

BY-LAWS
OF
BENEDICT HILLS ESTATES ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Benedict Hills Estates Association, a California nonprofit corporation.

The principal office of the corporation shall be located in the County of Los Angeles, State of California.

ARTICLE II

DEFINITIONS

Section 1. "Developer" shall mean and refer to CABOT, CABOT & FORBES LAND TRUST, a Massachusetts business trust, its successors and assigns.

Section 2. "Declaration" shall mean and refer to that certain Declaration of Establishment of Covenants, Conditions and Restrictions for Benedict Hills Estates, as amended from time to time as therein provided, recorded in Book _____, Page _____, of Official Records, Office of the County Recorder, County of Los Angeles, State of California, which Declaration is incorporated herein by this reference.

Section 3. The definitions contained in Sections 1 through 16, inclusive, of Article I of the Declaration are incorporated herein by reference.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is an Owner of a Lot which is subject by the Declaration to assessment by the Association shall be a Member of the Association. Membership and the right to vote shall be appurtenant to and may not be separated from the fee 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. Transfer. The membership held by any Owner of a Lot shall not be transferred, pledged or alienated in any way, except upon the sale of such Lot and then only to the purchaser thereof. Any attempt to make a prohibited transfer is void and will not be reflected upon the books or records of the Association. In the event any Owner should fail or refuse to transfer the membership registered in his name to the purchaser of his Lot, the Association shall have the right to record the transfer upon the books of the Association.

Section 3. Assessments.

(a) Payment of Assessments. The rights of membership in the Association are subject to the payment of Assessments levied by the Association. In accordance with Articles V and VI of the Declaration, Assessments shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made and shall be the personal obligation of the

Section 5. Notice of Adjournment. Notice of adjournment of any directors' meeting, either regular or special, need not be given to absent directors if the time and place are fixed at the meeting adjourned.

Section 6. Entry of Notice. Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such director as required by law and by the By-Laws.

Section 7. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. Quorum. A majority of the number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board.

person or entity who was the Owner of such Lot at the time when the Assessment fell due.

(b) Uniform Rate. All Assessments must be fixed at a Uniform rate for all Lots.

Section 4. Suspension of Membership. The voting rights and the right to use and enjoyment of any Common Area of any Member, his Family and his guests, may be suspended by action of the Board of Directors during any period when Assessments owing by such Member remain unpaid and delinquent; but, upon payment of such Assessments, his rights and privileges shall be automatically restored.

If the Board of Directors has adopted and published rules and regulations governing the use of any Common Area and the facilities thereon and the personal conduct of any person thereon, as provided in Article X hereof, it may, in its discretion after reasonable notice and hearing, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

(a) Class A. Class A Members shall be all those Owners entitled to membership as defined in Section 1 of Article III, with the exception of Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Section 1 of Article III.

When more than one person holds such interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot. Any votes cast with regard to any such Lot in violation of this provision shall be null and void.

(b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Section 1 of Article III; provided that the Class B membership shall cease and become converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) When the total votes outstanding in the Class A membership equals seventy-seven (77); or

(ii) On December 31, 1979.

From and after the happening of either of these events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot in which it holds the interest required for membership by Section 1 of Article III.

The voting rights of both classes of the membership shall be subject to the restrictions and limitations provided in the Declaration, the Articles of Incorporation and these By-Laws.

ARTICLE IV

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT

TO COMMON AREA

Section 1. Each Member shall be entitled to the use and enjoyment of any Common Area and facilities as provided in Article IV of the Declaration.

Section 2. Subject to Section 3 of Article IV of the Declaration, any Member may delegate his rights of use and enjoyment to any Common Area and facilities to the members of his family, his tenants and contract purchasers who reside on his Lot. Such Member shall notify the Secretary in writing of the name of any such person or persons and of the relationship of the Member to such person or persons. The rights and privileges of such persons are subject to suspension under Article III, Section 4 hereof, to the same extent as those of the Member.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Place of Meetings. All annual and other meetings of Members shall be held at the principal office of the Association, or at any other place within the County of Los Angeles which may be designated by the Board.

Section 2. Annual Meetings. The first annual meeting of the Members shall be held after fifty-one percent (51%) of the Lots have been sold, or six months after the close of escrow.

with respect to the first Lot sold. Each subsequent regular annual meeting of Members shall be held on the same day of regular annual meeting of Members shall be held on the same ay of the same month of each year thereafter, at the hour of 7:30 p.m. If the day for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board or upon the written request of one or more Members holding not less than one-fourth (1/4) of the voting power of the entire membership or holding not less than one-fourth (1/4) of the voting power of the entire Class A membership.

Section 4. Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary, or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) 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 the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. If the Member supplies no address, notice shall be deemed to have been given

him if mailed to the place where the principal office of the Association is situated, or published at least once in some newspaper of general circulation in the County of Los Angeles.

Section 5. Quorum and Adjournment. At the first meeting duly called, the presence thereof of Members or proxies entitled to exercise not less than fifty percent (50%) of the voting power of the membership shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

If a quorum is present, the meeting may be adjourned from time to time by the vote of a majority of the Members present in person or by proxy and entitled to vote thereat. If the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

If the required quorum is not present or represented at the meeting, the Members entitled to vote thereat may adjourn the meeting, without notice, to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the preceding meeting was called, and the required quorum

at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Except where a greater portion of the voting power is required by the Articles, the Declaration or the By-Laws, a majority of the voting power present, in person or by proxy, shall prevail at all meetings.

Section 6. Proxies. 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 Member of his Lot.

Section 7. Entry of Notice. Whenever any Member entitled to vote has been absent from any meeting of Members, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Member or Members as required by law and by the Articles, Declaration and the By-Laws.

Section 8. Voting Cumulative. Voting may be viva voce or by ballot; provided, however, that all elections for directors must be by secret written ballot upon demand made by any Member at any election and before the voting begins. Every Member entitled to vote at any election for directors of this Association shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number

of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Section 9. Consent of Absentees. The transaction of business at any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Action Without Meeting. Any action which under the provisions of the laws of the State of California may be taken at a meeting of the Members, may be taken without a meeting, if authorized by a writing signed by all of the Members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Association.

Section 11. Special Election of Director. At any meeting of Members at which (a) directors are to be elected and (b) the Members (excluding Declarant) do not have enough votes to elect at least one director through the cumulating of all of

their votes as provided herein, a special election of one director shall be conducted thereat in accordance with the following procedures:

(1) Nominations for election to the Board shall be made from the floor only by said Members (excluding Declarant).

(2) Such nominations may be made from among Members or non-Members.

(3) The nominee receiving the highest number of votes shall be elected.

(4) Any such special election shall be held immediately prior to the regular election of directors at the same meeting. At the regular election, the number of directors to be elected shall be reduced by one, so that the total number of directors elected at the special and regular elections will equal the number of directors to be elected at the meeting, but in all other respects such regular election shall be held and conducted in the normal manner in accordance with the provisions of these By-Laws. All Members (including those voting at the special election) shall be entitled to vote at the regular election.

ARTICLE VII

BOARD OF DIRECTORS: SELECTION AND 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.

Section 2. Election. The directors shall be elected at each annual meeting of Members, but if any such annual meeting is not held, or the directors are not elected thereat, the directors purpose. All directors shall hold office until their respective successors are elected.

Section 3. Vacancies. Vacancies in the Board may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office for the unexpired term of his predecessor and until his successor is elected at an annual meeting of Members, or at a special meeting called for that purpose.

Any director may be removed from the Board, with or without cause, by a vote of the Members cast in the same manner as such votes may be cast for the election of directors as set forth in the By-Laws.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation, or removal of any director, or if the Members shall increase the authorized number of directors but shall fail at the meeting at which such increase is authorized or at an adjournment thereof, to elect the additional directors so provided for, or in the case

Members fail at any time to elect the full number of authorized directors.

The Members may at any time elect directors to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the By-Laws is voted authorizing an increase in the number of directors.

If any director tenders his resignation to the Board, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective.

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

ARTICLE VIII

NOMINATION OF DIRECTORS

Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting or special meeting as the case may be. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting to serve from the close

of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board 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.

ARTICLE IX

MEETINGS OF DIRECTORS

Section 1. Place of Meeting. Regular meetings of the Board shall be held at any place within Los Angeles County which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Special meetings of the Board may be held either at a place so designated or at the principal office.

Section 2. Organization Meeting. Immediately following each annual meeting of Members, the Board shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meetings is hereby dispensed with.

Section 3. Other Regular Meetings. Other regular meetings of the Board shall be held at such time and place 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 on the next day thereafter ensuing which is not a legal holiday.

Section 4. Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the Chairman of the Board, or by the President of the Association, or, if they are absent or unable or refuse to act, by any Vice President or by any two directors.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the Association, or if it is not so shown upon the said records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the county in which the principal office of the Association is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered personally to any director as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing, or delivery as above provided shall be due, legal, and personal notice to such director.

Section 9. Adjournment. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 10. Attendance at Meetings. If a director shall fail to attend three (3) consecutive meetings of the Board without leave of absence granted by said Board, his office as a director may be declared vacant by a vote of a majority of all the remaining directors.

Section 11. Action by Written Consent in Lieu of Board Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall state that the action was taken by unanimous written consent of the Board without a meeting, and that the By-Laws authorized the directors to so act. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

ARTICLE X

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. Subject to limitations of the Articles,

the Declaration, the By-Laws, and the laws of the State of California as to action required to be authorized or approved by the Members, and subject to the duties of directors as prescribed by the By-Laws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board. without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to wit:

(a) To select and remove all the other officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles, the Declaration or the By-Laws, fix their compensation and, at the discretion of the directors, require from them security for faithful services.

(b) 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 and delegates thereon, and to establish penalties for the infraction thereof.

(c) To conduct, manage and control the affairs and business of the Association.

(d) To establish and change the principal office for the transaction of the business of the Association

from one location to another within the County of Los Angeles; to designate any place within the County of Los Angeles for the holding of any Members' meeting or meetings; and to adopt, make and use a corporate seal and to alter the form of such seal from time to time as in their judgment they deem best; provided such seal shall at all times comply with the provisions of law.

(e) subject to the Articles, to borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and security therefor.

(f) To maintain and otherwise manage, or cause to be managed, any Common Area and facilities, and all other property acquired by the Association, and to contract and pay for maintenance, gardening, utilities, materials and supplies and services relating to any Common Area and/or facilities, and to employ personnel reasonably necessary for the operation of the Association, including lawyers and accountants where appropriate; provided that any contract for

materials and/or services shall be limited to a duration of one (1) year, except with the approval by vote or written consent of Members entitled to exercise not less than a majority of the voting power of the Association unless a management contract has been approved by the Federal Housing Administration or Veterans Administration.

(g) To maintain, or cause to be maintained, all slope areas within any Common Area.

(h) To pay taxes and special assessments which are or would become a lien on any Common Area.

(i) Where appropriate, to pay for reconstruction of any portion or portions of any Common Area damaged or destroyed which are to be rebuilt.

(j) To delegate any of its powers to committees, officers or employees.

(k) To exercise all other powers granted to the Board by the Declaration, the Articles or the By-Laws, or the laws of the State of California.

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

(a) To cause to be kept a complete record of all of its acts and corporate affairs.

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

(i) To perform all other duties as may be required of the Board by the Declaration, the Articles, the By-Laws, or the laws of the State of California.

ARTICLE XI

COMMITTEES

Section 1. The Board shall appoint a Nominating Committee as required by Article VIII of these By-Laws.

Section 2. In addition, the Board shall appoint other committees as deemed appropriate in carrying out the purposes of the Association, which may include:

(a) An Architectural Committee in accordance with Article VIII of the Declaration;

(b) A Recreational Committee which shall advise the Board 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 on all matters pertaining to the maintenance, repair or improvement of any Common Area and facilities and Maintenance Areas 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,

(c) As more fully provided in the Declaration to:

(1) Fix the amount of all Assessments; and

(2) Send written notice of each Assessment

to every Owner subject thereto.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any Owner, a certificate setting forth whether or not Assessments or any portion thereof have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states said Assessments or any portion thereof have been paid, such certificate shall be conclusive evidence of such payment.

(e) To contract and pay premiums for fire, casualty, liability and other insurance, including indemnity and other bonds.

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

(g) To cause any Common Area and facilities and all other property of the Association to be maintained and managed.

(h) To cause to be maintained any Maintenance Areas as may be established from time to time.

and shall, after consulting with the Board, make such public releases and announcements as are in the best interests of the Association; and

(e) A Finance Committee which shall approve the annual budget and statement of income and expenditures to be presented to the membership as provided in these By-Laws. The Treasurer shall be an ex officio member of the Committee.

Section 3. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions and duties 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 matters presented.

ARTICLE XII

OFFICERS

Section 1. Officers. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer. The Association may also have, at the discretion of the Board, a Chairman of the Board, one or more additional Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Any officer, other than the President and

the Chairman of the Board, may be, but need not be, a member of the Board. One person may hold two or more offices except those of President and Secretary.

Section 2. Election. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be chosen annually by the Board, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. Subordinate Officers, Etc. The Board may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board may from time to time determine.

Section 4. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Board or to the President, or to the Secretary of the Association. Any such resignation shall take effect at the date of the 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 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled by the Board at any regular or special meeting, and the officer so chosen shall hold office until he shall resign or shall be removed or otherwise disqualified to serve, or his successors shall be elected and qualified.

Section 6. Chairman of the Board. The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board, and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by the By-Laws.

Section 7. President. Subject to such supervisory powers, if any, as may be given by the Board to the Chairman of the Board, if there shall be such an officer, the President shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. He shall preside at all meetings of the Members and in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board. He shall be ex officio, a member of all the standing committees and shall have such other powers and duties as may be prescribed by the Board or the By-Laws.

Section 8. Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board or the By-Laws.

Section 9. Secretary. The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board may order, of all meetings of directors and Members, with the time and place of holding, whether regular or special and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the Members present or represented at Members' meetings and the proceedings thereof. The Secretary shall keep, or cause to be kept, a membership book containing the name and address of each Member. Termination of any membership shall be recorded in the book, together with the date on which the membership ceased.

The Secretary shall give, or cause to be given, notice of all the meetings of the Members and of the Board required by the By-Laws, the Articles, the Declaration or by law to be given, and he shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or the By-Laws.

Section 10. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The books of account shall at all times be open to inspection by any director.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositaries as may be designated by the Board. He shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all of his transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or the By-Laws.

ARTICLE XII

MISCELLANEOUS

Section 1. Inspection of Association Records. The books, records and papers of the Association shall be open to inspection upon the written demand of any Member, at any reasonable time, and for a purpose reasonably related to his interests as a Member, and shall be produced at any time when required by the demand of ten percent (10%) of the voting power of the membership represented at any Member's meeting.

Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection, other than at a Member's meeting, shall be made in writing upon the President, Secretary, or Assistant Secretary of the Association. Every such demand, unless granted, shall be referred by such officer to the Board.

Section 2. Checks, Drafts, Etc. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by resolution of the Board.

Section 3. Annual Reports. The directors of the Association shall prepare or cause to be prepared a balance sheet and an income statement for the Association and shall provide for the distribution of copies thereof to each Member of the Association within 60 days of the accounting dates set forth below.

The first balance sheet shall be as of an accounting date ("Initial Accounting Date") which is the last day of the month closest in time to six months from the date of the closing ("Closing Date") of the first sale of a Lot to a Member of the Association. All other balance sheets shall be as of an accounting date ("Subsequent Accounting Date") which is the last day of the Association's fiscal year.

The first income statement shall cover the six month accounting period ending on the Initial Accounting Date and shall include a schedule of Assessments received or receivable itemized by Lot and by the name of the person or entity assessed. All other income statements shall be for the twelve month accounting period ending on the Subsequent Accounting Date.

Section 4. Contracts, Etc., How Executed. The Board, except as the By-Laws otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 5. Inspection of By-Laws. The Association shall keep in its principal office for the transaction of business, the original or a copy of the By-Laws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

ARTICLE XIV

AMENDMENTS

Section 1: Power of Members. By-Laws may be adopted, amended or repealed either at a meeting by the vote of Members

entitled to exercise a majority of the voting power, or by the written consent of such Members, except as otherwise provided by law, the Declaration, or by the Articles.

Section 2. Power of Directors. Subject to the right of Members as provided in Section 1 of this Article XIV to adopt, amend or repeal By-Laws, By-Laws other than a By-Law or amendment thereof changing the authorized number of directors, may be adopted, amended or repealed by the Board at any regular or special meeting thereof.

Section 3. In the case of any conflict between the Articles and the By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and the By-Laws, the Declaration shall control.

SECRETARY'S CERTIFICATE OF ADOPTION
OF BY-LAWS

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting Secretary of Benedict Hills Estates Association; and

(2) That the foregoing By-Laws comprising the immediately preceding pages constitute the Amended By-Laws of said corporation as duly adopted at a meeting of the Members thereof duly held on the 20 day of JAN, 1976.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 20 day of JAN, 1976



Secretary