

**BY-LAWS
OF
MESA VIEW HOMEOWNERS ASSOCIATION NO. 2**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is MESA VIEW HOMEOWNERS ASSOCIATION NO. 2., hereafter referred as the "Association". The principal office of the corporation shall be located at San Diego County, but meetings may be held at such places within the counties of Los Angeles and San Diego as may be designated by the Board of Directors. Meetings of members shall be held in San Diego County at such a places as may be designated by the Board of Directors.

**ARTICLE II
PURPOSE**

The purpose of this Association shall be to sponsor those activities of general interest to and for the health, safety and welfare of all Homeowners of the Association; to determine and express the desires and needs of homeowners; to engender a working spirit through democratic leadership and designed to permeate all Association efforts.

**ARTICLE III
DEFINITIONS**

Section 1. "**Association**" shall mean and refer to MESA VIEW HOMEOWNERS ASSOCIATION NO. 2., its successors and assigns.

Section 2. "**Properties**" shall mean and refer to all of the Tract in the County of San Diego described as the Existing Property, and any additions thereto as may hereafter be brought within the jurisdiction of the Association pursuant to Article II, section 2, part II, exhibit A of said declaration.

Section 3. "**Common Area**" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association together with recreational facilities located thereon.

Section 4. "**Lot**" shall mean and refer to any plot of land shown upon any recorded subdivision of the properties, with the exception of the common area, and public streets and alleys located therein.

Section 5. "**Member**" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. **“Declarant”** shall mean and refer to LARWIN-SAN DIEGO, INC., its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the performance of an obligation.

Section 8. **“Declaration”** shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to Mesa View No. 2, recorded in the office of the County Recorder in San Diego County, California as Map No. 6647 and any amendments thereof.

Section 9. **“Dwelling Unit”** Shall mean and refer to any portion of the building located on a lot designated and intended for use and occupancy as a residence by a single family.

ARTICLE IV **MEMBERSHIP**

Section 1. **Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owners shall have more than one membership. Membership shall be appurtenant to and be separated from ownership of any lot which is subject to and may not be separated from ownership of any lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership.

Section 2. **SUSPENSION of MEMBERSHIP.** During any period in which a member shall be in default in the payment of annual or special assessment levied by the Association, the voting rights and right to use the common areas may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended after notice and hearing, for a period not to exceed thirty (30) days, for any single infraction of any rules and regulations established by the Board of Directors governing the use of the common areas.

Section 3. **Transfer.** The membership held by any owner of a lot shall not be transferred, pledged or alienated in any way, except upon sale or encumbrance of such lot, and then only to the purchaser or mortgagee of such lot. An attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the owner of any lot should fail or refuse to transfer the membership registered in his name to the purchaser of such lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new certificate to the purchaser; and there upon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

ARTICLE V
PROPERTY RIGHTS – RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the common areas and facilities as provided in the Declaration. Any member may delegate his right of enjoyment of the common area to the members of his family, his tenants, or contract purchasers, who reside on his property. Such member shall notify the Secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

Section 2. Irrespective of the fact that Section 1 (c) of Article V of Part II of the Declaration gives the Association the right to charge reasonable admission and other fees for use of any recreational facilities situated upon the common area, this right shall not be exercised as to members for a period of five (5) years from date of recordation of the Declaration, and after this period, only upon written approval of two-thirds (2/3) of each class of membership.

ARTICLE VI
BOARD OF DIRECTORS – SELECTION – TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of five (5) directors, who need not be members of the Association. The number of directors may be increased or decreased from time to time (but in no event shall there be less than five (5) directors) by the amendment of these by-laws by this numbers, as hereinafter provided in Article XV, or by amendment to this Articles of Incorporation.

Section 2. Election. Commencing October 1974 the membership shall elect four (4) Directors and on April 1975 the members shall elect three (3) members for a period of one (1) year respectively, shall elect the same number of directors during the above months thereafter.

Section 3. Vacancies. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VII
MEETINGS OF THE DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place within the counties of Los Angeles and San Diego and hour as may be fixed, from time to time, by resolution of the board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association or by any two directors, after not less than three (3) days notice of each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at the meeting of the directors.

ARTICLE VIII
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Extension of Nominations. Nominations shall not extend beyond the fourth week of March and September respectively. Members who desire to be nominated shall submit a written request to the Board. Each prospective nominee shall be present at the nominating meeting, and after being seconded, will be required to address the audience stating his reasons for seeking membership to the Board.

Section 3. Time of Elections. Elections shall take place in April and October respectively and every year thereafter. The exact date shall be decided upon by the Board with at least fifteen (15) days notice to members.

Section 4. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under provisions of the Declaration. Directors shall be elected or removed by cumulative vote of the members.

Section 5. Proxy Votes. Proxy votes will be obtainable from the Board of Directors.

Section 6. Ballots. The number of ballots given to each member must at the time of tallying equal the sum of cast and uncast ballots otherwise the election shall be deemed invalid and a new election must be held within one week according to the rules heretofore stated.

Section 7. Notification. The results of each election shall be published in the newsletter and notification of the same shall be given to the Board.

Section 8. Incumbents. The incumbent Board members shall serve as liaison to the newly elected members until April 30th and October 31st of each respective year.

ARTICLE IX **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors Shall have power:

- (a) To adopt and publish rules and regulations governing the use of the common area, facilities and personal conduct of the members and their guest thereon;
- (b) 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 by-laws, the Articles of Incorporation, or the Declaration.
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (d) Having the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same at the first annual meeting of the members of the Association, or when membership in class B is terminated as provided for in Part II, Section 1 of the Declaration.
- (e) To establish, levy and assess, and collection assessments or charges referred to in Article XIII.

Section 2. Duties. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fifth (1/5) of the membership who are entitled to vote;

- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided herein and in the Declaration;
 - (1) To Fix the amount of regular assessment against each lot at least thirty (30) days in advance of each regular assessment period, as hereinafter provided in Article XIII and
 - (2) To send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.
- (d) To issue, or to cause an appropriate officer to issue, upon demand, by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;
- (e) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;
- (f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) To cause the common area to be maintained;
- (h) To foreclose the lien against property for which assessments are not paid within seventy-five (75) days after due date or to bring an action at law against the owner personally obligated to pay the same, or both.

ARTICLE X
COMMITTEES

Section 1. The President shall appoint liaison members, with the concurrence of the Board of Directors, to the following standing committees:

Architectural	Audit
Recreation	Swimming Pool
Maintenance	Social
Publicity	Youth

And any other standing or temporary committees as deemed appropriate in carrying out its purposes.

- (a) **An Architectural Committee**, which shall advise the Board of Directors on use restrictions pertaining to the residential lots, as well as , violation of said restrictions given in Part I of the Declaration.

- (b) **A Recreation Committee**, which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association, and shall perform such other functions as the Board, in its discretion, determines;
- (c) **A Maintenance Committee**, which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvements of the properties, and shall perform such other functions as the Board in its discretion, determines;
- (d) **A Publicity Committee**, which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public relations releases and announcements as are in the best interest of the Association, and
- (e) **An Audit Committee**, which shall supervise the annual independent audit 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 as provided in Article XII, Section 8 (d). The Treasurer shall be an ex-officio member of the committee.

Section 2. With the exception of fact-finding, no committee shall undertake an independent action unless approved by the Board of Directors.

Section 3. Upon forming, all committees shall submit to the Board a statement of purpose, a list of officers including their address and telephone numbers.

Section 4. No committees shall bear the name of MESA VIEW HOMEOWNERS ASSOCIATION NO. 2 therefore without written consent of the Board of Directors.

Section 5. All committees requesting funds from the Board shall submit a letter of purpose at the time the request is made and subsequently report the actual expenditures of any Board appropriated funds.

Section 6. The Board shall allocate, control and coordinate the use of the common area facilities of the Association.

ARTICLE XI

MEETINGS OF MEMBERS

Section 1. **Annual Meetings.** The first annual meeting of the members shall be held during the months of April and October. Directors will be elected for a term of one (1) year from the date of their election. Three (3) directors shall be elected by the members at the regular semi-annual meeting in April and four (4) directors shall be elected by the members at the semi-annual meeting in October.

Section 2. **Special Meetings.** Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fifth (1/5) of all the votes of the entire membership.

Section 3. **Notice of Meetings.** Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a

copy of such notice, postage prepaid, at least seven (7) days, but not more than sixty (60) days, before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify a reasonable place, day and hour of meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, at least fifty (50%) percent of the vote of each class shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If; however, such quorum shall not be present in person or by proxy at such meeting, the members entitled to vote thereat shall have the power to adjourn the meeting without notice other than announcement at the meeting, to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time of the original meeting was called, at which meeting the quorum requirement shall be only twenty-five (25%) percent of the votes of each class.

Section 5. Other Quorum Requirements. Notwithstanding section 4 of this Article, the quorum required for any action requiring members' assent under Articles IV and IX of the Articles of Incorporation shall be not less than the number or percentage of the entire membership required to take action under the applicable Article. If; however, such quorum shall not present in person or by proxy at any such meeting, the members entitled to vote thereat shall have the power to adjourn the meeting without notice other than announcement at the meeting, to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be only one-half (1/2) of such required number or percentage.

Section 6. Proxies and Voting. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the number of his lot. Except as otherwise provided in the Articles of Incorporation, By-Laws, or Declaration, a majority of the voting power present, in person or by proxy, shall prevail at such meeting.

Section 7. Rules. Meetings of members shall be governed by Robert's Rules of Order, except where such Rules of Order are inconsistent with the Declaration of Restrictions, Articles of Incorporation or these By-Laws.

ARTICLE XII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all time be members of the Board of Directors, a secretary and treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year, respective of the date of election unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. **Special Appointments.** The Board may elect such other officers as 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.

Section 5. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. 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.

Section 6. **Vacancies.** A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaced.

Section 7. **Multiple Offices.** The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. **Duties.** The duties of the officers are as follows:

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes.
- (b) The Vice President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an independent annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures and report to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members within thirty (30) days after its completion.

ARTICLE XIII **ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation Assessments. Subject to the provisions of the Declaration, each member is deemed to covenant and agree to pay to the Association, as provided in said Declaration; (1) regular monthly assessments or charges, and (2) special assessments for capital improvements. The regular and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due, and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment. The assessment levied by the Association shall be used for the purpose of operating the Association for the benefit, welfare and enjoyment of its member's, and in this connection, for the maintenance and improvements of the common area and the facilities thereon, and to provide funds for the Association to carry on its duties set forth herein, or in its Articles of Incorporation or in the Declaration.

Section 3. Basis and Maximum of Regular Assessments. Until July 1st of the year immediately following the conveyance of the first lot to an owner, the maximum regular assessment shall not exceed \$5.00 per lot per month.

- (a) From after July 1st of the year immediately following the conveyance of the first lot to an owner, the maximum monthly assessment may be increased effective July 1st of each year by the Board of Directors of the Association without vote of the membership, provided that such increase shall not be more than three (3%) percent, exclusive of any increases resulting from increases in real property taxes on the common area. Such monthly assessment shall continue in effect for the fiscal year, which period shall be deemed to be the assessment period.
- (b) From after July 1st of the year immediately following the conveyance of the first lot to an owner, the maximum regular assessment may be increased by the Board of Directors of the Association in an amount greater than provided for in subsection (a) hereof for the next succeeding twelve (12) calendar months, and at the end of each such period for each succeeding period for each succeeding period of twelve (12) months, provided that any such change shall have the assent of two-third (2/3) of the votes of each class of members voting in person or by proxy, at a meeting duly called for such purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) in advance of the meeting, setting forth the purpose of the meeting. The limitations hereof shall not apply to any change made in the maximum basis of the assessments undertaken as an incident to a merger or consolidation in which the association is authorized to participate under its Articles of Incorporation.

- (c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the regular monthly assessment at a lesser amount than provided for above.

Section 4. Special Assessments for Capitol Improvements. In addition to the regular assessments authorized above, the Association may levy in any fiscal year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capitol improvement upon the common area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the members of the Association, excluding Declarant. Such vote shall be taken at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

Section 5. Uniform Rates. Both regular and special assessments must be fixed at a uniform rate for all lots, and may be collected on a monthly basis.

Section 6. Quorum for any Action Authorized Under Sections 3 and 4. At a meeting called as provided in sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty (60%) percent of the votes of each class of membership, shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in sections 3 and 4, and the required quorum at the proceeding meeting. No such subsequent meeting shall be more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Regular Assessments and Fixing Thereof.

- (a) The regular assessments provided for herein shall commence on the first day of the month following the conveyance of the first lot within said tract to an individual owner. The regular assessments as to lots in other tracts, if said lots shall have become subject to assessment by the Association, shall commence with respect to all lots within each such tracts, on the first day of the month following conveyance of the first lot therein to an individual owner. Notwithstanding the foregoing, if construction of homes in any tract shall be in stages, then for all purposes herein, each separate stage of construction shall be deemed to be and shall be construed as a separate tract, and with respect to such stage, assessments of all lots within such stage shall commence on the first day of the month following the conveyance of the first lot within such stage of said tract to an individual owner. (As used herein, "stage" or "stages" of construction shall mean only those lots within a tract upon which are constructed single family residential structures under separate general construction contract and covered by separate construction loan.) Provided; however, that the Association, by majority vote of its Board of Directors, may extend the commencement date of the regular assessments to a time not later than two (2) months following the completion of all improvements and landscaping within the common area, or two (2) months from the date of conveyance of the common area to the Association, whichever is later, if Declarant, by a written

agreement with the Association, commits to maintain the common area until such extended date.

- (b) Subject to the provisions of Section 3 hereof, the Board of Directors shall determine and fix the amount of the regular monthly assessment against each lot at least thirty (30) days in advance of each assessment period. An assessment period shall be deemed to be for the twelve (12) months of each fiscal year, provided, that if the month of the commencement of the initial assessments shall be a month other than July, the assessment period shall be deemed to be to the end of such fractional fiscal year. Written notice of the assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors.

Section 8. Certificate of Payment. The Association shall, upon demand, furnish to any owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether the regular and special assessments on a specified lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made the Board for issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessments – Remedies of the Association. Any assessment provide for herein or in the Declaration which is not paid within fifteen (15) days after its due date, the Association may, at its election, require the owner to pay a “late charge” in the sum to be determined by the Association, but not to exceed \$1.00 per each delinquent assessment. If any assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the then legal rate, and the Association may, at its option bring an action at law against the owner personally obligated to pay the same, or upon compliance with the notice provisions set forth in Section 2, Article VII of the Declaration, to foreclose the lien against the lot, and there shall be added to the amount of such assessment, the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and reasonable attorney’s fee, together with the cost of action. Each owner vests in the Association or its assigns, the right and power to bring actions at law or lien foreclosures against such owner or other owners for collection of such delinquent assessments. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of common area or abandonment of his lot.

Section 10. Subordination of the Lien to Mortgages. If any lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a first mortgage or deed of trust; (1) the foreclosure of any lien created by anything set forth in the Declaration shall not operate to effect or impair the lien of such mortgage or deed of trust; and (2) the foreclosure of the lien of such mortgage or deed of trust or acceptance of a deed in lieu of the foreclosure by the mortgage, shall not operate to affect or impair the lien of the Declaration, except that said lien for said charges as shall have accrued up to the foreclosure or acceptance of the deed in lieu of foreclosure shall be subordinate to the lien of the mortgage or deed of trust, with the foreclosure-purchaser or deed-in-lieu-grantee taking title free of the lien of the Declaration for all said charges that have accrued up to the time of the foreclosure or deed given in lieu of foreclosure, but subject to the lien of the Declaration for all said charges that shall accrue subsequent to the foreclosure or deed given in lieu of foreclosure.

Section 11. Exempt Property. The following property subject to the Declaration shall be exempt from assessments created herein:

- (a) all properties dedicated to and accepted by local public authority;
- (b) the common area; and
- (c) all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of California. However, no land or improvements devoted to the dwelling use shall be exempt from said assessments.

ARTICLE XIV **BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost.

ARTICLE XV **CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the name of the Association, its date of Incorporation, and such matters as may be required by laws of the State of California.

ARTICLE XVI **AMENDMENTS**

These By-Laws may be amended, at a regular or special meeting of the members, by vote of a majority of a quorum of each class of members present or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments until seventy-five (75%) percent of the lots are sold to and occupied bona fide owners thereof, and except in those matters where the Declaration, Article of Incorporation or these By-Laws specify a greater majority for action, in which case such majority shall be required for amendment.

ARTICLE XVII **MISCELLANEOUS**

Section 1. Fiscal Year. The first fiscal year shall commence on the date of incorporation and shall end on the 30th day of June next following the date of incorporation. Thereafter, the fiscal year of the Association shall begin on the first day of July and end on the 30th day of June every year.

Section 2. Suspension After Hearing. The Board of Directors or a committee duly appointed by the Board to act in such matters, after hearing and by majority vote, shall have the right to suspend the voting rights and right of a member to use the common area owned by the Association for his violation of the rules and regulation of the Association provided that suspension shall not exceed thirty (30) days for any single violation.

Before such action may be taken, at least ten (10) days written notice must be given to such member, specifying the charges and stating the time and place of hearing on such charge. At such hearing the member shall be given an opportunity to be heard and to present evidence in answer to such charge.

Section 3. Suspension Without Hearing: The Board of Directors shall have the right to suspend the voting rights and the right of a member to use the common areas owned by the Association any period during which any assessment against his lot remains unpaid and delinquent. Any person whose rights have been so suspended shall be entitled to a hearing before the Board for the purpose of showing cause why such suspension should not be imposed.

IN WITNESS HEREOF, we, being all the directors of the MESA VIEW HOMEOWNERS ASSOCIATION NO. 4., Have hereunto set our hands this 15th day of May, 1970.



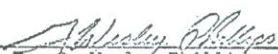
Lee J. Goldin



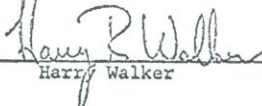
Bernard H. Moore



Michael T. Rose



G. Wesley Phillips



Harry Walker