.

### 8.01 Organizational Meeting.

The first meeting of a newly elected Board shall be held within 30 days of election at such place within the Condominium Project, or as close as possible to the Condominium Project, as shall be fixed by the Board at the meeting at which such Board was elected. Provided that a Majority of the Directors shall be present, no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting.

### 8.02 Regular Meetings.

Regular meetings of the Board shall be held each month unless business to be transacted does not justify such frequent meetings, in which case the Board shall meet at least every six months. Regular meetings shall be held at such time and place within the Condominium Project, or as close as possible to the Condominium Project, as shall be determined, from time to time, by a resolution of a Majority of the Directors. 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 or a Saturday or Sunday. Notice of the time and place of regular meetings shall be communicated to all Directors not less than four days prior to the meeting. Notice of a regular meeting need not be given to any Director if said Director has signed a waiver of notice or a written consent to the holding of the meeting. All such waivers shall be filed with the Association records and made a part of the minutes of the meeting.

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 13 of 41

#### 8.03 Special Meetings.

Special meetings of the Board may be called by written notice signed by the President or by any two members of the Board other than the President.

#### 8.04 Notice of Special Meetings.

The notice of a special meeting shall state the date, time, place and the nature of any business to be considered at the meeting. Such notice shall be communicated to each Director not less than seventy-two (72) hours prior to the meeting by one of the following methods: (a) personal delivery; (b) written notice by first class mail, postage prepaid; (c) telephone communication, either directly to the Director or to a Person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director (d) telegram, charges prepaid. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 72 hours before the time set for the meeting.

#### 8.05 Quorum.

At all meetings of the Board, a Majority of the authorized and duly elected Directors (but not less than three) present, in person or by proxy, shall constitute a quorum for the transaction of business, and the acts of the Majority of the Directors present, in person or by proxy, at a meeting at which a quorum is present, in person or by proxy, shall be the acts of the Board. A meeting at which a quorum is initially present, in person or by proxy, may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a Majority of the required quorum for that meeting. If at any meeting of the Board there be less than a quorum present, in person or by proxy, the Majority of those present may adjourn the meeting to a time certain. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted provided a quorum is present, in person or by proxy.

#### 8.06 Posting of Notices.

Notice of the time and place of regular and special meetings also shall be posted at a prominent place or places within the Common Area. If the Common Area consists only of an easement or is otherwise unsuitable for posting of such notice, the Board shall communicate the notice of the time and place of such meeting by any means it deems appropriate. The notice of regular meetings shall be posted not less than four days prior to such meeting and the notice of special meetings (except in emergency situations) shall be posted not less than seventy-two (72) hours prior to such meeting.

#### 8.07 Notice of Adjourned Meetings.

Notice of the date, time and place of holding an adjourned meeting need not be given unless the meeting is adjourned for more than 24 hours, in which case personal or telephone notice of the time and place shall be given before the time of the adjourned meeting to the

Directors who were not present at the time of adjournment and shall be posted in a Common Area.

#### 8.08 Waiver of Notice.

Action taken at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting, each of the Directors if not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

#### 8.09 Open Meetings.

Any Owner may attend meetings of the Board, except when the Board adjourns to executive session to consider litigation, matters that relate to the formation of contracts with third parties, or personnel matters. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of an Owner, the Board shall meet in executive session if requested by that Owner, and the Owner shall be entitled to attend the executive session. Regular and special meetings of the Board shall be open to all Owners; provided, however, that Owners, other than the Directors, may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a Majority of a quorum of the Board; provided, further, however, that upon the vote of a Majority of a quorum of the Board, the Board may adjourn and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, Owner discipline and orders of business of a similar nature.

#### 8.10 Executive Session.

The Board may, with approval of a Majority of the Directors present at a meeting in which a quorum for the transaction of business has been established or, if all Directors are present, by a Majority vote of the Directors, 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, Owner discipline 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.

8.11 Meetings by Conference Telephone and Other Communication Equipment. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as the requirements of Section 7211 of the Corporations Code are satisfied, including that all members of the Board participating in the meeting can hear one another, and all such members of the Board shall be deemed to be present in person at such meeting.

#### 8.12 Board Actions Without a Meeting.

The Board may take required or permitted actions without a meeting if all Directors consent in writing to the action to be taken. Such written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 15 of 41

### 8.13 Notice of Actions.

If actions are taken by the Board pursuant to Section 8.11 or 8.12 above, an explanation of the action taken shall be posted at a prominent place within the Common Area within three days after the meeting. If the Common Area consists only of an easement or is otherwise unsuitable for posting the explanation of the action taken, the Board shall communicate said explanation by any means it deems appropriate.

## ARTICLE IX. ASSOCIATION DUTIES AND RESPONSIBILITIES.

### 9.01 Association Duties.

The Association shall, as provided in these Bylaws and the Declaration, or as the Board may otherwise direct, through its Management Agent, undertake the following duties and responsibilities:

(a) Common Area Maintenance. Perform the maintenance described in the Declaration and as further described in these Bylaws.

(1) Except as otherwise provided in these Bylaws and the Declaration, the Association, or its Management Agent, shall maintain the Common Area and the other Association property in good order and condition and shall otherwise manage and operate the Common Area as it deems necessary or appropriate. In addition, the Association shall ensure that all interior Common Areas (including, without limitation, the Upper Parking Units) are sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium Project.

(2) The Association may:

(i) construct, modify, add to, repair, replace or renovate any Improvements that are located on or constitute a part of any Common Area;

(ii) plant and replace trees, shrubs and other vegetation on any Common Area;

(iii) place, maintain and replace signs upon any Common Area;

(iv) adopt and enforce Rules and Regulations regulating the use of the Common Area; and

(v) take any other actions as the Association deems necessary or advisable to (A) fulfill its purposes, (B) exercise any powers conferred on it by the Act or any Association Document, (C) exercise all powers that may be exercised in California by nonprofit mutual benefit corporations, and (D) protect, maintain, operate, repair, manage or regulate the use of the Common Area.

(b) Maintenance of Units. Notwithstanding the obligation of each Owner, at such Owner's sole cost and expense, to maintain in good order and repair its Unit (including all

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 16 of 41

fixtures located therein) and the Exclusive Use Common Area assigned solely to that Unit, the Association may choose to maintain, for reasons of uniformity or structural considerations, portions of such Exclusive Use Common Area. Without limiting the generality of the preceding sentence, the Association may maintain all exterior patios, roofs, decks, trellises, window boxes, skylights and other such exterior portions of the Condominium Project, even if such portions are Exclusive Use Common Areas appurtenant to a single Unit, and all costs incurred by the Association in that regard shall be charged to Owners as Limited Assessments as provided in Article VII of the Declaration and Article XIV of these Bylaws.

(c) Insurance. Maintain insurance as required by Article XII of the Declaration and notify the Owners as to the amount and type of insurance carried by the Association pursuant to the requirements of Section 5805 of the Civil Code.

(d) Discharge of Liens. Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the Owner or Owners responsible for the existence of the lien (after notice and hearing as required by these Bylaws).

(e) Assessments. Fix, levy, collect and enforce Assessments as set forth in Article VII of the Declaration and Article XIV of these Bylaws.

(f) Expenses and Obligations. Pay all expenses and obligations incurred by the Association in the conduct of its business including, but not limited to, all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

(g) Enforcement. Enforce these Bylaws and the Declaration in accordance with the procedures set forth in Article XVII of these Bylaws.

(h) Records. Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Owners at the annual meeting of the Owners or at any special meeting when such statement is required in writing by one-fourth (1/4) of the Class A Owners, and keep adequate and correct books and records of account, minutes of proceedings of its Owners, Board and committees, and records of its Owners, including their names, addresses and classes of membership.

(i) Contracts. Contract for goods or services for the Association or the Common Area in accordance with Article VI of the Declaration and Article X of these Bylaws.

(j) Financial Requirements. Comply with the Financial Requirements set forth in Article XIII of these Bylaws.

## **ARTICLE X. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.**

### 10.01 Duties of the Board.

The Board of Directors shall undertake and fulfill the following duties:

(a) Adopt Policies. The Board shall adopt policies of the Association which shall consist of such resolutions adopted by the Board of Directors that fulfill the purposes of the Association. Such policies will serve the membership and Management Agent as the statement of the specific objectives and purpose for which the Association exists.

(b) Oversight and Review of Administration of Association Affairs. The Board shall review and direct the Officers and Management Agent of the Association to ensure that the policies of the Association are being accomplished in a reasonable and prudent manner and that the requirements for operation of the Condominium Project as set forth in the Association Documents and the laws applicable to the Condominium Project are fulfilled to the extent reasonable and appropriate.

(c) Supervision. The Board shall supervise all Officers, agents and employees of the Association to see that their duties are properly performed.

(d) Financial Management. The Board shall undertake and perform all the duties specified in Article XIII of these Bylaws pertaining to the management of the Association's financial affairs, including review and management of the Association's accounts for operating expenses and Reserve Accounts.

(e) Visual Inspections. The Board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the Major Components which the Association is obligated to repair, replace, restore, or maintain as part of a study of the Reserve Account requirements.

#### 10.02 Powers of the Board.

In addition to those duties specified in Section 10.01 of these Bylaws, the Board shall have the powers necessary and appropriate for the administration of the affairs of the Association. Except as otherwise provided in the Declaration, the Articles or these Bylaws, the Board may act on behalf of the Association in all instances and is authorized to exercise all powers of the Association. Subject to the limitations of Section 10.05 below, the duties and powers of the Board shall include, but not be limited to, the following:

(a) Enforcement. Enforcement of applicable provisions of the Declaration, these Bylaws, the other Association Documents, and other instruments for the ownership, management, and control of the Condominium Project, including, but not limited to, the assessment of fines and penalties for violations of the provisions of the Declaration.

(b) Financial Management. Payment of all expenses and obligations incurred by the Association in the conduct of the Association's business, including, but not limited to, all licenses, taxes, assessments, or governmental charges, levied or imposed against the property of the Association or that may become a lien on the Common Area or any portion thereof.

(c) Assessments, Liens and Fines. Levy and collect Assessments and impose fines in accordance with Article VII of the Declaration, provided that at least fifteen (15) days prior notice of any charges (other than Assessments), potential discipline or fine, the reasons therefor are given to the Owner affected and an opportunity is provided to the Owner to be heard before the Board, orally or in writing, not less than five (5) days before the imposition of the charges,

#### 22 STATION OWNERS ASSOCIATION, INC.

#### BYLAWS

discipline or fine. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Owner as shown on the Association's records. The Board shall also have the power to impose, perfect and enforce liens and borrowing of funds as provided in Articles VII and XVII of the Declaration. The Board may also appoint a trustee to enforce Assessment Liens by power of sale as provided in the Declaration and in Section 5710 of the Civil Code.

(d) Insurance. Contracting for casualty, liability and other insurance on behalf of the Association, Board and Owners in accordance with the requirements of Article XII of the Declaration and the limitations set forth in Section 10.05 below.

(e) Financial Statements. Preparation of budgets and financial statements for the Association as prescribed in Article XIII of these Bylaws and the Association Documents.

(f) Rules and Regulations. Formulation of Rules and Regulations.

(g) Discipline. Initiation and execution of disciplinary proceedings against Owners for violations of provisions of the Association Documents in accordance with the procedures set forth in the Association Documents.

(h) Maintenance. Contracting for goods and services for the Common Area, facilities, and interests for the Association, subject to the limitations set forth in Section 10.05 below. And entering upon any privately-owned Unit or Exclusive Use Common Area as necessary in connection with construction, maintenance, or emergency repair for the benefit of the Common Area or the Owners in common.

(i) Board Vacancies. Fill vacancies on the Board except for a vacancy created by the removal of a Director.

#### 10.03 Additional Powers.

In addition to those powers already specified in these Bylaws, the Board may exercise the following powers:

(a) Management Agent. Subject to the limitations set forth in Section 10.05, the Board may employ for the Association a Management Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize. Any agreement for professional management of the Condominium Project must provide for termination by either party without cause and without payment of a termination fee upon ninety (90) days or less written notice. Where such Management Agent is responsible for management of Association funds and finances, such Management Agent shall comply with requirements of Civil Code Section 5380.

(b) Delegation. Delegate its authority and powers to committees, Officers, employees, or agents of the Association or to a Management Agent engaged by the Association as expressly authorized in the Declaration or these Bylaws and subject to the limitations of Section 10.05 of these Bylaws. Any delegation shall be revocable by the Board at any time. The Directors, individually or collectively, shall not be liable for any omission or improper exercise by the

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 19 of 41



Management Agent of any such duty, power or function so delegated by written instrument executed by a Majority of the Board.

(c) Election of Officers. Elect Officers of the Association.

(d) Contracting. Subject to the limitations of Section 10.05 below, the Board may contract and pay for maintenance, utilities, materials and supplies, and other goods and services relating to the Common Area, and employ personnel necessary for the operation of the Condominium Project, including legal and accounting services.

(e) Agreements. Execute, enforce and perform agreements with other commercial and/or residential owners associations and adjacent property owners, if necessary or desirable, with respect to maintenance of slopes and open areas, if any, within and adjacent to the Condominium Project, by joint maintenance contracts and delegation of maintenance responsibilities to or from such other parties and Declarant, with appropriate access rights including easements and licenses.

(f) Litigation/Alternative Dispute Resolution. Perform any act reasonably necessary to resolve any civil claim or action through alternative dispute resolution proceedings such as mediation, binding arbitration, or non-binding arbitration proceedings pursuant to Section 10.07 below.

(g) Other Powers. In addition to any other power contained herein, the Board may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in Section 7140 of the Corporations Code except adopting or using a corporate seal or issuing membership certificates.

#### 10.04 Prohibited Board Actions and Delegations.

(a) Prohibited Acts. The Board shall not act on behalf of the Association to:

- (i) amend the Declaration;
- (ii) terminate the Association, the Declaration or the Condominium Project;
- (iii) elect Directors to the Board, other than to fill a vacancy for the unexpired portion of any Director's term; or
- (iv) determine the qualifications, powers and duties, or terms of office of Directors.

(b) Prohibited Delegations. The Board may not delegate its authority:

- (i) to make expenditures for capital additions or improvements chargeable against the reserve funds;
- (ii) to conduct hearings concerning compliance by an Owner or his tenant, lessee, guest or invitee with the Declaration or Rules and Regulations promulgated by the Board;

(iii) to make a decision to levy monetary fines, impose Special Assessments against individual Units, temporarily suspend an Owner's rights as a member of the Association or otherwise impose discipline following any such hearing;

(iv) to make a decision to levy annual or special Assessments; or

(v) to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments.

#### 10.05 Actions Requiring Member Assent.

The Board shall not take any of the following actions except with the assent, by vote at a meeting of the Association or by written ballot without a meeting, pursuant to California Corporations Code Section 7513, of a Majority of the Owners other than Declarant constituting a quorum consisting of a Majority of the voting power of the Association residing in members other than Declarant:

(a) Expenditures. Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(b) Sale of Association Property. Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(c) Payment of Compensation. Pay compensation to Directors or to Officers of the Association for services performed in the conduct of the Association's business, provided that the Board may reimburse a member for expenses incurred in carrying on the business of the Association.

(d) Contracts. Enter into a contract with a third Person to furnish goods or services for the Common Area or the Association for a term longer than one (1) year, with the following exceptions:

(i) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission, provided the term does not exceed the shortest term for which the supplier will contract at the regulated rate;

(ii) prepaid casualty or liability insurance policies not to exceed three (3) years duration provided the policy permits for short rate cancellation by the insured;

(iii) lease agreements for laundry room fixtures and equipment not to exceed five (5) years duration provided Declarant does not have a direct or indirect ownership interest of ten percent (10%) or more in any lessor under such agreements;

(iv) agreements for cable television services and equipment or satellite dish television services and equipment not exceeding five (5) years duration, provided that the supplier is not an entity in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

#### 22 STATION OWNERS ASSOCIATION, INC.

#### BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

(v) agreements for sale or lease of burglar alarm and fire alarm equipment, installation, and services not exceeding five (5) years duration, provided that the supplier or suppliers are not entities in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(vi) except as otherwise set forth in this Section 10.05, a contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty, or other obligation on ninety (90) days (or less) written notice of termination to the other party; and

(vii) agreements for the sale or lease of health club and similar exercise or recreational equipment, not to exceed five (5) years duration provided Declarant does not have a direct or indirect ownership interest of ten percent (10%) or more in any seller or lessor under such agreements.

(e) Levy of Special Assessments. Levying Special Assessments which in the aggregate exceed 5% of the budgeted gross expenses of the Association for that fiscal year, except as otherwise expressly provided in the Declaration with respect to emergency situations (as defined in the Declaration).

(f) Filling of Board Vacancies. Filling of a vacancy on the Board created by the removal of a Director.

#### 10.06 Contracts with Interested Directors.

The Association shall not enter into any contract or other transaction with one or more Directors or a corporation in which one or more Directors has a material financial interest as defined in and limited by Section 7233 of the Corporations Code or any successor to such statute, unless either (a) the material facts as to the transaction and as to such Director's interest are fully disclosed to the Owners and such contract or transaction is approved by at least a Majority of a quorum of the Owners, voting in person or by proxy, with any membership owned by any interested Director not being entitled to vote thereon, or (b) the material facts as to such Director's interest are fully disclosed or known to the Board and the Board authorizes, approves or ratifies the contract or transaction by a vote sufficient to authorize, approve or ratify without counting the vote of the interested Director and the contract is just and reasonable to the Association at the time it is authorized, approved or ratified.

#### 10.07 Alternative Dispute Resolution (Association Disputes).

In any dispute in which the Association is a party, the Association may perform any act reasonably necessary to resolve any such civil claim or action through alternative dispute resolution proceedings such as mediation, binding arbitration, or non-binding arbitration proceedings. The Association may perform the following acts:

(a) provide, or in good faith attempting to provide, one hundred twenty (120) days advance notice of the Board's intent to initiate the prosecution of any civil action, including the nature and basis of the claim, to every Owner and every entity or person who is a prospective party to the civil action, provided that notice can be given (i) more than one hundred twenty (120) days prior to the expiration of any pertinent statute of limitations and (ii) without prejudice

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 22 of 41

to the Association's rights to enforce the Association Documents and further provided that no such notice need be given prior to the filing of an action in small claims court or an action solely to enforce assessment obligations;

(b) prior to initiating the prosecution of a civil action solely for declaratory relief or injunctive relief to enforce the Association Documents, in conjunction with a claim for monetary damages not in excess of five-thousand dollars (\$5,000), the Association shall endeavor to submit the matter to alternative dispute resolution in compliance with the provisions of Section 5925 et seq. of the California Civil Code;

(c) immediately after initiating the prosecution or defense of any civil action, make a reasonable effort, in good faith, to (i) meet and confer with every person or entity who is a party to the action to discuss appropriate processes for resolving the civil action, including available alternative dispute processes for resolving the civil action and other available processes to avoid or reduce costs or losses by the parties associated with the action, (ii) provide an opportunity to cure any alleged defect in Common Area or facilities which is the basis for the action, and (iii) provide for the scope of discovery, if any, to be conducted prior to the inception of any alternative dispute resolution procedure;

(d) consider diversion of the prosecution or defense of any civil action to an alternative dispute resolution proceeding such as mediation, non-binding arbitration, or binding arbitration; and

(e) agree to participate fully and in good faith in the resolution of any civil action through any alternative dispute resolution proceedings, including, but not limited to, mediation, non-binding arbitration, and binding arbitration, and to pay costs reasonably incurred by the Association on account of those alternative dispute resolution proceedings.

#### 10.08 Dispute Notification and Resolution Procedure (Declarant Disputes).

Any disputes between the Association (or any Owners) and the Declarant, or any director, officer, partner, employer, subcontractor or agent of the Declarant, relating to the Declaration, these Bylaws, the other Association Documents, the use or condition of the Property, and/or the design, construction and installation of any Improvements located thereon shall be subject to the following provisions:

(a) Notice: Any Person with a claim against the Declarant, or any director, officer, partner, employer, subcontractor or agent thereof (collectively the "Declarant" for purposes of this section), shall notify the Declarant in writing of the claim, which writing shall describe the nature of the claim and the proposed remedy (the "Claim Notice").

(b) Right to Inspect and Right to Corrective Action: Within a reasonable period after receipt of the Claim Notice, which period shall not exceed sixty (60) days, the Declarant and the claimant shall meet at a mutually-acceptable place within the Property to discuss the claim. At such meeting or at such other mutually-agreeable time, Declarant and Declarant's representatives shall have full access to the Property that is subject to the claim for the purposes of inspecting the Property. The parties shall negotiate in good faith in an attempt to resolve the claim. If the Declarant elects to take any corrective action, Declarant and Declarant's representatives and

agents shall be provided full access to take and complete corrective action. If the claim is subject to the provisions of Civil Code Section 6000 as it may be amended from time to time, compliance with the procedures of Civil Code Section 6000 shall satisfy the requirements of this section.

(c) Mediation: If the parties cannot resolve the claim pursuant to the procedures described in Subsections (a) and (b) above (including, if applicable, Civil Code section 6000 procedures), the matter shall be submitted to mediation pursuant to the mediation procedures adopted by the American Arbitration Association or any successor thereto or to any other entity offering mediation services that is acceptable to the parties. No person shall serve as a mediator in any dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or prevent a prompt commencement of the mediation process.

Within ten (10) days of the selection of the mediator, each party shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference -and all parties shall attend unless otherwise agreed. The mediation shall be commenced within ten (10) days following the submittal of the memoranda and shall be concluded within fifteen (15) days from the commencement of the mediation unless the parties mutually agree to extend the mediation period. The mediation shall be held in the county in which the Property is located or such other place as is mutually acceptable by the parties.

The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for settlement of the dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator also may obtain expert advice concerning technical aspects of the dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

Prior to the commencement of the mediation session, the mediator and all parties to the mediation shall execute an agreement pursuant to California Evidence Code or successor statute in order to exclude the use of any testimony or evidence produced at the mediation in any subsequent dispute resolution forum, including, but not limited to, court proceedings, reference proceedings or arbitration hearings. The agreement shall specifically state:

Evidence of anything said or of any admission made in the course of the mediation is not admissible evidence, and disclosure of any such evidence shall not be compelled in any civil action in which, pursuant to law, testimony can be compelled to be given. Unless the document provides otherwise, no document prepared for the purpose of, or in the course of, or pursuant to, the mediation, or copy thereof, is admissible in evidence; and disclosure of any such document shall not be compelled in any civil action in which, pursuant to law, testimony can be compelled to be given.

Persons other than the parties, the representatives and the mediator may attend mediation sessions only with the permission of the parties and the consent of the mediator. Confidential

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 24 of 41

information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall not be divulged by the mediator. All records, reports, or other documents received by the mediator while serving in such capacity shall be confidential. There shall be no stenographic record on the mediation process.

The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required travel and other expenses of the mediator, expenses of any witnesses, and costs of any proofs or expert advice produced at the request of the mediator, shall be borne equally by the parties unless they agree otherwise.

(d) BINDING ARBITRATION: IF THE PARTIES CANNOT RESOLVE THE CLAIM PURSUANT TO THE PROCEDURES DESCRIBED IN SUBSECTIONS (a), (b) AND (c) ABOVE, THE PARTIES SHALL SUBMIT THE MATTER TO BINDING ARBITRATION PURSUANT TO THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1280, ET. SEQ. OR ANY SUBSEQUENT OR REPLACEMENT LEGISLATION. ARBITRATION SHALL BE SUBMITTED TO A PROFESSIONAL ALTERNATIVE DISPUTE RESOLUTION ORGANIZATION, INCLUDING THE AMERICAN ARBITRATION ASSOCIATION ("AAA"), JUDICIAL ARBITRATION MEDIATION SERVICES ("JAMS"), OR OTHER RECOGNIZED SERVICE DOING BUSINESS IN THE STATE OF CALIFORNIA. THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH RULES AND PROCEDURES THAT ARE EQUIVALENT "IN SUBSTANCE" TO THE COMMERCIAL ARBITRATION RULES OF AAA OR THE STREAMLINED OR COMPREHENSIVE RULES OF JAMS. DECLARANT SHALL ADVANCE THE FEES NECESSARY TO INITIATE ANY ALTERNATIVE DISPUTE RESOLUTION SERVICE, WITH ALL COSTS AND FEES FOR SUCH ENGAGEMENT, INCLUDING ONGOING COSTS AND FEES, TO BE PAID AS AGREED BY THE PARTIES. IF THE PARTIES CANNOT AGREE AS TO THE ALLOCATION OF COSTS AND FEES, THE ARBITRATOR(S) SHALL DETERMINE THE ALLOCATION OF ONGOING AND ULTIMATE AMOUNTS OF COSTS AND FEES TO BE BORNE BY THE PARTIES.

THE ALTERNATIVE DISPUTE RESOLUTION SERVICE SHALL APPOINT A NEUTRAL AND IMPARTIAL INDIVIDUAL(S) TO SERVE AS ARBITRATOR(S), WITH SUCH APPOINTMENT BEING MADE WITHIN SIXTY (60) DAYS FROM THE SERVICE'S RECEIPT OF A WRITTEN REQUEST FROM A PARTY TO ARBITRATE THE CLAIM OR DISPUTE. IN SELECTING THE ARBITRATOR(S), THE PROVISIONS OF CODE OF CIVIL PROCEDURE SECTION 1297.121 SHALL APPLY. ARBITRATOR(S) MAY BE CHALLENGED FOR ANY OF THE GROUNDS LISTED THEREIN OR IN CODE OF CIVIL PROCEDURE SECTION 1297.124. THE VENUE OF THE ARBITRATION SHALL BE IN PLACER COUNTY, CALIFORNIA UNLESS THE PARTIES AGREE TO SOME OTHER LOCATION. THE ARBITRATOR(S) SHALL BE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE IN LAW OR EQUITY FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF THE ARBITRATION, PROVIDED THAT THE ARBITRATOR(S) SHALL NOT BE PERMITTED TO AWARD PUNITIVE DAMAGES.

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 25 of 41

## ARTICLE XI. OFFICERS

### 11.01 Designation and Enumeration of Officers.

The principal Officers of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Chief Financial Officer, and such other Officers as the Board may from time to time by resolution create.

### 11.02 Election of Officers.

The election of Officers shall take place at the first meeting of the Board following each annual meeting of the Owners.

### 11.03 Term.

The Officers of this Association shall be elected annually by the Directors and each shall hold office for one year unless he or she shall sooner resign, or is removed, or is found by the Board to be disqualified to serve.

### 11.04 Special Appointments.

The Directors 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.

### 11.05 Resignation and Removal.

Any Officer may be removed from office (but not from the Board, if the Officer is also a Director) by the Directors with or without cause. 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.

### 11.06 Vacancies.

A vacancy in any office may be filled by appointment by the President until an election is held by the Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

### 11.07 President.

The President shall: (a) be the chief executive Officer of the Association; (b) preside at all meetings of the Association and of the Board; (c) see that Board orders and resolutions are communicated to the Management Agent (if any) and are carried out; and (d) sign all deeds, leases, contracts, mortgages, promissory notes, and other written instruments approved by the Board. The President shall have all of the general powers and duties which are usually vested in the office of president of a California nonprofit mutual benefit corporation and shall have such powers and duties as may be prescribed by the Board or by these Bylaws. All disbursements of funds, monies, and other assets of the Association shall require the joint written signatures of the

President and Chief Financial Officer, provided, however, that if the President or Chief Financial Officer is not available, the Vice President may sign in his or her place.

#### 11.08 Vice President.

The Vice President shall act in the place of the President in the event the President is absent or is unable or refuses to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other Director to do so on an interim basis. The Vice President shall also perform such other duties as may from time to time be imposed upon him or her by the Board. The Vice President shall also exercise such other duties as may be prescribed by the Board or these Bylaws.

#### 11.09 Secretary.

The Secretary shall: (a) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; (b) have charge of such books and papers as the Board may direct; (c) be responsible for maintaining the membership register of the Association; (d) serve notice of meetings of the Board and of the Owners; (e) sign all documents that have been approved by the Board, if the documents require a second Association signature and the Board has not passed a resolution authorizing another Officer to sign in place of the Secretary; and (1) in general, perform all the duties incident to the office of Secretary as required by the Board and by applicable laws.

#### 11.10 Chief Financial Officer.

The Chief Financial Officer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. Such books shall be open to inspection by any Owner. The Chief Financial Officer shall: (A) be responsible for the deposit of all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may from time to time be designated by the Board; (b) disburse the funds of the Association as may be ordered by the Board; (c) sign all promissory notes of the Association; (d) keep proper books of account; and (e) prepare and distribute budgets and financial statements to each Owner as required under these Bylaws and by applicable laws.

#### 11.11 Execution of Documents.

The Directors may authorize any Officer or Officers to enter into any contract or execute any document in the name of and on behalf of the Association. Unless so authorized by the Directors, no Officer or other Person shall have any power or authority to bind the Association or to pledge its credit or to render it liable for any debt or obligation.



## ARTICLE XII. COMMITTEES.

### 12.01 Purpose of Committees.

The purpose of all committees shall be to assist the Board of Directors in the development of policies and to assist in the oversight and Assessment of the Association policies. No committee shall be assigned, delegated or chartered in any manner which would authorize them to take final action in the name of the Association. No committee, officer of a committee or member of the committee shall act as or take an action that is assigned to the office of the President or other Officers of the Association. All committees shall report to the Board and shall serve at the pleasure of the Board. Committees of the Board shall not have authority to direct contractors, agents or Officers of the Association.

### 12.02 Appointment of Committees.

The Board shall appoint committees as deemed appropriate in carrying out its purpose.

### 12.03 Limitations on Committee.

No committee, regardless of Board resolution, may:

- (a) take any final action on matters which, under the Nonprofit Corporation Law of California, also requires Owners' approval;
- (b) fill vacancies on the Board or in any committee;
- (c) amend or repeal Bylaws or adopt new Bylaws;
- (d) amend or repeal any resolution of the Board;
- (e) appoint any other committees; or approve any transaction to which the Association is a party and in which one or more Directors have a material financial interest.

## ARTICLE XIII. FINANCIAL INFORMATION AND REQUIREMENTS.

### 13.01 Budgets and Financial Statements.

The Association shall cause to be prepared and distributed budgets and financial statements to each Owner as follows:

- (a) Pro Forma Operating Budget. A pro forma operating budget for each fiscal year shall be distributed not less than forty-five (45) nor more than sixty (60) days before the beginning of that fiscal year consisting of at least the following:
  - (i) estimated revenue and expenses on an accrual basis;

(ii) a summary of the Association's Reserves based upon the most recent Reserves review or study conducted pursuant to Section 1365.5 of the Act which shall be printed in bold type and include all of the following:

(A) the current estimated replacement costs, estimated remaining life, and estimated useful life of each Major Component that the Association is obligated to maintain; and

(B) as of the end of the fiscal year for which the study is prepared:

(1) the current estimate of the amount of cash Reserves necessary to repair, replace, restore, or maintain such Major Components;

(2) the current amount of accumulated cash Reserves actually set aside to repair, replace, restore, or maintain such Major Components; and

(3) the percentage the amount in (ii)(A) that the amount in (ii)(B) represents.

(iii) a statement about whether the Board has determined or anticipates that the levy of one (1) or more Special Assessments will be required to repair, replace, or restore any Major Component or to provide adequate Reserves for them;

(iv) a general statement addressing the procedures used for the calculation establishing those Reserves to defray the future repair, replacement or additions to such Major Components; and

(v) a general statement regarding the Owner's right to have copies of the minutes of meetings of the Board and how and when these minutes may be obtained.

(b) Summary in Lieu of Pro Forma. In lieu of the distribution of the pro forma operating budget required by paragraph 13.01(a), the Board may elect to distribute a summary of the pro forma operating budget to all Owners with a written notice that the pro forma operating budget is available at the business office of the Association or at another suitable location within the boundaries of the Condominium Project and that copies will be provided upon request and at the expense of the Association. If any Owner requests that a copy of the pro forma operating budget required by paragraph 13.01(a) be mailed to the Owner, the Association shall provide the copy to the Owner by first-class United States mail within five (5) days at the expense of the Association. The written notice that is distributed to each of the Owners shall be in at least 10-point boldface type on the front page of the summary of the budget;

(c) Insurance. The Board shall prepare and distribute to the Owners the following information respecting the Association's insurance policies:

(i) a summary of the Association's property, general liability, and earthquake and flood insurance policies, which shall be distributed within sixty (60) days preceding the beginning of the Association's fiscal year, that includes all of the following information about each policy: (A) the name of the insurer; (B) the type of insurance; (C) the policy limits of the insurance; and (D) the amount of deductibles, if any.

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

(ii) The Association shall, as soon as reasonably practical, notify the Owners by first class mail if any of the policies described in subparagraph 13.01(c)(i) have lapsed, been canceled and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, for any of these policies. If the Association receives any notice of nonrenewal of policy described in subparagraph 13.01(c)(i) above, the Association shall immediately notify the Owners if replacement coverage will not be in effect by the date the existing coverage will lapse. To the extent that the information required to be disclosed under subparagraph 13.01(c)(i) above is specified in the insurance policy declaration page, the Association may meet its obligation of such paragraph by making copies of that page and distributing it to all the Owners.

(iii) The summary distributed pursuant to paragraph (c)(i) above shall contain, in at least 10-point boldface type, the following statement:

"This summary of the Association's policies of insurance provides only certain information, as required by subdivision (e) of Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Owner may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Owners should consult with their individual Insurance broker or agent for appropriate additional coverage."

#### 13.02 Reserve Studies.

(a) This Section is intended to implement the reserve account study and review requirements established by Section 5550 of the Act. To the extent that Section 5550 is amended or replaced, the provisions of this Section shall be automatically amended and replaced by the new statutory provisions. Further, if the limitations set forth in Section 5550 are repealed, the provisions of this Section 13.02 shall no longer have any force or effect.

(b) At least once every three (3) years the Board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the Major Components which the Association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the Association to be conducted if the current replacement value of the Major Components that the Association is obligated to repair, replace, restore, or maintain is equal to or greater than one-half (1/2) of the gross budget of the Association for any fiscal year (which excludes the Association's Reserve Account for that period). The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the Reserve Account requirements as a result of that review. The study required by this Section 13.02 shall at a minimum include:

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 30 of 41

(i) identification of the Major Components of the Common Area and exterior of the Units that the Association is obligated to repair, replace, restore, or maintain, for which Reserves have been maintained under paragraph 13.02(b), and which, as of the date of the study, have a remaining useful life of less than thirty (30) years;

(ii) identification of the probable remaining useful life of the components identified in paragraph 13.02(b) above as of the date of the study;

(iii) an estimate of the cost of repair, replacement, restoration, or maintenance of each Major Component identified in paragraph 13.02(b) above during and at the end of its useful life; and

(iv) an estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each Major Component identified in paragraph 13.02(b) above during and at the end of its useful life, after subtracting the total in the Reserve Account as of the date of the study.

(c) The term "reserve account requirements" as used in this Section 13.02 shall mean the estimated funds which the Board has determined are required to repair, replace, restore or maintain those Major Components that the Association is obligated to repair, replace, restore or maintain.

### 13.03 Reserve Account Fund Management.

(a) The Association shall have the right to maintain Reserves for the repair, restoration, replacement or maintenance of, or litigation involving the repair, restoration, replacement or maintenance of, the Major Components that the Association is obligated to repair, restore, replace or maintain, the exterior maintenance of the Units and for such other contingencies as are required for good business practice. The Reserve Account will be funded and managed as set forth herein.

(b) Upon the sale of a Unit to a Purchaser, the Association shall not be obligated to return to the transferor any funds held in reserve.

(c) Funds that the Association collects for Reserves shall, within ten (10) days after receipt, be deposited into an interest bearing account with a bank or savings and loan association selected by the Association, or invested in treasury bills or certificates of deposit or otherwise prudently invested, which shall collectively be referred to as the "Reserve Account." Funds deposited into the Reserve Account shall be held in trust, in one (1) or more accounts, and may be used by the Association only for the purposes for which such amounts have been collected.

(d) Notwithstanding paragraph 13.03(a) above, the Board may authorize (and Cause) the temporary transfer of money from the Reserve Account to the Association's general operating fund to meet short-term cash flow requirements or other expenses, on the condition that the Board has made a written finding, recorded in the Board's minutes, explaining the reasons the transfer is needed and describing when and how the money will be returned to the Reserve Account. The transferred funds shall be restored to the Reserve Account within one (1) year after the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a temporary delay would be in the best interests of the Association,

## 22 STATION OWNERS ASSOCIATION, INC.

### BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

temporarily delay the restoration. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the Reserve Account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this paragraph 13.03(d). This Special Assessment is subject to the limitation imposed by Section 7.09 of the Declaration. The Board may, in its discretion, extend the date on which the payment of the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of any unpaid Special Assessment.

(e) When the decision is made to use funds deposited in the Reserve Account or to temporarily transfer money from the Reserve Account to pay for litigation, the Board shall notify the Owners of that decision in the next available mailing to all members pursuant to Section 5016 of the California Corporations Code, and of the availability of an accounting of those expenses. The Board shall cause an accounting to be made of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by the Owners at the Association's office.

(f) Use of Reserve Account Funds for Litigation. When the decision is made to use funds deposited in the Reserve Account or to temporarily transfer money from the Reserve Account to pay for litigation, the Board shall notify the Owners of the Association of that decision in the next available mailing to all Owners pursuant to Section 5016 of the Corporations Code and of the availability of an accounting of those expenses. The Board shall cause an accounting to be made of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Owners of the Association at the Association's office.

(g) Reserve Account Withdrawal Restrictions. At least two signatures are required for the withdrawal of monies from the Association's Reserve Account, such signatures being either of (i) two Directors of the Board or (ii) one Director and one Officer who is not a Director.

(h) Review of Financial Records. The Board shall review on at least a quarterly basis a current reconciliation of the Association's operating reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an income and expense statement for the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts.

#### **ARTICLE XIV. ASSESSMENT OBLIGATIONS.**

##### **14.01 Regular and Special Assessments.**

As provided in detail in Article VII of the Declaration, each Owner, including Declarant, shall be subject to regular annual Assessments for (a) each Owner's share of all maintenance, repairs, taxes, insurance and other common expenses for which the Association is responsible and (b) adequate reserves for long-term replacement obligations, if any, of the Association. In addition, subject to the limitations provided in the Declaration, each Owner, including Declarant,

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 32 of 41

may be subject to Special Assessments for capital expenditures and other purposes, Limited Assessments for operation, maintenance, repair, replacement, alterations or improvement of Exclusive Use Common Area, Property Tax Assessments, Residential Cost Center Assessments and Default Assessments for violation of provisions of Association Documents by an Owner or Guest.

## ARTICLE XV. INDEMNIFICATION.

### 15.01 Owner's Liability.

Each Owner shall be liable to the Association and the other Owners for any damage to the Common Areas caused by the negligence or willful misconduct of the Owner, his or her family and Guests to the extent that the damage shall not be covered by insurance. Each Owner shall indemnify, hold harmless, and pay any costs of defense of the Association and each other Owner from claims for personal injury or property damage occurring within any Unit owned by the indemnitor; provided, however, that this protection shall not extend to any indemnitee whose negligence or willful misconduct caused or contributed to the injury or damage; provided further that this Article XV is not intended to be for the benefit of an insurer and shall neither affect nor limit the duty of any insurer to pay any claim which would be payable by said insurer but for this Article XV.

### 15.02 Nonliability of Agents.

Except as provided by law, no right, power, or responsibility conferred on the Board by the Association Documents shall be construed as a duty, obligation, or disability, charged upon any present or former Director, Officer or any other employee or agent of the Association (hereinafter "Agent"). No Agent shall be liable to any party (other than the Association or a party claiming in the name of the Association) for injuries or damage resulting from the Agent's acts or omissions within what the Agent reasonably believed to be the scope of his or her Association duties (hereinafter "Official Acts"), except to the extent that the injuries or damage result from the Agent's willful or malicious misconduct. No Agent shall be liable to the Association (or to any party claiming in the name of the Association) for injuries or damage resulting from the Agent's Official Acts, except to the extent that the injuries or damage result from the Agent's negligence or willful or malicious misconduct.

### 15.03 Indemnification of Corporate Agents.

The Association shall indemnify any present or former Director, Officer, employee or other agent of the Association to the fullest extent authorized under Section 7237 of the Corporations Code, or any successor statute, and may advance to any such Person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such Person to repay such amount unless it is ultimately determined that such Person was entitled to indemnification under this provision. The Association shall pay all expenses actually and reasonably incurred by, and satisfy any judgment or fine levied against, any Agent as a result of any action or threatened action against the Agent to impose liability on the Agent for his or her Official Acts, provided that the following occur:

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 33 of 41

(a) the Board determines that the Agent acted in good faith and in a manner the Agent reasonably believed to be in the best interests of the Association and (b) in the case of a criminal proceeding, the Board determines that the Agent had no reasonable cause to believe his or her conduct was unlawful.

#### 15.04 Approval by Board.

Any determination of the Board required under this Article XV must be approved by a Majority vote of a quorum of the Board consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board fails or refuses to make any such determination, the determination may be made by the vote or written consent of a Majority of the quorum of the Owners, provided that the Agent to be indemnified shall not be entitled to vote.

#### 15.05 Payments.

Payments made pursuant to this Article XV shall include amounts paid and expenses incurred in settling the action or threatened action. This Article shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law. Notwithstanding anything to the contrary above, the above provisions neither shall authorize indemnification of Agents where prohibited by Section 7237 of the Corporations Code nor authorize the granting of indemnification except in such manner as set forth in Section 7237 of the Corporations Code.

#### 15.06 Expenses of Defense.

On approval by the Board, expenses incurred in defending any proceeding may be advanced by the Association prior to the final disposition of the proceeding, provided the Association receives an undertaking by or on behalf of the Agent that the advances will be repaid unless it is ultimately determined that the Agent was entitled to indemnification as required or authorized by these Bylaws.

#### 15.07 Insurance.

The Association may purchase and maintain insurance on behalf of its Agents to the extent and under the circumstances provided in the Declaration and regardless of whether the Association would have the power to indemnify an Agent against such liability under the Bylaws.

### **ARTICLE XVI MORTGAGEES.**

#### 16.01 Notice to Association.

An Owner who encumbers his or her Unit with a Mortgage or other security instrument shall notify the Association through the Management Agent, if any, or the President in the event there is no Management Agent, of the name and address of such Owner's Mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units." Any such Owner shall likewise notify the Association as to the release or discharge of any such Mortgage.

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 34 of 41

#### 16.02 Notice of Unpaid Assessments.

In addition to the other notice obligations with respect to Mortgagees provided in the Declaration, the Association, upon written request of any first Mortgagee of a Unit, shall give written notice to such Mortgagee of any default by the Owner in the payment of Assessments which is not cured within sixty (60) days.

### **ARTICLE XVII. ENFORCEMENT AND MEMBER DISCIPLINE.**

#### 17.01 Suspension.

Notwithstanding any other remedy or action available to the Association, the membership and all rights and privileges thereof of any Owner may be suspended by action of the Board for a period not to exceed thirty (30) days for (a) failure to pay any Assessment in full promptly when due (whether or not the Owner is personally obligated to pay such Assessment) or (b) each violation of any provision of the Association Documents, provided that, for any continuing violation, such suspension may continue until the violation is cured. Such suspension shall not take effect unless the Owner is notified in writing delivered by registered or first-class mail of the suspension and the reasons therefor at least fifteen (15) days prior to the effective date of the suspension and, if requested by such Owner in writing within five (5) days after receipt of notice thereof, a hearing on such suspension is held before the Board. Such hearing shall be held by the Board at least five (5) days before the effective date of the suspension and, at such hearing, the Owner may appear and defend himself or herself against the matters resulting in the notice of suspension.

#### 17.02 Fines.

The Board shall also have the right, pursuant to the same notice and hearing procedures as are provided for suspension in Section 17.01, and such other procedures as the Board may establish, to assess fines against any Owner who violates or whose Guests violate the Association Documents. Fines may be levied for each such offense. For the first offense such fine shall not exceed \$25. For repeated offenses fines shall not exceed \$100 for each offense. Any Owner against whom such a fine is levied shall pay such fine to the Association within ten (10) days after it is levied. The Association may take legal action or employ any lawful remedies to enforce the payment of such fine, provided that such fine may not be characterized or treated as an Assessment which may become a lien against the Owner's Unit which is enforceable by power of sale in accordance with the provisions of Sections 2924, 2924b and 2924c of the Civil Code.



### 17.03 Delinquent Assessments and Liens.

(a) Notice of Lien. Before the Association may place a lien on the separate interest of an Owner to collect a debt consisting of a Regular or Special Assessment and late charges, collection costs and interest related thereto, the Board must notify the Owner in writing by certified mail of: (i) the fee; (ii) the penalty procedures of the Association; (iii) the amount owed by the Owner in the form of an itemized statement, including principal, late charges, method of calculation, and any attorneys' fees; and (iv) the Association's collection methods. Any payment toward the debt shall be first applied to the principal amount owed, and only after the principal owed is paid in full shall such payments be applied to interest or collection expenses.

(b) Record of Lien. The Association may record in Placer County Records the amount Owner owes for delinquent Assessments and associated costs and interests. Such recording shall serve as notice of delinquent Assessments in accordance with the procedures and requirements of Civil Code Section 5675.

(c) Penalties May Not Become Liens. Except for delinquent Assessments, a penalty imposed to reimburse the Association for the costs and repair damage to Common Area for which an Owner or Guest was responsible, or a monetary penalty imposed as a disciplinary measure for violation of Association Documents, may not become a lien against an Owner's interest enforceable by sale of that interest.

(d) Enforcement of Lien. The Association may enforce any Assessment Lien established under this Section 17.03 by filing an action for judicial foreclosure, or if the notice of delinquent Assessment contains the name and address of the trustee authorized by the Association to enforce the Assessment Lien by nonjudicial foreclosure, by recording a notice of default in the form described in California Civil Code Section 2924c(b)(1) to commence a nonjudicial foreclosure. Any nonjudicial foreclosure shall be conducted, as allowed by the Act, in accordance with the requirements of California Civil Code Sections 2924, 2924b, 2924c, 2924f, 2924g, 2924h, and 2924j that apply to nonjudicial foreclosures of mortgages or deeds of trust. The sale shall be conducted by the trustee named in the notice of delinquent Assessment or by a trustee substituted in accordance with the provisions of California Civil Code Section 2934a. The Association may bid on the Unit at the sale, and may hold, lease, mortgage, and convey the acquired Unit. If the default is cured before the sale or before completing a judicial foreclosure, including payment of all costs and expenses incurred by the Association, the Association shall record a notice of satisfaction and release of lien, and on receipt of a written request by the Owner, a notice of rescission of the declaration of default and demand for sale.

### 17.04 Remedies Cumulative.

The remedies herein shall be in addition to, and not in lieu of, any other remedies which may be provided by the Declaration, these Bylaws, at law or in equity.

### 17.05 Attorneys' Fees.

In the event legal action is commenced arising from or related to, or to enforce or interpret, or for breach of any provision of these Bylaws or the Declaration, the prevailing party shall be entitled to recover from the losing party costs and expenses incurred, not limited to

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 36 of 41

taxable costs, and reasonable attorneys' fees incurred by the prevailing party, including those incurred in connection with any appeal, in addition to all other relief and remedies to which the prevailing party may be entitled. With respect to a claim or claims asserted by a third party against the Association arising from an action or omission by any Owner, the party responsible for the action or omission shall be the losing party, and the other party shall be the prevailing party, for purposes of the foregoing sentence.

## ARTICLE XVIII. AMENDMENTS.

### 18.01 Amendment of Declaration.

After the close of the first sale of a Unit in the Condominium Project to a Purchaser, the Declaration may be amended or revoked in any respect by the vote or written consent of the holders of not less than seventy-five percent (75%) of the voting rights of each class of membership, or if a single class of membership is then in effect, by the vote or written consent of not less than (a) seventy-five percent (75%) of all the votes and (b) a Majority of the votes excluding Declarant. However, if any provision of the Declaration requires a greater or lesser percentage of the voting rights of any class of membership in order to take affirmative or negative action under such provision, the same percentage of such class or classes of membership shall be required to amend or revoke such provision. Also, if the consent or approval of any governmental authority, Mortgagee or other Person is required under the Declaration with respect to any amendment or revocation of any provision of the Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association and shall make appropriate reference to the Declaration and its amendments and shall be acknowledged and recorded in the Placer County Records. No amendment shall alter the application and requirements of the-Neighbourhood Company Documents and the rights of the Owners of the Lower Parking Units as Provided under the Neighbourhood Company Documents and the Declaration without the prior written consent of the Owners of the Lower Parking Units. In addition, any amendment either before the close of the first sale or after the close of the first sale shall in no way alter or modify the rights and duties owed by the Owners, occupants or agents and employees of the Owners and occupants of the Property in performing the terms and provisions of the Ski Corp Agreements, the Ski Corp Easements, the Design Guidelines and the Master Plan (as those terms are defined in the Neighbourhood Company Documents).

### 18.02 Amendment of the Articles.

The Articles may be amended only by the vote or written assent of (a) a Majority of the Directors, (b) a Majority of the voting power of the Association, and (c) a Majority of the votes of Owners other than the Declarant.

### 18.03 Amendment of the Bylaws.

(a) Prior to Close of Escrow of First Sale. Prior to the close of escrow on the first sale of a Unit in the Condominium Project, Declarant may amend these Bylaws as it deems necessary or appropriate.

(b) After Close of Escrow of First Sale. After the close of escrow on the first sale of a Unit in the Condominium Project, these Bylaws may be amended by the affirmative vote (in person or by proxy) or written assent of a Majority of each class of Owners in existence at the time the amendment is considered.

(c) Upon Cessation of Three-Class Voting Structure. Upon cessation of three- class voting as provided in Section 4.03 herein, these Bylaws may be amended by (a) a Majority of the voting power of the Association and (b) a Majority of the votes or written consent of Owners other than the Declarant.

(d) Percentage of Voting Power Required. Notwithstanding paragraphs (b) and (c) above, the percentage of the voting power of the Association necessary to amend a specific clause or provision of these Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

### 18.04 Approval of Real Estate Commissioner.

Notwithstanding Section 18.03 above, during any period of time when the Declarant, or its successor in interest, holds or directly controls as many as one-fourth (1/4) of the votes that may be cast to effect such change, no amendment to these Bylaws which would materially change the rights of an Owner to ownership, possession or use of his or her Unit, either directly or as a member of the Association, shall be valid without the prior written consent of the state Real Estate Commissioner ("Commissioner") to the extent that such consent is required by Section 11018.7 of the Business and Professions Code. There shall be no official meeting of Owners nor any written solicitation of them for the purpose of effectuating such a change except in accordance with procedures approved by the Commissioner after the application has been filed with him; provided, however, that the Board May meet and vote on the question of submission of the proposed change to the Commissioner.

### 18.05 Approval of First Mortgagees.

Notwithstanding Section 18:03 above, no material amendment hereto shall become effective unless approved in writing by a vote of Majority of all First Mortgagees based on one vote for each Unit on which such a Mortgage is held by such First Mortgagee. Timely written notice of any proposed material amendment shall be given by the Board to each holder, insurer and/or guarantor of a First Mortgage who submits a written request to the Association to approve any amendment. Any such holder, insurer and/or guarantor of a First Mortgage that does not deliver to the Association, in person or by mail, a written negative response within thirty (30) days after delivery of such notice shall be deemed to have approved such amendment. For the purposes of this Section 18.05, the term "material amendment" shall mean amendments to provisions of these Bylaws governing the following subjects: (a) the proportionate share of the Owners in the receipts and common expenses of the Association; (b) the percentage interest of

the Owners in the Common Areas; (c) the purpose to which the Units and the Common Area are restricted; (d) conversion of Units into Common Area or of Common Area into Units, or material changes in the boundaries of any Unit; (e) voting; (f) changes in the manner of determining and enforcing Assessments, Assessment liens, and subordination thereof; (g) reserves for repair and replacement of the Common Areas; (h) property maintenance obligations; (ix) casualty and liability insurance requirements; (i) reconstruction in the event of damage or destruction; (j) rights to use the Common Area; (k) provisions concerning the annexation or withdrawal of property to and from the Condominium Project; (l) leasing of Units; (m) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his or her Unit; (n) establishment of self-management by the Association where professional management has been required by FHLMC, FNMA or VA, if any of such entities making such requirement is a holder, insurer or guarantor of a first Mortgage on, or an Owner of, a Unit within the Condominium Project; and (o) any of the provisions herein which are expressly for the benefit of holders, insurers and/or guarantors of first Mortgages on Units.

#### **ARTICLE XIX. CONFLICTS.**

##### 19.01 Conflicts.

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

#### **ARTICLE XX. FISCAL YEAR.**

##### 20.01 Fiscal Year.

Unless modified by resolution of the Board, the fiscal year of the Association shall be the calendar year. 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.

**CERTIFICATION**

The undersigned, hereby certifies:

That I am the duly elected Secretary of the 22 STATION OWNERS ASSOCIATION, INC.

That the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted on the day of

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation on

Secretary

22 STATION OWNERS ASSOCIATION, INC.

BYLAWS

*Drafted by Angius & Terry LLP, 3001 Lava Ridge Court, Ste. 130, Roseville, CA 95661, 916/567-1400*

Page 40 of 41

**CERTIFICATION**

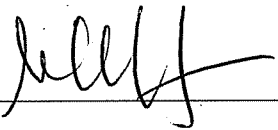
I, the undersigned hereby certify, under penalty of perjury, that these Bylaws set forth herein are the Association's previous Bylaws with the only change being the Davis-Stirling Act sections corrected pursuant to State law at Civil Code Section 4235, and that these Bylaws were duly adopted with the vote and consent of the Association's Board Members pursuant to State law at Civil Code Section 4235.

22 Station Owners Association, Inc.

Dated: 7/21/2014

By Secretary: Mike DeGroff

(print name)



(sign name)