

BYLAWS of ALIMUR PARK HOMEOWNERS ASSOCIATION
A California Nonprofit Mutual Benefit Corporation

ARTICLE I
NAME, PURPOSE and LOCATION

Section 1. Name

The name of this corporation is Alimur Park Homeowners Association, a California nonprofit, mutual benefit corporation (the "Corporation").

Section 2. Purpose

The Corporation's business and purpose shall consist solely of the following:

(a) To engage solely in the ownership, operation and management of the real estate project known as ALIMUR PARK MOBILE HOME PARK located at 4300 Soquel Drive, Soquel, California (the "Park"), in accordance with the Articles of Incorporation and these Bylaws; and

(b) To engage in such other lawful activities permitted to mutual benefit, nonprofit corporations and the management of a mobilehome park by the laws of the State of California as are incidental, necessary or appropriate to the foregoing.

Section 3. Location

The Corporation shall have its principal office at 4300 Soquel Drive, Soquel, California.

ARTICLE II
DEFINITIONS

Section 1. Association; Corporation

"Association" and "Corporation" shall mean and refer to Alimur Park Homeowners Association, a California mutual benefit nonprofit corporation.

Section 2. Board

"Board" refers to the Board of Directors of the Association.

Section 3. Directors

“Directors” refers to the members of the Board of Directors.

Section 4. Foreclosure Conveyance

“Foreclosure Conveyance” means and shall refer to any judicial foreclosure, nonjudicial foreclosure, deed-in-lieu of foreclosure or other voluntary or involuntary transfer of the ownership interest in the Park from the Corporation to Mortgage Lender.

Section 5. Home; Mobilehome.

“Home” and “mobilehome” shall mean a mobilehome as defined by California Civil Code section 798.3.

Section 6. Member

“Member” shall mean and refer to every individual record owner of a home in the Park who occupies that home as his or her primary residence and owns a membership interest in the Association.

Section 7. Member Rental Agreement

“Member Rental Agreement” shall mean and refer to the Member Rental Agreement, in the form attached as Exhibit 1, which shall be entered into between the Association and each member for the rental, use and occupancy of a Space in the Park.

Section 8. Mobilehome Space; Space

“Mobilehome space” and “Space” shall mean and refer to a plot of land within the Park designed for the siting of a mobilehome.

Section 9. Mortgage Lender

“Mortgage Lender” shall mean and refer to Paul Joel Goldstone, Trustee of Paul’s Trust, established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001, the maker of the Purchase Money Loan, and its successors or assigns.

Section 10. Notice

“Notice” shall mean written notice. Notices shall be given as required by law. If there is no legal requirement for the manner of giving notice, notice may be given by personal delivery to the member, by posting on the main door of the member’s home in the Park, or by first class mail, postage prepaid.

Section 11. Organizational Meeting

“Organizational Meeting” shall mean the first meeting of members.

Section 12. Owner

“Owner” shall mean and refer to the record owner of a home in the Park, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. Park

"Park" shall mean and refer to Alimur Park Mobile Home Park, 4300 Soquel Drive, Soquel, CA 95073.

Section 14. Purchase Money Loan.

“Purchase Money Loan” shall mean and refer to the loan made to the Corporation by the Mortgage Lender for the purchase of the Park by the Corporation. The Purchase Money Loan is evidenced by a Promissory Note and is secured by a First Deed of Trust and Assignment of Rents on the Park.

Section 15. Rent; Rental

“Rent” and “rental” shall refer to amounts due pursuant to the Member Rental Agreement. All amounts levied by the Corporation to members, whether designated as assessments, dues, fees or other charges, shall be rent due under the Member Rental Agreement.

Section 16. Rules and Regulations

“Rules and Regulations” shall mean and refer to the Rules and Regulations attached hereto as Exhibit 2.

Section 17. Sale and Loan Documents

“Sale and Loan Documents” shall mean and refer to the Purchase and Sale Agreement and the Loan Agreement, and all documents incorporated therein and executed pursuant thereto, including, but not limited to, the Promissory Note, Deed of Trust and Assignment of Rents, UCC Financing Statement, Indemnity Agreement, Indemnification Agreements included in the Loan Agreement, Assignment of Leases, Assignment of Property Management Agreement, Member Rental Agreement, Rules and Regulations, Space Development and Rental Agreement, and Option Agreement, and all other documents and agreements made by and between the Corporation and Mortgage Lender or the Corporation and any third party concerning the purchase and sale of the Park from Mortgage Lender to the Corporation and the financing thereof by Mortgage Lender.

Section 18. Tenant

“Tenant” shall mean and refer to the record owner of a home in the Park who does not hold membership in the Association.

Section 19. Gender-Neutral Pronouns

As used in these Bylaws, all declensions of the pronoun “He” shall refer to both the male and female genders.

ARTICLE III SEPARATENESS PROVISIONS

The Corporation shall:

- (a) Maintain books and records and bank accounts separate from those of any other person
- (b) Maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets;
- (c) Hold itself out to creditors and the public as a legal entity separate and distinct from any other entity;
- (d) Hold regular Board of Director and member meetings, as appropriate, to conduct the business of the Corporation, and observe all other corporate formalities;
- (e) Prepare separate tax returns and financial statements;
- (f) Allocate and charge fairly and reasonably any common employee or

overhead shared with affiliates;

(g) Transact all business with affiliates on an arm's-length basis and pursuant to enforceable agreements;

(h) Conduct business in its own name, and use separate stationery, invoices and checks;

(i) Not commingle its assets or funds with those of any other person;

(j) Not assume, guaranty or pay the debts or obligations of any other person.

ARTICLE IV MEMBERSHIP

Section 1. Fair Housing

Approval or rejection of a person for membership cannot be based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, genetic information, age, political affiliation, or military or veteran status. The intent of the Association is to comply with all applicable Federal and State fair housing laws.

Section 2. Qualification for Membership

Every individual who is a record owner of a home in the Park and occupies that home as his or her primary residence qualifies to become a Member of the Association. Lienholders and other persons and entities who hold an interest in a home as security for a loan or other obligation are not qualified to be members.

Section 3. Membership Subscription Fee

To own a membership in the Association and become a member, the record owner(s) of a home in the Park must pay a subscription fee of \$12,000 and all record owners of the home must sign a Member Rental Agreement in the form attached as Exhibit 1 to these Bylaws. The subscription fee is a one-time fee for each membership interest. On a transfer of a membership interest, the new member is not required to pay a subscription fee to the Association.

Section 4. Voting Membership Interest; No Proxy

There is one Membership interest in the Association associated with each home in the Park. The Membership interest may not be separated from ownership and occupancy as principal residence of a home in the Park. Each Membership interest is entitled to one vote. If the home is owned and occupied by more than one individual record owner, all of those record co-owners shall be members of the Association. However, those members who co-own the home shall collectively have only one membership interest and one vote. The one vote of the membership interest associated with a home shall be exercised as the co-owners determine among themselves, but in no event shall more than one vote be cast with respect to any membership interest. Members may not vote by proxy.

Members may vote on the election or removal of Association directors, and on proposed amendments to Association bylaws. All elections will be conducted using secret ballots, following the voting procedure described in California Civil Code §5115. The tabulated results of the election shall be promptly reported to the Board of Directors; recorded in the minutes of the next meeting of the Board; made available for review by the membership and within 15 days of the election, and reported to the membership by general notice as defined California Civil Code 4045.

Section 5. Joint Ownership Disputes

The membership interest associated with each qualifying home may be cast only as one whole unit. Fractional votes shall not be permitted; for example, two co-owners who do not agree cannot each cast one-half (1/2) vote. In the event co-owners are unable to agree as to how their one vote shall be cast, their vote shall be cast as the majority of them decides. If there is no majority (for example if there are two members who disagree), then no vote of their membership shall be counted on the matter in question.

If any member casts a vote representing a certain home and membership interest and the other members who co-own that home and membership interest are not present to vote or object to the manner in which the vote was cast, it shall thereafter be conclusively presumed for all purposes that he or she was acting with the consent and authority of all other co-owners of the same home and membership interest. In the event that more than one vote is cast for a particular home and membership interest, the act of the majority binds all.

Section 6. Transfer of Home and Membership Interest

A home may only be transferred to an individual or individuals who intend to occupy the home as their principal residence and who agree to become a member of the Association

and sign a Member Rental Agreement in the form attached as Exhibit 1. The prospective purchaser shall be given a copy of the Member Rental Agreement more than 30 days prior to the transfer of title to the home. The membership interest associated with the home shall be transferred to the purchaser of the home together with and at the same time as the transfer of title to the home. A membership interest shall not be transferred except upon the sale or other lawful title transfer of the home associated with that interest to an individual or individuals who intend to occupy the home as their principal residence and who agree to become member(s) of the Association and sign a Member Rental Agreement after having been given at least 30 days to review and consider the Member Rental Agreement. Any attempt to make a prohibited transfer is void and shall not be reflected on the Association books.

In the event a member transfers title to the home associated with a membership interest and fails or refuses to transfer the membership interest associated with that home to the purchaser of such home, the Association shall have the right to record the transfer of the membership interest on the Association's books and to issue a new membership certificate to the purchaser. Thereupon, the old membership certificate outstanding in the name of the seller of the home shall be null and void as though the same had been surrendered. Upon approval of the new owner by the Association's Board of Directors and the signing of a Member Rental Agreement (Exhibit 1), transfer of title to a home shall transfer the membership in the Association appurtenant thereto to the new owner.

Section 7. Approval of Applications for Membership

The Board shall consider all applications for membership in the Association. No applicant shall become a member without the approval of the Board; provided, however, that the Board may not refuse the application of any individual(s) who purchase a home from the Mortgage Lender and who intend to occupy that home as their principal residence so long as any money is due on the Purchase Money Loan.

Section 8. Suspension of Membership

A membership may be suspended for failure to pay any rental assessment, dues, fees or other charge when due; for the failure to fully comply at all times with the Member Rental Agreement; and for the failure to fully comply at all times with the Rules and Regulations. If a membership has been suspended for any reason, no member may vote that membership, and the members who own that membership shall not be in good standing as a member of the Association and shall be in violation of the Member Rental Agreement and the Rules and Regulations. During any period in which a member is in default in the payment of any rental assessment, dues, fees or other charge levied by the Association, the membership of such member may be suspended by the Board until all

such amounts have been paid. The owners of the suspended membership shall be afforded a hearing within 15 days after he or she is given notice of said delinquent payment. During any period in which a member is not in full compliance with the Rules and Regulations, the membership of such member may be suspended by the Board until the member cures all deficiencies and comes into compliance with the Rules and Regulations. The owners of the suspended membership shall be afforded a hearing within 15 days after he or she is given notice of any failure to comply with the Rules and Regulations.

Nothing contained herein shall limit the Member Rental Agreement and/or the Rules and Regulations as it applies to the right to evict a member for any reason, including but not limited to failure to pay rent when due, failure to comply with the Rules and Regulations, and failure to remain in good standing as a member of the Association. For example, the fact that a membership has been suspended for nonpayment or for failure to comply with the Rules and Regulations shall be evidence that the member failed to make the payment when due or failed to comply with the Rules and Regulations. However, the fact that a membership has not been suspended will not evidence that any payment was made when due or that the member fully complied at any time with the Rules and Regulations.

Section 9. Class of Membership

The Association shall have one class of membership.

Section 10. Members Rights and Duties

Each member shall have the rights, duties and obligations set forth herein, as the same may be amended from time to time according to these Bylaws.

Section 11. Permitted Encumbrances.

Subject to Article XIV Mortgage Lender Provisions herein below, a member may encumber their membership in the Association with a lien to a lender other than the Mortgage Lender or the Association provided all of the following conditions are satisfied:

Written Notice. The member and/or lender notify the Association in writing, delivered to the Association prior to giving the lien, of member's intent to grant a lien against the membership.

Approval. The granting of a lien against the membership must be approved by the Board of Directors by majority vote and approval.

Section 12. Home Mortgage Lender Protections.

A member may grant a lien on its membership interest to a home mortgage lender who is granted a mortgage on the home associated with that membership interest. Provided the Association receives written notice from the home mortgage lender (“Home Lender”) taking the lien on the membership share, the Home Lender shall be entitled to the following:

Notice. The Association will notify the Home Lender in writing of any default under the encumbered membership at the address of the Home Lender given to the Association in the notice of Home Lender’s lien delivered to the Association, prior to taking any action to terminate the membership of the defaulting member.

Right to Cure. Home Lender may cure and shall have an additional ten (10) business days beyond the time required for member’s performance to cure any monetary default under the membership of the defaulting member.

Rights and Obligations Upon Foreclosure. Upon foreclosure of its lien against the home and/or the membership share, the Home Lender shall be obligated to pay all rent, utilities and reasonable incidental service charges due pursuant to the Bylaws and/or the Member Rental Agreement and to comply with Civil Code section 798.79. Home Lender’s liability for such rent shall terminate upon sale of the subject home and transfer of the membership to individual(s) qualified for membership. If someone other than Home Lender acquires the membership at the foreclosure sale, that person or persons must be qualified for admission to membership and intend to occupy the home as their principal residence.

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ARTICLE V MEETINGS OF MEMBERS

Section 1. Place of meetings

Meetings of the membership will be held at the Association clubhouse, or as close thereto as practicable within the city of Soquel, as may be directed by vote and resolution of the Board of Directors.

Section 2. Annual Meetings

Annual meetings of members of the Association shall be held no less frequently than once each calendar year. Each annual meeting shall be held on the 20th day of February each year, at a time to be determined by the Board. If the date for the annual meeting shall be a legal holiday, the meeting shall be held at the same hour on the first day following which is not legal holiday. At such meeting there shall be elected, by secret written ballot, a Board of Directors (“Board”) whose duties shall be as hereinafter provided. The members may also transact such other business as may properly come before them at the annual meeting.

Section 3. Special Meetings

A special meeting of members of the Association shall be promptly called by the Board upon: (a) the vote for such a meeting by a majority of a quorum of the Board, (b) request by the President, or (c) receipt of written request signed by members representing not less than 5% of the total membership of the Association.

Section 4. Action Taken Without a Meeting

All actions by the members must be taken at a properly-noticed meeting of the members. With the exception of matters voted upon by secret ballot election, no action may taken unless at a properly-noticed meeting of the members.

Section 5. Notice of Meetings

Written notice of each meeting of members shall be given according to the provisions of California Corporations Code §7511. Such notice shall specify the date, time and place of meeting and, in the case of a special meeting, the purpose(s) thereof.

Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given not less than 10 nor more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote thereat (California Corporations Code 7511(a)).

Section 6. Waiver of Notice

The presence of a quorum, in person at any meeting, shall render the meeting a valid meeting, unless any member shall, at the opening of the meeting, object to the holding of same for noncompliance with the provisions of Section 4 above. Any meeting so held without objection shall, notwithstanding notice given that it may have been improper, be

valid for all purposes, and at such meeting any general business may be transacted and any action may be taken.

Section 7. Consent to Members' Meetings

Transactions of any meeting of members, however called and noticed, shall be valid as though had at a meeting duly held after regular notice, if a quorum is present, and that either before or after the meeting, each member entitled to vote not present, signs a written waiver of notice or consent to holding of the meeting, or in approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association records or made a part of the meeting minutes.

Section 8. No Proxies

Every person entitled to vote shall have the right to do so in person. Voting by proxy is not allowed by these Bylaws.

Section 9. Order of Business

The order of business at all meetings of the members shall be as follows:

1. Roll call
2. Proof of notice of meetings or waiver of notice
3. Reading and minutes of preceding meeting
4. Reports of officers
5. Election of Board (organizational and annual meeting only)
6. Unfinished business
7. New business

Section 10. Parliamentary Procedure

All questions of parliamentary procedure shall be decided in accordance with Robert's Rules of Order.

Section 11. Adjournment

Any Association meeting may be adjourned from time to time, to such time and place as may be determined by the majority vote of members present, whether a quorum is present or not, without notice other than announcement at the meeting. At any adjourned meeting

at which a quorum is present, any business may be transacted which might have been transacted by quorum at the meeting as originally called.

Section 12. Organization

The President, or in his absence the Vice-President, shall call the meeting to order and shall act as chairperson of the meeting. In the absence of the President and Vice-President, members shall appoint a chairperson for such meeting. The Secretary of the Association shall act as secretary at all meetings of members. In the absence of the Secretary at any members' meeting, the presiding officer may appoint any person to act as secretary thereof.

Section 13. Inspection of Election

Prior to any members' meeting, the Board may, if it so desires, appoint inspectors of election to act at such meetings or any adjournment thereof. If inspectors are not so appointed, the chairperson of any meeting may appoint inspectors at the meeting. The number of inspectors shall be either one, three or five.

Section 14. Quorum

A quorum for the transaction of business at an Association meeting shall be established by the presence in person of members representing one-third of the total membership (voting power) of the Association. Members are not allowed to vote by proxy, and proxies shall not be counted to determine if there is a quorum present. In the absence of a quorum at an Association meeting, a majority of those present may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) nor more than thirty (30) days from the original date, notice shall be given to all members of the new date and place of the meeting, and a quorum for such later meeting shall be 25% of the total membership (voting power) of the Association.

ARTICLE VI OFFICERS

Section 1. Designation

The officers of this Association shall be a President, Vice-President, Secretary, and Treasurer.

Section 2. Election and Tenure of Officers

Officers shall be elected by the Directors. Each officer shall be a Director. Officers shall be elected by majority vote. Directors may vote for themselves. A Director may decline to serve in any particular office, but each Director must be willing to serve as an officer. The election of officers shall be conducted within seven (7) days after the first meeting of members (organizational meeting). Directors and officers shall hold office for one year unless sooner removed.

Section 3. Removal of Officers

On affirmative vote of 51% of the Board present and entitled to vote in any duly constituted meeting, any officer may be removed either with or without cause and his successor elected at any regular or special meeting of the Board called for that purpose. A meeting may be called for the purposes of both removing an officer and electing a new officer. Any person removed from his position as officer may remain on the Board subject to the will of the members pursuant to Article VII.

Section 4. Vacancies

In the event of a vacancy in any office because of death, incapacity, resignation, removal, or any other cause, such vacancy shall be filled as promptly as possible by vote of the Board in the manner prescribed herein for regular election to such office.

Section 5. President

The President shall preside at all meetings and have all powers and duties which are usually vested in the office of President of a nonprofit corporation. He or she shall be the principal executive officer of the Association and, subject to control of the Board, shall supervise all business and affairs of the Association and the officers thereof.

Section 6. Vice-President

The Vice-President shall act in the place of the President in the event of his or her absence, inability or refusal to exercise and discharge such other duties as may be required of him by the Board.

Section 7. Secretary

The Secretary shall keep a record book in which shall be kept the minutes of all regular and special meetings of the members, and an informal summary of all actions taken at the meetings of the Board. The Secretary shall also send out or deliver notices of regular and special meetings of members and of the Board. Further, he or she shall have all powers

and duties vested in the Secretary of a nonprofit corporation or assigned to him or her from time to time by the President or by the Board.

Section 8. Treasurer

The Treasurer shall maintain an accurate record of all receipts and disbursements in connection with the operation of the Park. At such time as a professional management agent is not managing the project, the Treasurer shall collect rent periodically from each member, give proper receipt thereof and promptly deposit same in a bank account of the Association. Additionally, the Treasurer shall cause an annual operating statement to be distributed to each member no later than 90 days after the end of the Association's fiscal year. The Treasurer shall perform such other duties as from time to time are assigned to him by the President or by the Board.

Section 9. Subordinate Officers

The Board may appoint subordinate officers, each of whom shall hold office at the discretion of the Board. Subordinate officer may, but need not be, directors.

Section 10. Signing of Checks

All checks for payment of obligations and expenses of the Association shall be signed by no fewer than two officers. When a management agent is not employed, the Treasurer shall draw and sign all checks and the President shall countersign same, when available. In the absence of the President or Treasurer, the Secretary may sign and/or countersign checks. During such time as a management agent is employed, the Treasurer shall act as the liaison between the Board and the management agent.

Section 11. Non-Liability of Officers and Directors

No officer or director shall be liable for acts or defaults of any other officer or member, or for any loss sustained by the Association, or any member thereof, unless the same has resulted from his own willful and wanton misconduct or negligence. Every officer, director and member of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities, including attorney's fees and court costs, actually or necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding or inquiry of whatever nature in which he or she may be involved as a part or otherwise by the reason of his having been an officer, director or member of the Association, whether or not he continued to be such at the time of the incurring or imposition of such costs expenses or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceedings, investigation or inquiry to

be liable for willful misconduct or negligence, or in the absence of such final adjudication, in the determination of such liability by opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not a limitation of all rights, and shall inure to the benefit of legal representation of such person.

Section 12. Fidelity Bonds

All officers of the Association handling or responsible for any funds received or collected by the Association shall furnish adequate fidelity bonds. The premium of said bonds shall be paid by the Association as a common expense.

Section 13. No Compensation

No compensation of any kind shall be given to any officer for serving as an officer of the Association.

ARTICLE VII BOARD OF DIRECTORS

Section 1. Board Members

The Board of Directors (“Board”) shall consist of five (5) directors, all of whom shall be members of the Association.

Section 2. Powers of Board.

The powers of the Board shall be as follows:

a. **Adoption of Rules.** To adopt and publish rules and regulations governing the use of the common areas and facilities, the maintenance of all mobilehomes and mobilehome spaces in the Park, and the personal conduct of home owners, residents, tenants and their guests, subject to Article XIV Mortgage Lender Provisions herein below. The initial Rules and Regulations adopted by the Board shall be in the form attached hereto as Exhibit 2.

b. **Exercise of Association Powers.** To exercise for the Association all powers, duties and authority vested in or delegated to this Association, not reserved to the membership by other provisions of these Bylaws.

c. **Declare Office of Director Vacant.** To declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board.

d. **Establish and Collect Rental Assessments.** To establish, levy, assess and collect rental assessments, as further provided in these Bylaws, subject to Article XIV Mortgage Lender Provisions herein below.

e. **Enforce Agreements and Restrictions.** To enforce the applicable provisions of these Bylaws and other instruments for the management and control of the Park, including Member Rental Agreements, non-member rental agreements, and the Rules and Regulations.

f. **Delegate Powers.** To delegate powers to committees, officers, employees or a professional property management agent, provided, however, that the delegation to a property management agent is subject to Article XIV Mortgage Lender Provisions.

g. **Contract for Materials and Services.** To contract for materials and/or services for the Park common area, with the term of any service contract limited to a duration of one year, except with approval of a majority of members of the Association.

h. **Contract for Insurance.** To contract for fire, casualty, liability and other insurance on behalf of the Association, subject to Article XIV Mortgage Lender Provisions.

i. **Contracts – Execution - Limitations.** The Board, except as may be otherwise provided in these Bylaws, may authorize any officer or agent to enter into any contract or execute any instrument of any kind in the name and on behalf of the Association, specifically including but not limited to the Sale and Loan Documents. Such authority to contract may be general or confined to specific instances. Unless authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or render it liable for any purpose or for any amount. The Board shall not enter into any contract which binds the Association for a period in excess of one year, unless the contract is approved by the majority of the Association members and the Mortgage Lender, with the following exceptions:

(i) The Sale and Loan Documents, and all other documents required by the Seller and the Mortgage Lender for the Association to purchase the Park.

(ii) Member Rental Agreements.

(iii) A property management contract, the terms of which have been approved by the Mortgage Lender.

(iv) A contract with a public utility company if the rates charged for materials and services are regulated by the Public Utilities Commission, provided that the terms of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(v) A prepaid casualty/and or liability insurance policy of not to exceed three years duration, provided that the policy permits for short rate cancellation by the insured.

Section 3. Duties of Board

a. **Records.** To keep a complete record of all Board acts and to present a statement thereof to members at the annual meeting of members, or at any special meeting when such statement is requested by 1/5 of the membership | entitled to vote.

b. **Supervise.** To supervise all officers, agents and employees of the Association and to see their duties are properly performed.

c. **Fixing Rental Assessments.** To fix the amount of regular and special rental assessments of members at least 90 days in advance of each increase in the amount of the regular rental assessment.

d. **Notice of Rental Assessment.** To send written notice of rental assessment increases to every member subject hereto at least 90 days in advance of each increase in the rental assessment.

e. **Collect Rental Assessments.** To collect all rental assessments and other amounts due to the Association.

f. **Certificate of Assessment.** To issue or cause to be issued, upon demand by any person, a certificate setting forth whether any rental assessment has been paid. A reasonable charge may be made for the issuance of such certificate by the Board. Such certificate shall be conclusive evidence of any rental assessment therein stated to have been paid.

g. **Insurance.** To procure and maintain adequate fire, with extended coverage, liability and hazard insurance on all Park buildings, facilities and other property under the control of the Association, in compliance with Article XIV Mortgage Lender Provisions.

h. **Bonds.** To cause all officers or employees having fiscal responsibility to be bonded as it may deem appropriate.

i. **Maintenance of Common Area.** To cause the common area to be maintained in a first-class condition.

j. **Maintenance of Exteriors.** To cause the exterior of all Association owned buildings to be maintained in first-class condition.

k. **Employment of Managing Agent.** To employ an independent contractor or such other employees as it deems necessary and to prescribe their duties. A service contract shall not be for a term in excess of one year after the organizational meeting, except with approval of a majority of the Association members. The Property Manager shall be a Qualified Property Manager as defined in the Loan Agreement and subject to the terms of section 3.24 of the Loan Agreement and Article XIV, Section 13 of these bylaws.

l. **Enforce Rental Agreements and Rules.** To enforce all Member Rental Agreements, tenant rental agreements and the Rules and Regulations, including exercising the right to maintain homes and spaces in a clean and attractive condition when a member or tenant fails to do so.

m. **Performance of Obligations.** To timely perform and ensure the timely performance all obligations to be performed by the Association pursuant to any and all contracts and agreements made by or on behalf of the Association.

n. **Compliance With All Laws.** To comply with all laws and ensure that at all times the Association, its members and tenants comply with all applicable laws, including, but not limited to, all federal and state fair housing laws, the Mobilehome Residency Law (Civil Code section 798 and following), the Nonprofit Mutual Benefit Corporations Law (Corporations Code section 7110 and following), and Title 25 of the California Code of Regulations.

o. **Membership Records.** To maintain accurate records of all members and register of membership, and to issue certificates of membership.

Section 4. Election of Directors

Election of Directors shall be by the Association members by secret ballot, according to the procedures found in California Civil Code §5115. To establish staggered terms, at the first election meeting after the close of escrow of the Park purchase, there shall be a drawing in order to determine the initial terms of directors. After the drawing, one board member shall have an initial term of one (1) year, two board members shall have a term of two (2) years, and two board members shall have a term of three (3) years. The minutes of this meeting shall show the results of the drawing. For each annual election of directors thereafter, the members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, those directors elected to serve a term of two years.

Section 5. Removal of Board of Directors

Any and all directors may be removed from office at any time by majority vote of the membership present at any meeting called and duly noticed for such purpose, provided that a quorum is present.

Section 6. Meetings

The Board shall meet not less than every month, but shall also meet at the call of the President or, if he is absent or unable or refuses to act, by any two directors.

The Secretary shall keep summarized written minutes of meetings of the Board. Regular meetings of the Board shall be held at a time and place within the Park fixed by the Board.

Notice of the time and place of all meetings shall be posted in a prominent place within the Park common area.

A special meeting of the Board may be called by written notice signed by the President of the Association or by any two members of the Board other than the President. The notice shall specify the time, date and place of meeting and nature of the special business to be considered. The notice shall be sent to all Board members and posted in a manner similar to that for regular meetings, not less than 72 hours prior to the scheduled time of a special meeting. Notice may be given by personal delivery or by a messaging system such as electronic mail.

Regular and special meetings of the Board shall be open to all members of the

Association. Association members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of the majority of a quorum of Board members. The Board may adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 5. Voting

Each director shall have one vote. A director must attend a meeting in order to vote. Directors cannot vote by proxy. A majority of the directors on the Board shall constitute a quorum for the transaction of business. No question shall be decided upon by the vote of fewer than two of the directors.

Section 6. Vacancies

In the event of death, resignation or removal of director, the successor shall be selected by the remaining directors on the Board and shall serve for the unexpired term of his predecessor or until such time as a new director is elected by the membership.

Section 7. Compensation

No director shall receive compensation for any service rendered to the Association. However, a director may be reimbursed for actual expenses incurred in the performance of his duties. Nothing contained herein shall preclude a director from serving the Association in a capacity other than director and receiving compensation therefor, if authorized and approved by the Board. Any director receiving compensation for services in another capacity shall be excluded from Board deliberations and voting regarding authorization and compensation for such services.

ARTICLE VIII ASSOCIATION RECORDS & REPORTS

The register of membership, books of account and minutes of meetings of members of the Board and committees of the Board or of the Association shall be made available for

inspection and copying by any member of the Association or by his duly appointed representative, at any reasonable time and for any purpose reasonably related to his interest as a member, at the office of the Association. The Board shall establish reasonable rules with respect to (a) notice to be given the custodian of the records by the member desiring to make the inspection; (b) hours and days of the week when such inspection may be made; and (c) payment of costs for reproducing copies of documents required by the member. Every director shall have the absolute right, at any reasonable time, to inspect all books, records and documents of the Association and physical properties owned or controlled by the Association. The right of inspection by directors shall include the right to make extracts and copies of documents for no charge.

ARTICLE IX COMMITTEES

The Board may appoint committees as deemed appropriate in carrying out its purpose, including but not limited to:

An **Architectural Control/Park Maintenance Committee**, which shall consist of not less than three (3) nor more than five (5) members, which shall advise the Board on matters pertaining to the exterior remodeling of homes in the Park, and the replacement of homes in the Park with new manufactured homes. This committee will also advise the Board on matters pertaining to the maintenance and repair of common area improvements in the Park, and shall perform such other functions as the Board, in its discretion, determines.

A **Landscape Committee** which shall advise the Board on matters pertaining to the design and maintenance of landscaping in the Park common areas and all home sites in the Park, and shall perform such other functions as the Board, in its discretion, determines.

A **Finance/Audit Committee** which shall supervise the annual audit or review of the Association's books, and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The Association Treasurer shall be an ex officio member of this committee.

A **Social Committee** which shall advise the Board on all matters pertaining to the recreational programs and activities of the Association, and shall perform such other

functions as the Board in its discretion determines.

Each director may appoint a person to each committee. All persons appointed to serve on a committee shall be members of the Association.

ARTICLE X ASSESSMENTS

Section 1. Personal Obligation of Rental Assessments - Creation of Lien

Subject to the provisions of these Bylaws, each member is deemed to covenant and agrees to pay the Association:

- a. Regular monthly assessments as rent for the Space on which the member's home is located pursuant to the member's Member Rental Agreement;
- b. Special assessments for capital improvements as rent for the Space on which the member's home is located pursuant to the member's Member Rental Agreement; and
- c. Emergency rental assessments, as determined by the Board, as rent for the Space on which the member's home is located pursuant to the Member's Rental Agreement.

All dues, assessments and fees levied upon members by the Association, including, but not limited to, the regular, special and emergency assessments, and all late charges and interest thereon, shall be due as rent pursuant to the member's Member Rental Agreement and shall also be a charge on the membership share, and shall be a continuing lien on the share against which each such assessment is made.

Section 2. Purpose of Assessments

Assessments levied by the Association shall be used exclusively for the purposes of (a) paying the Mortgage Lender the Association's obligations, including, but not limited to, all obligations owing to the Mortgage Lender pursuant to the Sale and Loan Documents; (b) paying the Association's expenses for operation of the Park; and (c) contribution to Association reserves.

Section 3. Basis of Regular Rental Assessments

The initial monthly rental assessment for each member shall be \$555.00. At least 90 days before the beginning of each calendar quarter, the Board shall estimate the income to be received from rents and assessments and the charges required to be paid by the Association in performing its functions during the next calendar quarter, including reasonable provisions for contingencies and reserves and less any surplus from the prior year's funds. If the estimated income proves inadequate for any reason, including nonpayment of owners' assessments, to pay the estimated charges as they come due, the Board may at any time levy a further assessment which shall be assessed to the members as rent. Each member shall be obligated, and, by signing the subscription agreement and Member Rental Agreement, agrees to pay all assessments levied pursuant to this Article as rent.

Section 4. Special Rental Assessments for Capital Improvements

In addition to the regular rental assessments authorized above, the Association may levy, in any calendar year, a special rental assessment applicable only to a specified number of months or years for the purpose of paying or defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repairs or replacement of the capital improvements belonging to the Association, including all necessary fixtures and personal property related thereto. However, the amount of any special rental assessment payable in any one year (12 consecutive months) may not exceed ten percent (10%) of the budgeted gross expenses of the Association for that year or create a rental increase to members greater than ten percent (10%) without the vote of a majority of the membership.

Section 5. Emergency Rental Assessments

In case the regular and special rental assessments described in Sections 3 and 4 are insufficient for any reason, the Board shall have authority to levy an emergency rental assessment to make up the deficiency.

| Section 6. Date of Commencement of Rental Assessments

All dues, assessments and fees provided herein shall be payable as rent in advance on the first day of each month commencing on the first day of the month following the close of the Park purchase escrow; provided, however, that if escrow closes on the first day of the

month, the rental assessments shall be due and payable immediately. Ninety (90) days' notice shall be given prior to the commencement of any increase in the aggregate rental assessments.

Section 7. Certificate of Payment

The Association shall, on demand, furnish to any member liable for assessments a certificate in writing, signed by an officer of the Association, setting forth whether the rental assessments on the member's membership have been paid and, if not, detailing the assessments which have not been paid and the amount of delinquency.

Section 9. Effect of Non-Payment of Rental Assessments - Remedies

Any rent, including any dues, assessment or fee provided for herein, which is not paid on the due date as established by the Board shall be delinquent. With respect to each assessment not paid within 15 days after its due date, the Board may, at its election, require the delinquent member to pay a late charge of six percent (6%) of the amount of the delinquent assessment, together with interest at the maximum rate permitted by law on the delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association. If any assessment is not paid within 30 days after the delinquency date, the Association may, at its option, bring an action at law against the member personally obligated to pay the same, or upon compliance with the notice provisions of these Bylaws, foreclose the lien against the membership share. There shall be added to the assessment amount costs of preparing and filing the complaint in any action, and in the event a judgment is obtained, the judgment shall include interest, together with the costs of the action. Each member vests in the Association or its assigns the right and power to bring actions at law or lien foreclosure against the member for collection of delinquent assessments. No member may waive or otherwise escape liability for assessments provided for herein by non-use of Park facilities or by abandonment of his or her home. The remedies provided in this Section 9 are in addition to the remedies available pursuant to the Member Rental Agreement, including the power to evict the member from the Park for non-payment. Nothing contained in this Section 9 shall affect the interpretation of the Member Rental Agreement, except that a member who is delinquent in paying any assessment and a member whose membership has been foreclosed is not a member in good standing of the Association and will be deemed to be in violation of the Rules and Regulations.

ARTICLE XI

MAINTENANCE & REPAIR - OBLIGATION OF OWNERS

(a) Every owner must promptly perform all maintenance and repair work within his own home, which if omitted would affect the Park or the Association as a whole, and is expressly responsible for damages and liabilities that his failure to do so may cause.

(b) All repairs of internal systems of the home, such as water, power, sewage, telephone, sanitary installations, doors, windows, lamps and all other accessories belonging to the home area shall be maintained at the owner's expense.

(c) Every owner must comply with the Rules and Regulations, and all local, municipal, county and state ordinances, codes, laws and permit procedures when maintaining, repairing or remodeling their home, appurtenances, space and other structures, specifically including, but not limited to, Title 25 of the California Code of Regulations.

(d) Every owner must comply with the Association's Rules and Regulations and Title 25 of the California Code of Regulations regarding removal and replacement of homes in the Park.

ARTICLE XII FISCAL YEAR

The fiscal year for the Association shall be the calendar year, unless and until changed by action of the Board at a duly constituted meeting.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 1. Successors

Each successive owner of each home in the Park shall become a member of the Association and shall be furnished with a copy of these Bylaws and sign a Member | Rental Agreement.

Section 2. Amendment or Repeal of Bylaws

These Bylaws or any provisions hereof may be amended by the vote or written consent of not less than a majority of the voting power of the membership, subject to approval of the Mortgage Lender as provided in Article XIV Mortgage Lender Provisions.

Section 3. Property Rights - Rights of Enjoyment

Each owner shall be entitled to use and enjoy the Park common area and facilities. Any owner may delegate his rights of enjoyment in the common area and facilities to his family. Such owner shall notify the Secretary of the Association in writing of any such delegate. The rights and privileges of such delegates are subject to the suspension to the same extent as those of the owner.

Section 4. Applicability

The provisions of these Bylaws are applicable to the Park, its operation, occupancy, ownership, maintenance and use, and to all present and future owners, members of their families, guests, employees or licensees, and to any other person or persons who may use the Park or its facilities in any manner. Occupancy of any home in the Park shall constitute acceptance and ratification of these Bylaws, as they may from time to time be amended and/or supplemented.

Section 5. Financial Review by Board

At least quarterly, the Board of Directors will review the following:

- (a) The current reconciliation of the Association's operating and reserve accounts as well as the current year's actual reserve revenues and expenses compared to the current year's budget;
- (b) An income and expense statement for the Association's operating and reserve accounts; and
- (c) The latest account statement for the operating and reserve accounts.

Section 6. Alternative Dispute Resolution

6.1 It is the general policy of the Association to encourage the use of alternative dispute resolution to resolve disputes between the Association and a member. Alternative dispute resolution (“ADR”) is defined as a procedure for settling a dispute by means other than litigation, such as binding arbitration, nonbinding arbitration or mediation.

6.2 General Policy. In the event of any dispute between the Association and a member, except for those exempted claims defined, the Association and the member shall agree to resolve the dispute using the procedures set forth below prior to filing suit in any court, or initiating proceedings before any administrative tribunal.

6.3 Exempt Claims. The following claims are exempt from the provisions of this policy, and sections 6.4 through 6.9 do not apply to any of them:

(a) Any action by the Association against a member to collect dues, assessments, fees or other sums due to the Association, including any foreclosure proceeding.

(b) Any action by the Association brought pursuant to the Member Rental Agreement, including but not limited to, actions to collect rent and/or for eviction.

(c) Any action by the Association to enforce any provision of the Association's Bylaws or Rules and Regulations.

(d) Any claim of the Association which if not pursued by the filing of a lawsuit would be deemed barred due to the applicable statute of limitations.

(e) Any action for injunctive relief.

6.4 Procedure for All Other Claims. All claims other than exempt claims shall be resolved using the following procedures in lieu of litigation:

(a) The Association or any member having a claim (“Claimant”) against another member or the Association, respectively (“Respondent”), other than an exempt claim, shall notify each Respondent in writing of the claim (“Notice”), stating (1) the nature of the Claim, including the date, time, location, persons involved, and Respondent's role in the Claim, (2) the basis of the Claim (i.e., the provisions of the Bylaws, the Articles, Rules or Regulations or other authority out of which the Claim arises; (3) what Claimant wants Respondent to do or not do to resolve the claim; and (4)

that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The parties shall make every reasonable effort to meet in person to resolve the Claim by good faith negotiation.

(c) Mediation.

(i) If the parties do not resolve the Claim through negotiation within 20 days of the date of the Notice, or within such other period as may be agreed upon by the parties, (“Termination of Negotiations”), Claimant shall have 30 additional days to submit the claim to mediation by an independent mediation service agreed upon by the parties.

(ii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of the Claim.

(iii) If the parties do not settle the Claim within 45 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“Termination of Mediation”). Termination of Mediation notice shall set forth when and where the parties met, that the parties are at an impasse, and the date that mediation was terminated.

(iv) Within 10 days of the Termination of Mediation, the parties shall again attempt to resolve the matter informally through negotiation

(d) Arbitration.

(i) If the parties do not resolve the Claim for negotiation, as provided for above, within 20 days of the Termination of Mediation, the Claimant shall then have 15 additional days to submit the Claim to arbitration in accordance with the appropriate rules of the American Arbitration Association, or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of the Claim. However, nothing herein shall release or discharge

Respondent from any liability to anyone not a party to the proceedings.

(ii) This bylaw constitutes an agreement of the Association and Owners to arbitrate all claims except Exempt Claims, and is specifically enforceable under the applicable arbitration law of the State of California. If specifically agreed to by both parties to the arbitration, the arbitration shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of California.

6.5 Costs. If the Claims are resolved through negotiation or mediation as provided above, each party shall bear all of its own costs incurred in resolving the Claim, including its attorney's fees and mediation expenses, unless the parties agree otherwise. If the Claims are not resolved through negotiation or mediation as provided above, and the Claim goes to arbitration, the prevailing party shall receive as part of its award from the opposing party all of its costs, including attorney fees, costs for the representatives in resolving such Claim, and any expenses incurred as a result of the dispute resolution procedures required by Association Bylaws.

6.6 Failure to comply with settlement. If the parties resolve any Claim through negotiation, mediation, or arbitration as set forth above, and the other party fails to abide by the terms of such agreement or award, then the other party may file suit or initiate administrative proceedings to enforce such agreement or award without need to comply with the provisions of this bylaw. In such event, the party taking action to enforce the agreement or award shall be entitled to recover from a non-complying party all costs incurred in enforcing such agreement or award, including without limitation, attorney's fees and costs.

6.7 Supplement to Law. The provisions of this bylaw shall be in addition to and in supplement of the terms and provisions of the law of the State of California governing the Association.

6.8 Deviations. The Association Board may deviate from the procedures set forth in this bylaw, if in its sole discretion such deviation is reasonable under the circumstances

6.9 Amendment. This bylaw may be amended from time to time by a majority vote of the Board of Directors.

**ARTICLE XIV
MORTGAGE LENDER PROVISIONS**

Section 1. Duration

The following Mortgage Lender Provisions shall be and remain in effect so long as any money is due pursuant to the Purchase Money Loan.

Section 2. No Change In Corporate Status

The Corporation shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of the Mortgage Lender.

Section 3. No Change In Governance Documents

The Articles of Incorporation and these Bylaws may not be amended. Notwithstanding anything to the contrary contained in these Bylaws, no amendment to the Association's governance documents, including but not limited to the Articles of Incorporation and these Bylaws, will have any force or effect without the prior written consent of the Mortgage Lender.

Section 4. Authority To Execute Sale and Loan Documents

The Corporation, its Board and officers are authorized and directed to execute and perform the Sale and Loan Documents, and each of them, and all other documents reasonably necessary or appropriate to purchase the Park and obtain the Purchase Money Loan from Mortgage Lender in accordance with the Sale and Loan Documents. Certain provisions of the Sale and Loan Documents shall survive the purchase of the Park by the Corporation. The Corporation, its Board and officers shall at all times perform all of obligations of the Corporation to be performed according to the Sale and Loan Documents and each of them.

Section 5. Authority of President

The Corporation designates its President, Clay Butler, as its official representative for all matters concerning the execution and performance of the Sale and Loan Documents, and

each of them, and for all matters which require the prior written consent or approval of the Mortgage Lender. The signature of Clay Butler, President, or his successor as President of the Corporation, will bind the Corporation in all such matters.

Section 6. Sale and Loan Documents Control

If any of the provisions of these Bylaws or any resolution made by the Board or the Members conflict with any of the terms of any of the Sale and Loan Documents, the conflicting provision in the Bylaws or resolution shall be void and of no force or effect, and the provisions of the Sale and Loan Documents will control.

Section 7. No Change In Member Rental Agreement

The Corporation shall not make any change in the Member Rental Agreement, Exhibit 1, without the prior written consent of Mortgage Lender, and any purported change will be void and of no force or effect.

Section 8. No Change in Rules and Regulations

The Corporation shall not make any change in the Rules and Regulations, Exhibit 2, without the prior written consent of Mortgage Lender, and any purported change will be void and of no force or effect.

Section 9. Members, Officer and Directors Bound

All members, including the original members and all subsequent members, by becoming a member and receiving a membership interest, agree to each of the terms of and to be bound by the Sale and Loan Documents, these Bylaws, the Member Rental Agreement, and each of them.

Section 10. Individual Liability

The members, officers and directors, including all future members, officers and directors, shall be personally liable in their individual capacity to the Mortgage Lender for:

a. Funds, money and property of the Corporation coming into their possession, which by the provisions of these Bylaws and/or the Sale and Loan Documents, the member, officer or director is not entitled to retain;

b. Its own acts and deeds, and the acts and deeds of others which it has authorized, in violation of the provisions of these Bylaws and/or the Sale and Loan Documents;

c. The acts and deeds of affiliates, as defined in the Sale and Loan Documents, which the person has authorized in violation of the provisions of these Bylaws and/or the Sale and Loan Documents; and

d. Performance of the Member Rental Agreement and the Indemnity Agreement. As a condition of membership, each member shall sign a Member Rental Agreement and the Indemnity Agreement.

Section 11. Limitation on Indemnity of Officers and Directors

The Corporation shall not indemnify, defend, hold harmless, or pay any judgment or claim asserted against any member, officer or director without the prior written consent of Mortgage Lender, except to the extent mandated by state law and to the extent of any applicable insurance. Any monies paid in violation of this provision shall be deemed an unlawful distribution made jointly and severally to all members, officers and directors who benefitted from the payment.

Section 12. Insurance Requirements

The Corporation shall at all times comply with the Insurance Requirements of the Sale and Loan Documents and maintain and pay for all such insurance policies and coverages with such insurance companies as described therein.

Section 13. Property Management

The Corporation shall at all times hire and maintain an experienced, qualified property management company which is approved by the Mortgage Lender, to its personal satisfaction, as provided in the Sale and Loan Documents.

The Corporation shall not enter into any property management agreement without first obtaining the written consent of Mortgage Lender.

The Corporation shall assign all its rights in and to the property management agreement to Mortgage Lender, so as to take effect in the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance.

In the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance, the Corporation shall no longer have the right and power to manage or operate the Park, and all rights to manage and operate the Park shall transfer automatically to Mortgage Lender.

Section 14. Assignment of Rental Agreements

The Corporation shall assign all rental agreements, including Member Rental Agreement and tenant rental agreements, to Mortgage Lender, so as to take effect in the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance.

Section 15. Assignment of Rents

In the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance, the Corporation shall no longer have the right to collect any rent, assessments, regular assessments, special assessments, emergency assessments, dues, fees or any other amounts due from the members or non-member tenants of the Park; the right to collect all such sums will automatically transfer to Mortgage Lender; and the Corporation shall inform and instruct all members and tenants to pay to Mortgage Lender all sums which would otherwise be due to the Corporation.

Section 16. Transfer of Assets

In the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance, the Corporation shall transfer to Mortgage Lender all assets, including, but not limited to, all personal property, files, and monies, including monies held by any bank, financial institution and property manager.

CERTIFICATE OF SECRETARY OF ADOPTION OF Bylaws

THIS IS TO CERTIFY:

That I, _____, am the duly elected, qualified and acting Secretary of ALIMUR PARK HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, that the above and foregoing Bylaws was submitted to the Members at their first meeting and recorded in the minutes thereof, was ratified by the vote of the majority of the membership, and was adopted and approved by the majority vote of the Board of Directors at its first meeting; and that Clay Butler was duly elected a member of the Board of Directors and President.

IN WITNESS WHEREOF, I have hereunto set my hand on this _____ day of _____, 2015

Secretary