

AMENDED AND RESTATED BY-LAWS
OF
CYPRESS TANGLEWOOD HOMEOWNERS ASSOCIATION,

ARTICLE I
NAME AND LOCATION

The name of the corporation is CYPRESS TANGLEWOOD HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 4437 Larwin Ave. Cypress, California, but meetings of members and directors may be held at such other places within the City of Cypress as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Cypress Tanglewood Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to all of Tracts 6050, 6051 and 6052 in the City of Cypress, County of Orange.

Section 3. "Common area" shall mean all property owned by the Association for the common use and enjoyment of the Owners.

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 every person or entity who holds a membership in the Association and whose rights as a Member are not suspended.

Section 6. "Owner" shall mean any person, firm, corporation or other entity which owns a fee simple interest in any Lot. If a Lot is transferred or conveyed to a trust, the Owner is the trustee or the co-trustees of such trust. Except where the context otherwise requires, the term "Owner" shall include the family, guests, tenants and invitees of an Owner.

Section 7. "Declaration" shall mean and refer to the First Restated Declaration of Covenants, Conditions and Restrictions for Cypress Tanglewood Homeowners Association,

recorded on September 17, 2014 as instrument number 2014000378031 in the Official Records of Orange County, California.

Section 8. "Dwelling Unit" shall mean and refer to any portion of a building located on a Lot designed and intended for use and occupancy as a residence by a single family.

ARTICLE III

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 Owner shall have more than one membership. Membership shall be appurtenant 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 any regular or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid, pursuant to the procedures in Section 12.06 of the Declaration. 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 Area and facilities, pursuant to the procedures in Section 12.06 of the Declaration.

ARTICLE IV

PROPERTY RIGHTS-RIGHTS OF ENJOYMENT

Section 1. Use of Common Area

Each Owner shall be entitled to the use and enjoyment of the Common Area and facilities as provided in Article 2 of the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the 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. Right to Charge Fees

The Association may charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area.

ARTICLE V

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 must be a member of the association and must reside on the property. 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 the members as hereinafter provided in Article XV, or by amendment to the Articles of Incorporation.

Section 2. Election

At each annual meeting the members shall elect two (2) directors in the odd numbered years and three (3) in the even numbered years.

Section 3. Vacancies

In the event of death, resignation or removal of a director, the successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the 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.

Section 5. 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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors. The written consent shall be filed with the minutes of the proceedings of the Board.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Board Meetings

“Board meeting” means either of the following:

- (a) A congregation, at the same time and place, of a sufficient number of directors to establish a quorum of the board, to hear, discuss, or deliberate upon any item of business that is within the authority of the board.
- (b) A teleconference, where a sufficient number of directors to establish a quorum of the board, in different locations, are connected by electronic means, through audio or video, or both. A teleconference meeting shall be conducted in a manner that protects the rights of members of the association and otherwise complies with the requirements of this act. Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one physical location so that members of the association may attend, and at least one director or a person designated by the board shall be present at that location. Participation by directors in a teleconference meeting constitutes presence at that meeting as long as all directors participating are able to hear one another, as well as members of the association speaking on matters before the board.

Regular meetings of the Board of Directors shall be held monthly, at such place 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 may be held at the same time on the next day which is not a legal holiday. All meetings of the Board shall be conducted in accordance with the *Common Interest Development Open Meeting Act* (Civil Code section 4900, et. seq.)

Section 2. Notice of Meetings

- (a) Except as provided in subdivision (b), the association shall give notice of the time and place of a board meeting at least four days before the meeting.
- (b)(1) If a board meeting is an emergency meeting, the association is not required to give notice of the time and place of the meeting.
- (2) If a nonemergency board meeting is held solely in executive session, the association shall give notice of the time and place of the meeting at least two days prior to the meeting.
- (c) Notice of a board meeting shall be given by general delivery pursuant to Civil Code Section 4045. That section generally provides that notice may be given by:
 - (1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the association.
 - (2) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.
 - (3) Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this section.

(4) Posting the printed document in a prominent location that is accessible to all members, if the location has been designated for the posting of general notices by the association in the annual policy statement, prepared pursuant to Section 5310.

(d) Notice of a board meeting shall contain the agenda for the meeting.

Section 3. Conduct of Meetings

The board shall not take action on any item of business outside of a board meeting. Any member may attend regular board meetings, except when the board adjourns to or meets solely in executive session. The board shall permit any member to speak at any regular meeting of the Association or Board. A reasonable time limit for all members of the Association to speak shall be established by the Board. The board shall not conduct a meeting via a series of electronic transmissions, including, but not limited to electronic mail except as a means of conducting an emergency board if all directors, individually, or collectively, consent in writing to that action and if the written consent or consents are filed with the minutes of the meeting. These written consents may be transmitted electronically.

Section 4. Emergency Board Meetings

An emergency board meeting may be called by the president of the Association, or by any two directors other than the president, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impractical to provide notice as required by Civil Code section 4920.

Section 5. Executive Sessions of the Board.

a) The board may adjourn to, or meet solely in, executive session to consider litigation, matters relating to the formation of contracts with third parties, member discipline, personnel matters, or to meet with a member, upon the member's request, regarding the member's payment of assessments.

(b) The board shall adjourn to, or meet solely in, executive session to discuss member discipline, if requested by the member who is the subject of the discussion. That member shall be entitled to attend the executive session.

(c) The board shall adjourn to, or meet solely in, executive session to discuss a payment plan pursuant to Civil Code Section 5665.

(d) The board shall adjourn to, or meet solely in, executive session to decide whether to foreclose on a lien pursuant to subdivision (b) of Section 5705.

(e) Any matter discussed in executive session shall be generally noted in the minutes of the immediately following meeting that is open to the entire membership.

Section 6. Subjects of meeting; Issues not on agenda

- (a) Except as described in subdivisions (b) to (e), inclusive, the board may not discuss or take action on any item at a nonemergency meeting unless the item was placed on the agenda included in the notice that was distributed pursuant to subdivision (a) of Civil Code Section 4920. This subdivision does not prohibit a member or resident who is not a director from speaking on issues not on the agenda.
- (b) Notwithstanding subdivision (a), a director, a managing agent or other agent of the board, or a member of the staff of the board, may do any of the following:
- (1) Briefly respond to statements made or questions posed by a person speaking at a meeting as described in subdivision (b) of Civil Code Section 4925.
 - (2) Ask a question for clarification, make a brief announcement, or make a brief report on the person's own activities, whether in response to questions posed by a member or based upon the person's own initiative.
- (c) Notwithstanding subdivision (a), the board or a director, subject to rules or procedures of the board, may do any of the following:
- (1) Provide a reference to, or provide other resources for factual information to, its managing agent or other agents or staff.
 - (2) Request its managing agent or other agents or staff to report back to the board at a subsequent meeting concerning any matter, or take action to direct its managing agent or other agents or staff to place a matter of business on a future agenda.
 - (3) Direct its managing agent or other agents or staff to perform administrative tasks that are necessary to carry out this section.
- (d) Notwithstanding subdivision (a), the board may take action on any item of business not appearing on the agenda distributed pursuant to subdivision (a) of Section 4920 under any of the following conditions:
- (1) Upon a determination made by a majority of the board present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the board, that require immediate attention and possible action by the board, and that, of necessity, make it impracticable to provide notice.
 - (2) Upon a determination made by the board by a vote of two-thirds of the directors present at the meeting, or, if less than two-thirds of total membership of the board is present at the meeting, by a unanimous vote of the directors present, that there is a need to take immediate action and that the need for action came to the attention of the board after the agenda was distributed pursuant to subdivision (a) of Civil Code Section 4920.
 - (3) The item appeared on an agenda that was distributed pursuant to subdivision (a) of Civil Code Section 4920 for a prior meeting of the board that occurred not more than 30 calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken.
- (e) Before discussing any item pursuant to subdivision (d), the board shall openly identify the item to the members in attendance at the meeting.

Section 7. Meeting Minutes.

- (a) The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any board meeting, other than an executive session, shall be

available to members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member upon request and upon reimbursement of the association's costs for making that distribution.

(b) The annual policy statement, prepared pursuant to Civil Code Section 5310, shall inform the members of their right to obtain copies of board meeting minutes and of how and where to do so.

Section 7. 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.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination

Nomination for election to the Board of Directors shall be made by a Nominating Committee or by self-declaration made by the candidate to the Board or its representative. Nominations may also be made from the floor at the annual meet-the-candidates meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors 90 days prior to each annual meeting of the members. 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. Any Member may nominate himself or herself for election to the Board.

Section 2. Elections

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 the provisions of the declaration.

The Board of Directors shall hold a "Meet the Candidates" night prior to the Annual Meeting/Election Day. The Board of Directors shall appoint three (3) inspectors of the Election who have the duty to receive all ballots and establish procedures under the procedures in Civil Code section 5110.

1. To hear and determine all challenges in connection with right to vote
2. Determine hours the polls will be open

3. Announce final results of election

The inspectors of the election shall determine the number of the memberships and voting power of each, the existence of a quorum and determine the results of the election and do such acts as may be proper to conduct the vote with fairness to members.

Section 3. Ballots, Quorum, Cumulative Voting

(a) Ballots and two preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the association to every member not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, or unit number on the ballot. The association shall use as a model those procedures used by California counties for ensuring confidentiality of vote by mail ballots, including all of the following:

(1) The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter shall sign the voter's name, indicate the voter's name, and indicate the address or separate interest identifier that entitles the voter to vote.

(2) The second envelope is addressed to the inspector or inspectors of elections, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector or inspectors of elections. The member may request a receipt for delivery.

(b) Each ballot received by the inspector of elections shall be treated as a member present at a meeting for purposes of establishing a quorum.

(c) Cumulative voting shall not be allowed.

(d) Except for the meeting to count the votes required in subdivision (a) of Section 5120, an election may be conducted entirely by mail unless otherwise specified in the governing documents.

(e) In an election to approve an amendment of the governing documents, the text of the proposed amendment shall be delivered to the members with the ballot.

Section 4. Tabulation and Counting of Votes

(a) All votes shall be counted and tabulated by the inspector or inspectors of elections, or the designee of the inspector of elections, in public at a properly noticed open meeting of the board or members. Any candidate or other member of the association may witness the counting and tabulation of the votes. No person, including a member of the association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. The inspector of elections, or the designee of the inspector of elections, may verify the member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated. Once a secret ballot is received by the inspector of elections, it shall be irrevocable.

(b) The tabulated results of the election shall be promptly reported to the board and shall be recorded in the minutes of the next meeting of the board and shall be available for review by

members of the association. Within 15 days of the election, the board shall give written notice to all members of the tabulated results of the election.

Section 5. Custody of Ballots

The sealed ballots at all times shall be in the custody of the inspector or inspectors of elections or at a location designated by the inspector or inspectors until after the tabulation of the vote, and for a period of one year after the election at which time custody shall be transferred to the association. If there is a recount or other challenge to the election process, the inspector or inspectors of elections shall, upon written request, make the ballots available for inspection and review by an association member or the member's authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

Section 6. Proxies

(a) For purposes of this article, the following definitions shall apply:

(1) "Proxy" means a written authorization signed by a member or the authorized representative of the member that gives another member or members the power to vote on behalf of that member.

(2) "Signed" means the placing of the member's name on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the member or authorized representative of the member.

(b) Proxies shall not be construed or used in lieu of a ballot. Members may use proxies but the association shall not be required to prepare or distribute proxies.

(c) Any instruction given in a proxy issued for an election that directs the manner in which the proxyholder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. The proxyholder shall cast the member's vote by secret ballot. The proxy may be revoked by the member prior to the receipt of the ballot by the inspector of elections as described in Section 7613 of the Corporations Code.

ARTICLE VIII

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 and facilities, and the personal conduct of the members and their guests 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) regular meetings of the Board of Directors;
- (d) To employ a manager, an independent contractor, managing agent (which may be a corporation) or such other employees as they deem necessary and to prescribe their duties;
- (e) To establish, levy and assess, and collect the assessments or charges referred to in Article XII; and
- (f) To determine and assess charges against any Association member for violation of By-Laws, Covenants, Conditions and Restrictions, Pool Rules and other general rules approved and published by the Board of Directors per the Schedule established in the guidelines.

Section 2. Duties

It shall be the duty of the Board of Directors to:

- (a) Review a current reconciliation of the association's operating accounts on at least a quarterly basis.
- (b) Review a current reconciliation of the association's reserve accounts on at least a quarterly basis.
- (c) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget.
- (d) Review the latest account statements prepared by the financial institutions where the association has its operating and reserve accounts.
- (e) Review an income and expense statement for the association's operating and reserve accounts on at least a quarterly basis.
- (f) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (g) Reserve Study
 - (a) At least once every three years, the board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components that the association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the common interest development. The board shall review this study, or cause it to be reviewed, annually and shall consider and implement necessary adjustments to the board's analysis of the reserve account requirements as a result of that review.
 - (b) The study required by this section shall at a minimum include:
 - (1) Identification of the major components that the association is obligated to repair, replace, restore, or maintain that, as of the date of the study, have a remaining useful life of less than 30 years.
 - (2) Identification of the probable remaining useful life of the components identified in paragraph (1) as of the date of the study.
 - (3) An estimate of the cost of repair, replacement, restoration, or maintenance of the components identified in paragraph (1).

(4) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the components identified in paragraph (1) during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.

(5) A reserve funding plan that indicates how the association plans to fund the contribution identified in paragraph (4) to meet the association's obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less, not including those components that the board has determined will not be replaced or repaired.

(6) The reserve funding plan shall include a schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the reserve funding plan. The plan shall be adopted by the board at an open meeting before the membership of the association. If the board determines that an assessment increase is necessary to fund the reserve funding plan, any increase shall be approved in a separate action of the board that is consistent with the procedure described in Civil Code Section 5605.

(h) Reserve Account

To maintain a Reserve Account, which shall be adequate to repair, replace, restore or maintain those major components which the association is obligated to repair, replace or maintain.

(1) The Reserve Fund shall be used only for the repair, restoration, replacement, or maintenance of the major components which the Association is obligated to repair.

(2) The projected reserve expenditures shall be included in the annual budget.

(3) The Reserve Fund Bank Statement shall be reviewed at least quarterly by the Board.

(4) The Board shall exercise prudent financial management in maintaining the integrity of the Reserve Account.

(i) As more fully provided herein and in the Declaration:

(1) To fix the amount of the regular assessment against each Lot at least thirty (30) days in advance of each regular assessment period, as hereinafter provided in Article XII, and

(2) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment period or due date;

(j) 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 the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

(k) To procure and maintain Directors and Officers insurance and adequate liability insurance and to procure adequate hazard insurance on property owned by the Association.

(l) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(m) To cause the Common Area to be maintained; and

(n) To cause the exterior of the dwellings to be maintained in the manner and to the extent provided for in the Declaration.

Section 3. Indemnification of Directors and Officers

The Board may authorize the Association to pay expenses incurred by or to satisfy a judgment or fine rendered or levied against a present or former director, officer or employee of the Association in an action brought by a third party against such person whether or not the Association is joined as a party defendant, to impose a liability or penalty on such person for an act alleged to have been committed by such person while a director, officer, or employee; provided that the Board determines in good faith that such director, officer, or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interest of the Association or its Members. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this section shall apply to the estate, executor, administrator, heirs, legatees, or devisees of such person.

Section 4. Annual Policy Statement

(a) Within 30 to 90 days before the end of its fiscal year, the board shall distribute an annual policy statement that provides the members with information about association policies. The annual policy statement shall include all of the following information:

- (1) The name and address of the person designated to receive official communications to the association, pursuant to Civil Code Section 4035.
- (2) A statement explaining that a member may submit a request to have notices sent to up to two different specified addresses, pursuant to subdivision (b) of Civil Code Section 4040.
- (3) The location, if any, designated for posting of a general notice, pursuant to paragraph (3) of subdivision (a) of Civil Code Section 4045.
- (4) Notice of a member's option to receive general notices by individual delivery, pursuant to subdivision (b) of Civil Code Section 4045.
- (5) Notice of a member's right to receive copies of meeting minutes, pursuant to subdivision (b) of Civil Code Section 4950.
- (6) The statement of assessment collection policies required by Civil Code Section 5730.

- (7) A statement describing the association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments.
- (8) A statement describing the association's discipline policy, if any, including any schedule of penalties for violations of the governing documents pursuant to Civil Code Section 5850.
- (9) A summary of dispute resolution procedures, pursuant to Civil Code Sections 5920 and 5965.
- (10) A summary of any requirements for association approval of a physical change to property, pursuant to Civil Code Section 4765.
- (11) The mailing address for overnight payment of assessments, pursuant to Civil Code Section 5655.
- (12) Any other information that is required by law or the governing documents or that the board determines to be appropriate for inclusion.
- (b) The annual policy statement shall be made available to the members pursuant to Civil Code Section 5320.

Section 5. Annual Budget Report

- (a) The Board shall distribute an annual budget report 30 to 90 days before the end of its fiscal year.
- (b) The annual budget report shall include all of the following information:
 - (1) A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis.
 - (2) A summary of the association's reserves, prepared pursuant to Civil Code Section 5565.
 - (3) A summary of the reserve funding plan adopted by the board, as specified in paragraph (5) of subdivision (b) of Civil Code Section 5550. The summary shall include notice to members that the full reserve study plan is available upon request, and the association shall provide the full reserve plan to any member upon request.
 - (4) A statement as to whether the board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less, including a justification for the deferral or decision not to undertake the repairs or replacement.
 - (5) A statement as to whether the board, consistent with the reserve funding plan adopted pursuant to Section 5560, has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.
 - (6) A statement as to the mechanism or mechanisms by which the board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms.
 - (7) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described in paragraph (4) of subdivision (b) of Civil Code Section 5570, and may not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

(8) A statement as to whether the association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired.

(9) A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any. To the extent that any of the required information is specified in the insurance policy declaration page, the association may meet its obligation to disclose that information by making copies of that page and distributing it with the annual budget report. The summary distributed pursuant to this paragraph shall contain, in at least 10-point boldface type, the following statement:

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

(c) The annual budget report shall be made available to the members pursuant to Civil Code Section 5320.

(d) The summary of the association's reserves disclosed pursuant to paragraph (2) of subdivision (b) shall not be admissible in evidence to show improper financial management of an association, provided that other relevant and competent evidence of the financial condition of the association is not made inadmissible by this provision.

(e) The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to Civil Code Section 5570, shall accompany each annual budget report or summary of the annual budget report that is delivered pursuant to this article.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section I. Enumeration of Officers

The executive officers of this Association shall be a President and Vice President, a Secretary, and a Treasurer. These officers shall be elected by the Board of Directors from among the members of the Board of Directors.

Section 2. Election of Officers

The election of the executive officers shall take place at the first meeting of the Board of

Directors following each annual meeting of the members.

Section 3. Term

The executive officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until a successor is elected and assumes office.

Section 4. Special Appointments

The Board may appoint such other officers or assistant officers as the affairs of the 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 executive 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 herein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies

A vacancy in any executive 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 replaces.

Section 7. Multiple Offices

The offices of 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 Association leases, mortgages, contracts, deeds and other written instruments.
- (b) The Vice President shall act in the place and stead of the President in the event of absence. Inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) The Secretary shall record the votes of the Board and keep the minutes of all meetings and proceedings of the Board; and of the 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; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures.

Section 9: Checks

All checks must be co-signed by at least three (3) Board members.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meeting

The annual meeting of the members shall be held in May of each year on a date set by the Board of Directors.

Section 2. Special Meetings

Special meetings of members for any lawful purpose may be called by the President, by the Board of Directors, or upon the written request in a petition signed by 5 percent or more of the members.

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 ten (10) days, but not more than ninety (90) 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 such notice. Such notice shall specify the, place, day, and hour of the meeting, and, in the case of a Special Meeting, the purpose of the meeting.

Section 4. Quorum

The presence in person or by proxy at the meeting of members entitled to cast, at least twenty-five (25%) percent of the votes of the entire membership 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 any such meeting, the members entitled to vote thereat shall have 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 fifteen (15%) percent of the votes of the entire membership.

Section 5. 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 inspectors of election appointed by the Board. Every proxy shall be revocable and shall automatically cease upon conveyance by the member 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.

ARTICLE XI

COMMITTEES

Section 1 Types of Committees

The Association shall appoint an Architectural Control Committee as provided in the Declaration, and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

Section 2 Duties of Committees

It shall be the duty of each committee established by the Board to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints, as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

Section 3 Architectural Control Committee

Neither the Association, the Board of Directors nor members of this committee nor designated representatives thereof shall be liable in damages to any one submitting plans or specifications to the Association or its committees or agents for approval or any owner affected by restrictions placed upon any modification, constructions or improvement by reason of mistake in judgment,

negligence, or non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications, or for any defect in any structure constructed or modified or repaired using such plans and specifications. Such plans and specifications are not approved for engineering design. Every person or owner who submits plans or specifications to the Association for approval agrees, by submission of such plans and specifications, that he will indemnify and hold the Association, the Board of Directors, the Architectural Control Conunittee, any of the members of said organization or its agents harmless and will indemnify them for any damages including, but not limited to, attorney's fees and court costs in any action brought against said organizations or persons in respect to any plans and specifications submitted for approval.

ARTICLE XII

BOOKS AND RECORDS

The accounting books and records and minutes of proceedings of the members and the board and committee of the board shall be open to inspection upon the written demand on the corporation of any member at any reasonable time, for a purpose reasonably related to such person's interests as a member.

ARTICLE XIII

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 other matters as may be required by the laws of the State of California,

ARTICLE XIV

AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except in those matters where the Declaration, Articles of Incorporation or these By-Laws specify a greater majority in which case such majority vote shall be required for amendment.

ARTICLE XV

MISCELLANEOUS

Section 1. Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

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 recreational facilities of the Association for:

- (a) Failure to pay any regular or special assessments; such suspension shall not exceed the period in which said payment remains delinquent; and
- (b) Violation of the rules and regulations of the Association provided that suspension for such cause shall not exceed thirty (30) days for any single violation.

Before any such action may be taken, at least ten (10) days written notice must be given to such member, specifying the charges and stating the date, 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. The procedures in Section 12.06 of the Declaration shall be followed in any Disciplinary Actions. The Board shall provide written notice to the member of its decision and any disciplinary action taken, within 15 days following the hearing.

Section 3. Conflict

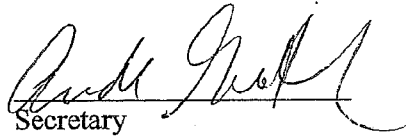
In the case of any conflict between the Articles of Incorporation in these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws or the Articles, the Declaration shall control.

Section 4. Assessment of Claims for Damage

The Board of Directors, or a committee duly appointed by the Board to act in such matters, after an investigation and a hearing, may, by majority vote, determine and assess specific damage claims against any association member, including but not limited to costs of appraisals, repair estimates, repair or replacement of damaged property, and any consequential damages caused by a member of the Association, his or her family or guests, employees or contractors engaged by said member. The Board of Directors shall take the action it deems appropriate to collect said damages including but not limited to placing a lien on the member's property.

CERTIFICATE OF SECRETARY

The undersigned, Secretary of Cypress Tanglewood Homeowners Association, does hereby certify that the above and foregoing By-Laws, consisting of 19 pages, were duly adopted by written ballot of the Members of said Association on or about August 18, 2014, and that they were approved by the Board of Directors of said Association, and that they now constitute the current Bylaws.


Secretary