

**SECOND RESTATED
BYLAWS
OF
CUERNAVACA HOMEOWNERS ASSOCIATION**

If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

EB
6/18/07

**CUERNAVACA HOMEOWNERS ASSOCIATION
BYLAWS**

TABLE OF CONTENTS

I NAME AND LOCATION.....	3
II DEFINITIONS.....	3
III MEETING OF MEMBERS AND VOTING.....	3
3.1 Annual Meeting.....	3
3.2 Special Meetings.....	3
3.3 Notice and Place of Meetings.....	3
3.4 Quorum.....	3
3.5 Proxies.....	4
3.6 Membership and Voting.....	4
3.7 Action Without Meeting.....	4
IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE.....	4
4.1 Number.....	4
4.2 Term of Office.....	4
4.3 Removal, Vacancies.....	4
4.4 Compensation.....	5
4.5 Indemnification of Officers and Directors.....	5
V NOMINATION AND ELECTION OF DIRECTORS.....	5
5.1 Nomination.....	5
5.2 Election.....	5
VI MEETINGS OF DIRECTORS.....	5
6.1 Regular Meetings.....	5
6.2 Special Meetings.....	6
6.3 Quorum.....	6
6.4 Open Meetings.....	6
6.5 Executive Session.....	6
6.6 Telephone Meetings.....	6
6.7 Waiver of Notice.....	6
6.8 Notice of Adjourned Meeting.....	6
6.9 Action Without Meeting.....	7
VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS.....	7
7.1 Duties.....	7
A. Supervision.....	7
B. Records.....	7
C. Requirements of the Law.....	7
7.2 Powers.....	7
A. Enforcement (Notice and Hearing).....	7
7.3 Prohibited Acts.....	7
A. Prohibited Contracts.....	7
B. Prohibited Property Sales.....	8
C. Prohibited Compensation.....	8
VIII OFFICERS AND THEIR DUTIES.....	8
8.1 Enumeration of Officers.....	8
8.2 Election of Officers.....	8
8.3 Term.....	8

Zob
6/18/07

8.4	Special Appointments	8
8.5	Resignation and Removal.....	8
8.6	Vacancies	8
8.7	Duties	9
	A. President.....	9
	B. Vice President.....	9
	C. Secretary.....	9
	D. Chief Financial Officer.....	9
	E. Delegation.....	9
IX	COMMITTEES.....	9
	9.1 Architecture and Landscape Committee	9
	9.2 Nominating Committee	9
	9.3 Other Committees.....	9
	9.4 Limitations on Committee Action.....	9
X	BOOKS AND RECORDS.....	10
	10.1 Inspection by Members	10
	10.2 Rules for Inspection	10
	10.3 Inspection by Directors	10
	10.4 Documents Provided by Board.....	10
XI	MISCELLANEOUS.....	10
	11.1 Amendments.....	10
	11.2 Conflicts in Governing Documents.....	10
	11.3 Fiscal Year.....	10

Rob
6/18/07

**BYLAWS OF
CUERNAVACA HOMEOWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is CUERNAVACA HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 1201 Dale Avenue, Mountain View, County of Santa Clara, California or at such other place as may be designated by the Board.

**ARTICLE II
DEFINITIONS**

2.1 The definitions contained in the Declaration are incorporated by reference herein.

2.2 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the property recorded on the 17th day of April, 1986, as series 8753321 in Book J662 at page 1257 in the Official Records of Santa Clara County, and any amendments, restatements, modifications and/or supplements.

**ARTICLE III
MEETING OF MEMBERS AND VOTING**

3.1 Annual Meeting. The annual meeting shall be set by the Board on a non-holiday weekday in February.

3.2. Special Meetings. Special meetings of the members shall be promptly scheduled at any time by the Board in response to the vote of a majority of the Board of Directors, or upon written request of the members representing five percent (5%) of the total voting power of the Association.

3.3 Notice and Place of Meetings. Written notice of each meeting of members shall be given by, or at the direction of, the secretary of the Association or other person authorized to call the meeting, by mailing a copy of such notice, first-class postage prepaid, by e-mail, facsimile or other electronic means, by publication in the Association's newsletter, by a document included in a billing statement, or by any other method of delivery that the Owners have agreed to at least ten (10) but not more than ninety (90) days before such meeting, to each member entitled to vote, 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 to the Association, to the address of the Secretary and/or to the management company of the Association. Such notice shall specify the place, date and hour of the meeting and (1) in the case of a special meeting, the general nature of the business to be undertaken, and (2) in the case of the regular meeting, those matters which the Board, at the time the notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting for such action. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s): (a) removing a director without cause; (b) filling vacancies in the Board of Directors by the members; (c) amending the Articles of Incorporation; or (d) approving a contract or transaction in which a director has a material financial interest. The notice

of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to members.

3.4 Quorum. The presence either in person or by proxy, at any meeting, of members entitled to cast fifty-one percent (51%) of the total voting power of the Association (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting), shall constitute a quorum for any action except as otherwise provided in the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, a majority of the members entitled to vote thereat may, unless otherwise provided by law, adjourn the meeting to a date not less than five (5) days and not more than thirty (30) days from the meeting date, at which meeting the quorum requirements shall be one-third (1/3) of the total voting power (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting). 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, provided that twenty-five percent (25%) of the total voting power of the Association remains present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the members required to constitute a quorum. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed in 3.3.

3.5 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 before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot, or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a member prior to the counting of the vote, or upon the expiration of eleven (11) months from the date of the proxy. In addition, voting by proxy shall comply with any other applicable requirements of California Corporations Code §§7514 and 7613 or any comparable provisions of law.

3.6 Membership and Voting. Membership shall be held as provided in the Declaration. Any action by the Association which must have the approval of the members before being undertaken shall require the vote or written assent of a majority of a quorum except for those actions specified in the articles as requiring approval of a majority or more of the total voting power of the Association.

3.7 Action Without Meeting. Any action that may be taken at any annual or special meeting of members (except the election of directors) may be taken without a meeting in accordance with the provisions of California Corporations Code §7513 or any comparable provisions of law.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number. The affairs of this Association shall be managed by a Board of five directors, all of whom must be members of the Association.

4.2 Term of Office. At the first meeting of the Association the members shall elect three directors for a term of two (2) years, and two directors for a term of one (1) year. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve for a term

of two (2) years. Unless vacated sooner, each director shall hold office until the director's term expires and a successor is elected.

4.3 Removal; Vacancies. A director may be removed from office prior to the expiration of his term only by the votes of a majority of members. In the event of death or resignation of a director, the vacancy may be filled by the Board at a duly held meeting or by a sole remaining director, and shall serve for the unexpired term of his or her predecessor. The members may elect a director at any time to fill any vacancy not filled by the directors. A vacancy created by removal of a director may be filled only by election of the members.

4.4 Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for his actual expenses, if reasonable, that are incurred in the performance of his or her duties.

4.5 Indemnification of Officers and Directors. The Association shall indemnify any present or former director, officer, employee or other agent of the Association to the fullest extent authorized under California Corporations Code §7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to indemnification under this provision.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Notice to the members of the meeting shall include the names of all those who are nominees at the time the notice is sent. Nominations may also be made from the floor at the 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 not less than thirty (30) days prior to each annual meeting of the members, to serve until the close of such 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. All candidates shall have reasonable opportunity to communicate their qualifications to members and to solicit votes.

5.2 Election. The election of Board members to fill expired terms and other vacancies that have not previously been filled by the Board shall be conducted at the annual meeting of the Association. The election shall be conducted according to current California law and the Election and Meeting Procedure.

ARTICLE VI MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at such place within the property, and at such hour as may be fixed from time to time by resolution of the Board. If a larger meeting room is required than exists within the property, the Board shall select a room as close as possible to the project. Notice of the time and place of meeting shall be posted at a prominent place within the common area, and shall be communicated to directors not less than four

(4) days prior to the meeting, provided, however, that notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary of the Association, or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone or fax communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Such notice shall be posted at a prominent place within the common area not less than seventy-two (72) hours prior to the scheduled time of the meeting. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, fax or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

6.3 Quorum. A majority of the directors then in office (but not less than two) shall constitute a quorum for the transaction of business. Every act performed or decision 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.

6.4 Open Meetings. All meetings of the Board shall be open to all members, who may speak subject to reasonable time limits set by the Board.

6.5 Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6.6 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting. An explanation of the action taken shall be posted at a prominent place within the common area within three (3) days after the meeting. Such meetings shall be used only to expedite urgent business and not to avoid the requirement in section 6.4 for open meetings.

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

6.8 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in

which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment, and shall be posted at a prominent place within the common area.

6.9 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of the action taken shall be posted at a prominent place or places within the common area within three (3) days after the written consents of all Board members have been obtained. Such action without meeting shall not be used to avoid the requirement under section 6.4 for open meetings.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Duties. It shall be the duty of the Board of Directors to carry out the duties of the Association described in Article 5 of the Declaration.

A. Supervision: Supervise all officers, agents and employees of the Association, and see that their duties are properly performed.

B. Records: Cause to be kept a complete record of all its acts and 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-fourth (1/4) of the members; keep adequate and correct books and records of account, minutes of proceedings of its members, Board and committees, and a record of its members giving their names and addresses.

C. Requirements of the Law. All Studies, budgets, and disclosures will be made as required by current law.

7.2 Powers. The Board of Directors shall have power to act for the Association using the powers described in Article V of the Declaration.

A. Enforcement (Notice and Hearing): At least fifteen (15) days prior written notice of any charges (other than assessments) or potential discipline or fine and the reasons therefore must be given to the member affected, and an opportunity must be provided for the member to be heard, orally or in writing before the effective date of the discipline or fine, said hearing to be before the Board. Notice shall be given as required by Corporations Code §7341.

7.3 Prohibited Acts. The Board of Directors shall not take any of the following actions, except with the vote or written consent of a majority of the total voting power of the Association.

A. Prohibited Contracts: Entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the Association for a term longer than one (1) year with the following exceptions:

(1) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the

term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(2) Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits short rate cancellation by the insured.

(3) Agreements for cable television services and equipment or satellite dish, television services and equipment or other communication services and equipment of not to exceed five (5) years duration.

B. Prohibited Property Sales: Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

C. Prohibited Compensation: Paying compensation to members of the Board or to the officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a member or officer to be reimbursed for the actual expenses, if reasonable, that are incurred in the performance of his or her duties.

ARTICLE VIII OFFICERS AND THEIR DUTIES

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

8.2 Election of Officers. The board shall meet in executive session as soon as practicable after each annual meeting of the members to elect officers and set a time and place for the next regular meeting of the Board of Directors.

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

8.4 Special Appointments. The Board may elect annually such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if the officer is also a Board member) by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Duties. The duties of the officers are as follows:

A. President. 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 sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a California nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

B. Vice President. The Vice President shall act in the place and stead 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 by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with the addresses, and shall perform such other duties as required by the Board.

D. Chief Financial Officer. The Chief Financial Officer 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 promissory notes of the Association; shall keep proper books of account; shall prepare and shall distribute budgets and financial statements as required by current law.

E. Delegation. The foregoing duties may be delegated to a manager appointed by the Board.

ARTICLE IX COMMITTEES

9.1 Architectural Control Committee: An Architectural Control Committee shall be appointed as provided in the declaration.

9.2 Nominating Committee: A Nominating Committee shall be appointed as provided in these Bylaws.

9.3 Other Committees: In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

9.4 Limitations on Committee Action: No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Corporation Law of California, also requires member's approval; (b) fill vacancies in any committee; (c) amend or repeal any resolution of the Board of Directors; (d) approve any transaction to which the Association is a party and in which one (1) or more directors have a material financial interest.

**ARTICLE X
BOOKS AND RECORDS**

10.1 Inspection by Members. The membership list, including name, property address, and mailing address, Association records, and minutes of meetings shall be made available for inspection and copying by members according to current law.

10.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

- A. Notice to be given to the custodian of the records by the member desiring to make the inspection;
- B. Hours and days of the week when such an inspection may be made;
- C. Payment of the cost of reproducing copies of documents requested by a member and any other reasonable inspection costs.

10.3 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

10.4 Documents Provided by Board: Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide the owner of a lot with a copy of the governing documents of the project, a copy of the most recent budget and statements of the Association distributed pursuant to section 8.7D together with a true statement in writing from an authorized representative of the Association as to the amount of any assessments levied upon the lot which are unpaid on the date of the statement, including late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the owner's lot (See also Section 4.10 of the Declaration). The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

**ARTICLE XI
MISCELLANEOUS**

11.1 Amendments. These Bylaws may be amended, only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of a quorum of the Association.

11.2 Conflicts in Governing Documents. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and the Bylaws, the Declaration shall control.

11.3 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first (31st) day of December of every year.

CERTIFICATE OF SECRETARY

I hereby certify and declare under penalty of perjury, that the foregoing SECOND RESTATED BYLAWS OF CUERNAVACA HOMEOWNERS ASSOCIATION have been approved pursuant to the requirement for amending these Bylaws.

Executed at Mountain View, CA, on this 18th day of June, 2007.

Albert R. Smith
Secretary

Tab
6/18/07