BYLAWS

of the

ALVARADO COMMUNITY ASSOCIATION

A California Nonprofit Corporation

As Amended February 16, 2005
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**EXHIBIT A** (Property Legal Description) .................................................. 20
ARTICLE 1 - NAME; LOCATION AND APPLICABILITY

1.1 **Name**. The name of the corporation is Alvarado Community Association ("Association").

1.2 **Principal Office**. The principal office of the Association is located in San Diego, California. The Board shall have the full power and authority to change the principal office of the Association from one location to another in the County of San Diego, California. Any such change shall be adopted by a resolution of the Board and noted in the meeting minutes.

1.3 **Application**. These Bylaws are applicable to the Association and all Owners, residents, tenants, employees, and other persons who use the facilities of the residential planned development known as Alvarado Estates ("Alvarado Estates"), comprised of One Hundred Twenty-nine (129) Residential Lots and Two (2) Common Area Lots, located in the City of San Diego, County of San Diego, State of California, as more particularly described in Exhibit “A” attached hereto and incorporated herein.

1.4 **Documents Being Replaced; Approvals**. These Bylaws were amended and restated, in their entirety, from the Bylaws of Alvarado Community Association, approved June 23, 1986 ("1986 Bylaws"), and then amended on January 10, 2005, to read as set forth herein. In accordance with Article VIII of the 1986 Bylaws, the changes to eliminate cumulative voting and to classify the Board of Directors into two classes to be elected in alternate years were duly approved by the required vote of the Members.

1.5 **Definitions**. Property subject to the jurisdiction of the Association and that carries with it the privilege of membership in the Association includes Lots 1-12 of Alvarado, Lots 13-82 of Alvarado Unit No. 2, Lots 105-128 of Alvarado Unit No. 3, Lots 1-13 of Alvarado Terrace, Lots 25, 30 and 32-34 of Montezuma Park Unit No. 3, and Lots 37 and 38 of Montezuma Park Unit No. 4. The term "Lot," wherever used herein, shall include each numbered lot shown on a Division Map of the property, recorded in the office of the County Recorder of the County of San Diego; provided, however, in the case of any parcel which contains portions of more than one such lot, but not a majority of any lot, such portions shall be deemed to aggregate to constitute only one lot for the purposes hereof.
The term “Governing Documents” means the Articles of Incorporation of this Association, these Bylaws, the Declaration of Covenants, Conditions and Restrictions as recorded and amended that govern the Lots, including the Rules of the Association as adopted from time to time by the Board of Directors of this Association.

1.6 **Ownership Rights**. The Owners of the Residential Lots are automatically Members of this Association, such ownership to have reference to the beneficial ownership of any Lot which is held in trust on behalf of a lender pursuant to a deed of trust and to the trustees of revocable or irrevocable estate planning trusts.

1.7 **Continuity of Life of the Association**. If the Association should be dissolved as a corporation, an unincorporated association immediately and without further action or notice shall be deemed to exist and shall succeed to all rights and duties of the Association. The affairs of such unincorporated association shall be governed by the laws of the State of California and the Governing Documents. In the event of dissolution of the Association and the formation of an unincorporated association, each Owner shall have an underlying beneficial interest in all of the Association’s property in direct proportion to the number of Residential Lots owned by such Owner.

**ARTICLE 2 - MEETINGS OF MEMBERS**

2.1 **Place of Meetings; Conduct**. All meetings of the Owners shall be held at a place designated by the Board. This meeting place shall be within Alvarado Estates or as close to it as reasonably possible. No meeting of the Owners shall, unless unusual conditions exist, be held outside of San Diego County, California. Meetings of Owners shall be conducted in accordance with a recognized system of parliamentary procedure or such other parliamentary procedures as the Board may adopt by resolution.

2.2 **Annual Meetings**. The annual meeting of the Owners shall be held on the second Saturday in March at a time and place established by the Board.

2.3 **Special Meetings**. Special meetings of the Owners may be called for any lawful purpose by a majority of a quorum of the Board, the President of the Association, or by a written request signed by Owners representing at least five percent (5%) of the total voting power of the Association. If the special meeting is requested by the Owners, it shall be held not less than thirty-five (35) nor more than ninety (90) days after receipt by an officer of the Association of the request. Only that business stated in the meeting notice given pursuant to Section 2.4.4 or 2.4.6 of these Bylaws shall be transacted at the special meeting.

2.4 **Notice of Meetings**. The Secretary of the Association shall give written notice of any Owners’ meeting to each Owner in accordance with the following:

2.4.1 Except as otherwise provided in this Article, the notice shall be given at least ten (10) but not more than ninety (90) days before the meeting, by first class mail or by personal delivery.
2.4.2 The Board may fix, in advance, a record date or dates for the purpose of determining the Owners who are entitled to receive notice of meetings. The record date for eligibility to receive notice shall not be fixed more than ninety (90) nor less than ten (10) days before the date of the meeting. If no record date is fixed, all Owners as of the end of the business day preceding the day on which notice is given are entitled to receive notice of the meeting.

2.4.3 The notice shall be addressed to the Owner at the address appearing on the books of the Association, or the address supplied by the Owner to the Association for this purpose.

2.4.4 The notice shall state the place, date, and time of the meeting. If directors are to be elected at the meeting, the notice, or proxy accompanying the notice, shall include the names of all those who are nominees at the time the notice is given. The notice, or proxy accompanying the notice, shall also state those matters that the Board, at the time the notice is given, intends to present for action by the Owners.

2.4.5 In the case of a special meeting which is called by Owners, pursuant to Section 2.3 of these Bylaws, the notice shall be given within twenty (20) days after receipt of the request for the meeting. If this twenty (20) day requirement is not satisfied, the Owners who called the meeting may give the notice.

2.4.6 Any approval of the Owners required for those items specified in section 7511(f) of the Corporations Code other than unanimous approval by those entitled to vote, shall be valid only if the general nature of the matter to be voted upon was stated in the notice of meeting or any written waiver of notice. Section 7511(f) requires specific notice of certain actions such as removing a director and filling a vacancy by a vote of Owners to approve a business transaction between the Association and a director, or dissolving the Association.

2.4.7 An affidavit of the mailing or other means of giving any notice of any Owners’ meeting may be executed by the Secretary, and if so executed, shall be filed with the corporate records or made a part of the minutes of the meeting. Such affidavit shall constitute prima facie evidence of the giving of notice.

2.5 Waiver of Notice. Attendance by an Owner or proxyholder for a Owner at a meeting shall constitute a waiver of notice of that meeting, except when the Owner or proxyholder objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the
meeting which are required to be described therein if that objection is expressly made at the meeting.

2.6 **Voting Rights**. Owners shall have the power to exercise their voting rights, subject to the following provisions:

2.6.1 Fractional votes shall not be allowed. If there is more than one (1) Owner of a Lot (co-owners), all of the co-owners shall be Members, but only one (1) of them shall be entitled to cast the single vote attributable to the Lot. Co-owners may designate in writing one (1) of the co-owners to vote. If no such designation is made or if it is revoked, the co-owners shall decide among themselves, by majority vote, how that Lot's vote is to be cast. Unless the Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the voting co-owner is acting with the consent of his or her co-owners. No vote shall be cast for the Lot on a particular matter if a majority of the co-owners present in person or by proxy cannot agree on a vote.

2.6.2 Unless a different percentage of the voting power is specified in the Governing Documents or by California law for the approval of an action by the membership, the approval of a majority of a quorum shall be required.

2.6.3 The Board may fix, in advance, a record date or dates for the purpose of determining the Owners who are entitled to exercise voting rights:

2.6.3 (a) The record date for eligibility to vote shall not be fixed that is more than sixty (60) days before the date of the meeting. If no record date is fixed, all Owners who are otherwise eligible to vote as of the day of the meeting may vote.

2.6.3 (b) The record date for eligibility to vote by written ballots shall not be fixed that is more than sixty (60) days before the day on which the first written ballot is mailed or solicited. If no record date is fixed, all Owners who are otherwise eligible to vote as of the day of mailing or soliciting the written ballot shall be eligible to vote.

2.6.4 An Owners' voting rights may be suspended by the Board in accordance with the provisions of Section 3.14 hereinbelow.

2.7 **Quorum**. At any meeting, the presence either in person or by proxy of Owners entitled to cast votes equal to at least one-third of the total voting power of the Association shall constitute a quorum for any action, except as otherwise provided in the Governing Documents or by law. The Owners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Owners to leave less than a
quorum, if the action taken, other than adjournment, is approved by at least a majority of Owners required to constitute a quorum.

2.8 **Adjournment for Lack of Quorum**. If a quorum is not present at a duly called meeting, a majority of those Owners present in person or by proxy may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the meeting date, but no other business may be transacted at the original meeting. Provided that the date, time and place of the adjourned meeting is announced at the original meeting, the adjourned meeting may be held without additional written notice. If no such announcement is made, or if the selected date is changed after adjournment, notice of the time and place shall be given to Owners in the manner provided in Section 2.4 of these Bylaws. The quorum for any adjourned meeting shall be twenty-five percent (25%) of the total voting power.

2.9 **Adjustment of Voting Power and Quorum**. For purposes of establishing a quorum and approving an action by the membership, the total voting power of the Association shall be reduced by an amount equal to the number of any Lots for which ownership voting rights are suspended as provided in these Bylaws.

2.10 **Voting by Proxy**. At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. A proxy shall be deemed signed if the Owner's name is placed on the proxy by manual signature or as otherwise provided in section 5069 of the California Corporations Code, by the Owner or the Owner's attorney in fact. Every proxy shall be revocable and shall automatically cease upon conveyance of its maker's ownership, or upon receipt of written notice by the Secretary of the maker's death or judicially declared incapacity. The maker of a proxy may revoke it by delivering a written revocation to the Association, by executing a subsequent proxy and presenting it to the meeting, or by attending any meeting and voting in person.

Any revocable proxy, even though in effect and otherwise valid, may not be used to cast a vote on the matters specified in section 7613(g) of the Corporations Code unless it sets forth the general nature of the matter to be voted upon. Section 7613(g) requires specific inclusion in the proxy of any vote to approve such actions as removing a director and filling a vacancy by an Ownership vote, approving a business transaction between the Association and a director, and dissolving the Association.

2.11 **Voting by Written Ballot**. Any action that may be taken at a meeting of the Owners may be taken without a meeting provided the following ballot requirements are satisfied:

2.11.1 The Association shall distribute a written ballot to every Owner entitled to vote on the matter as provided herein. The ballot shall be solicited in the same manner as provided in Section 2.4 of these Restated Bylaws for the giving of notice of meetings of Owners.
2.11.2 The ballot shall (1) set forth all items to be voted upon; (2) provide an opportunity to specify approval or disapproval of any proposal; (3) provide a reasonable time, not less than ten (10) days after the date of mailing, within which to return the ballot; (4) indicate the number of responses needed to meet the quorum requirement; and (5) state the percentage of approvals necessary to pass the measure submitted.

2.11.3 The proposed action shall be considered approved if:

2.11.3 (a) The number of votes cast by ballot within the specified time period equals or exceeds the quorum required to be present at a meeting authorizing the action; and

2.11.3 (b) The number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of ballots returned in response to the ballot solicitation.

2.11.4 No written ballot may be revoked.

2.11.5 Any deadline stated for return of the ballots may be extended for successive reasonable periods by the Board. Notice of any extension must be sent to the Owners within thirty (30) days of the previously noticed deadline date.

ARTICLE 3 - BOARD OF DIRECTORS

3.1 Number; Qualification. The affairs of the Association shall be managed and its duties and obligations performed by an elected Board of Directors, consisting of eleven (11) persons. Members of the Board must be Owners or officers of entities that are Owners.

3.2 Nomination. The Board of Directors shall establish reasonable nomination procedures for election to the Board.

3.3 Qualifications of Candidates for Election. Candidates for election must be Owners in good standing or officers of Owner entities in good standing. Good standing shall mean that all assessments must be current and the Owner's membership must not be subject to any suspension of membership rights arising out of any violations of the Governing Documents.

3.4 Election. At each annual meeting of the Association, the Owners shall fill, by election, all open or scheduled positions on the Board. However, if an annual meeting
is not held or does not include an election, the election may be held at a special meeting of Owners called for that purpose. Voting for directors shall be by secret written ballot unless there is no objection. Votes may not be cumulated, i.e., only one vote for a particular director can be counted from a single ballot. The Owners of a Lot or their proxyholder shall receive one ballot for that Lot. The persons receiving the highest number of votes shall be elected.

3.5 **Term.** The terms of office of all members of the Board shall be staggered two year terms, with six (6) terms expiring in even-numbered years, and five (5) terms expiring in odd-numbered years. There shall be no limit to the number of consecutive terms to which a director may be reelected. Each director shall hold office until the election of his or her successor or until the director's death, resignation or removal. Directors shall be elected at each annual meeting to fill (i) those positions of directors whose terms are due to expire, and (ii) any other vacant positions on the Board.

3.6 **Removal.** Directors may be removed as follows:

3.6.1 The Board may declare vacant the office of a director on the occurrence of any of the following events:

3.6.1 (a) The director is declared incompetent by a final order of court.

3.6.1 (b) The director is convicted of a felony.

3.6.1 (c) The director has failed to attend three (3) consecutive regular meetings of the Board.

3.6.1 (d) The director ceases to be an Owner or officer of an entity Owner.

3.6.2 One or more directors may be removed prior to the expiration of their terms, without cause, at an annual or special meeting of the Owners. Any removal without cause shall be approved by the vote of Owners representing a majority of a quorum of the Owners.

3.7 **Resignation of Directors.** Any director may resign at any time by giving written notice to the Board, the President or the Secretary, or by giving verbal notice at a Board meeting such that the resignation is recorded in the minutes of the meeting. 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.

3.8 **Return of Association Materials.** Upon resignation, removal or expiration of his or her directors’ term, such director shall return to the Association any Association property in his or her possession.
3.9 **Filling Vacancies.** The remaining directors shall fill any vacancy on the Board caused by the death, removal or resignation of a director unless the vacancy is created by the removal of a director by the Owners. The Owners shall vote to fill any vacancy on the Board created by the removal of a director by the Owners. A successor director shall serve for the unexpired term of the director he or she replaces. If the Board accepts the resignation of a director which is scheduled to take effect at a future date, the Board may appoint a successor to take office when the resignation becomes effective, and the resigning director may participate in the appointment of such successor.

3.10 **Compensation.** No director shall receive any compensation for any service he or she may render to the Association as a director; provided, however, that a director may be reimbursed for actual out-of-pocket expenses incurred by the director in the performance of his or her duties. Any out-of-pocket expenses in excess of $500 must have prior approval of the Board of Directors.

3.11 **Powers and Duties.** The Board shall exercise for the Association all powers and duties vested in or delegated to the Board or the Association by the Governing Documents or applicable law. Said powers and duties shall include, but not be limited to, the following:

3.11.1 Formulating Rules and Regulations for the use and operation of the Lots, Dwellings, Common Area and facilities owned or controlled by the Association.

3.11.2 Enforcing the applicable provisions of the Governing Documents and any other instruments governing the ownership, management and control of Alvarado Estates.

3.11.3 Initiating and executing disciplinary proceedings against Members for violations of provisions of the Governing Documents in accordance with procedures set forth in Section 3.14 herein.

3.11.4 Paying taxes and assessments that are, or could become, a lien on all or a portion of the Common Area.

3.11.5 Fixing and establishing the fiscal year for the Association, including the power to modify the fiscal year.

3.11.6 Contracting for casualty, liability and other insurance on behalf of the Association.

3.11.7 Subject to the limitations set forth in Section 3.12 herein, contracting for goods and services for the Common Area, and operation of the Association, and borrowing money, incurring indebtedness and executing promissory notes or other evidences of debt for the Association.
3.11.8 Creating committees pursuant to resolution adopted by a majority of the Board; provided that if a committee will exercise any power or authority of the Board, it shall consist of two (2) or more directors, and as many other Persons as the Board may designate, to serve at the pleasure of the Board. No directors need serve on any committee which does not exercise any power or authority of the Board (e.g., social committees). Committee members need not be Owners.

3.11.9 Delegating its authority, duties and responsibilities to its officers, employees, committees or agents, including a professional management agent. The term of any agreement with a manager shall not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods, and shall provide for termination by either party for cause with no more than thirty (30) days' written notice, or without cause and without payment of a termination fee or penalty upon no more than ninety (90) days' written notice.

3.11.10 Authorizing the withdrawal of moneys from the Association's reserve accounts, upon the signatures of two (2) officers.

3.11.11 Entering any Lot to perform necessary construction, maintenance or emergency repair work for the benefit of the Common Area or the Association.

3.11.12 Filling vacancies on the Board, except for a vacancy created by the removal of a director by the Owners.

3.11.13 Extending the time for return of ballots when an action is taken without a meeting pursuant to Section 2.11 herein.

3.11.14 Providing any Owner with the following documents within twenty (20) days of the mailing or delivery of a written request therefor, or the maximum amount of time allowed by law, whichever is less, and receipt of the costs to prepare and reproduce said documents:

3.11.14 (a) A copy of the Governing Documents.

3.11.14 (b) A copy of the most recent financial statement.

3.11.14 (c) A written statement from an authorized representative of the Association specifying (i) the amount of the Association's current assessments and fees; (ii) the amount of any assessments levied on the Owner's Lot that are unpaid as of the date of the statement; and (iii) the amount of late charges, interest and costs of collection that, as of the date of the statement, are or may be made a lien on the Owner's Lot.
3.11.14 (d) A statement noting any change in the Association’s current assessments and fees which have been approved by the Board, but which have not become due and payable as of the date disclosure is provided pursuant to this Section.

3.12 **Limitations on Powers.** Notwithstanding the provisions of Section 3.11, the Board shall be prohibited from taking any of the following actions, except with the vote or written assent of Owners of a majority of the Residential Lots:

3.12.1 Entering into a contract with a third person under which 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:

3.12.1 (a) A contract with a public utility if the rates charged are regulated by the Public Utilities Commission, provided that the term shall not exceed the shortest term for which the utility will contract at the regulated rate.

3.12.1 (b) Prepaid casualty and liability insurance of not more than three (3) years duration, provided that the policy provides for short rate cancellation by the insured.

3.12.1 (c) Agreements for cable television services and equipment or other similar television services and equipment not exceeding five (5) years in duration.

3.12.1 (d) Agreements for the sale or lease of burglar alarm and fire alarm equipment, installation, and services not exceeding five (5) years in duration.

3.12.1 (e) Agreements for trash collection not exceeding three (3) years in duration.

3.12.1 (f) A contract for a term not exceeding three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty or other obligation upon thirty (30) days’ written notice of termination to the other party.

3.12.2 Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

3.12.3 Selling during any fiscal year real or personal property of the Association having an aggregate fair market value in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
3.12.4 Utilizing armed security guards or other similar personnel, employees, or independent contractors at the controlled access gate or in any other capacity or location within Alvarado Estates. Notwithstanding the provisions of this Section 3.12, 60% of the voting power of the Association must approve using armed security guards or other similar personnel, employees or independent contractors.

3.13 Financial Documentation; Preparation, Reporting and Review Responsibilities. With regard to the preparation, reporting and review of the Association's financial documentation, the Board shall have the following responsibilities:

3.13.1 Preparing a pro forma operating budget for each fiscal year, and distributing a copy thereof to the Owners not less than forty-five (45) and not more than sixty (60) days prior to the beginning of the fiscal year. The budget shall comply with California Civil Code section 1365 or any successor statute. In lieu of the distribution of the pro forma budget, the Board may elect to distribute a summary of such budget to the Owners with a written notice that the full budget is available at the business office of the Association or designated location and that copies will be provided upon written request and at the expense of the Association. The Association shall provide the copy to the Owner within twenty (20) days of the receipt of the Owner's written request or the maximum amount of time allowed by law, whichever is less.

3.13.2 Reviewing the following:

3.13.2 (a) A current reconciliation of the operating and reserve accounts of the Association on at least a quarterly basis.

3.13.2 (b) The actual reserve revenues and expenses for the current year compared to the budget for the current year on at least a quarterly basis.

3.13.2 (c) An income and expense statement for the operating and reserve accounts of the Association on at least a quarterly basis.

3.13.2 (d) The most current account statements prepared by the financial institution where the Association has its operating and reserve accounts.

3.14 Disciplinary Actions Against Owners. In connection with the general power of enforcement, the Association may discipline Owners for violation of any of the provisions of the Governing Documents by one or more of the following: (1) suspending the Owner's membership rights, including the Owner's voting rights, (2) imposing
monetary fines and (3) recording of a notice of noncompliance encumbering the Lot of the Owner, if such is permitted by law, subject to the following limitations:

3.14.1 The accused Owner shall be given at least ten (10) days’ prior written notice of the intention of the Board to meet and consider imposition of a suspension, monetary fine, notice of noncompliance or any combination of these, with respect to any alleged violation.

3.14.2 At the Board meeting, the accused Owner shall be given an opportunity to be heard, orally or in writing and to be represented by legal counsel.

3.14.3 Notwithstanding the foregoing, under circumstances involving conduct that constitutes (a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (b) a traffic or fire hazard; or (c) a threat of material damage to, or destruction of, the Common Area, the Board or its agents may undertake immediate corrective action and conduct a hearing as soon thereafter as reasonably possible, if either (1) requested by the offending Owner within five (5) days following the Association’s notification, or (2) on its own initiative.

3.14.4 The amount of any monetary penalties shall be established from time to time by the Board, and a schedule thereof shall be distributed to the Owners by personal delivery or first class mail. Distribution of additional schedules is not required unless there are any changes to an existing schedule.

3.14.5 If the Board imposes discipline on an Owner, the Board shall provide notification of the disciplinary action by either personal delivery or first-class mail to the Owner within fifteen (15) days following the action.

3.14.6 An Owner’s membership privileges may be suspended (a) for up to thirty (30) days for any violation of the Governing Documents and (b) during any period of time that the Owner is delinquent in the payment of assessments. Suspension of ownership privileges shall include suspension of the right of an Owner to vote at meetings of the Association.

3.14.7 Any notice of noncompliance shall identify the subject Lot, describe the nonconforming use, and specify the provision of the Governing Documents that is being violated. Upon the elimination of any nonconforming use, the Association shall execute and record a document that shall reference any previously recorded notice of noncompliance, rescind said notice and confirm that the Lot is in compliance with all applicable Governing Documents provisions referenced in the notice of noncompliance.
3.14.8 Except for foreclosure for failure to pay assessments, or as a result of the judgment of a court or a decision arising out of arbitration, the Association shall in no way abridge the right of any Owner to the full use and enjoyment of his or her Lot consistent with the Governing Documents.

ARTICLE 4 - MEETINGS OF DIRECTORS

4.1 **Regular Meetings**. Regular meetings of the Board of Directors shall be held at least quarterly at a time and place within or reasonably near Alvarado Estates fixed by resolution of the Board.

4.2 **Special Meetings**. Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two (2) directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

4.3 **Meeting Notice**. Notice of any regular or special meeting shall be communicated to all directors not less than or four (4) days prior to the meeting; provided, however, that notice need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Notice may be delivered by first class mail, personally, by telephone, including a voice messaging system, telegraph, facsimile, electronic mail or other electronic means.

4.4 **Organizational Meeting**. Immediately after the annual meeting, described in Section 2.2, herein, or as soon thereafter as reasonably practicable, the Board shall meet to elect the officers of the Association and conduct any other business of the Association as the Board, in its discretion, shall determine is necessary.

4.5 **Emergency Meetings**. An emergency meeting of the Board may be called by the President, or by any two Board members 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 impracticable to provide advance notice as required herein.

4.6 **Executive Session**. The Board may, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to meet with its legal counsel, or discuss and vote upon (a) litigation in which the Association is or may become involved, (b) matters that relate to the strategy and terms to be negotiated in the formation of contracts with third parties, (c) personnel matters, and (d) 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 or announced at the beginning of the next meeting. Minutes of executive sessions shall be kept and made available for review by Owners after and to the extent the need for confidentiality passes.
4.7 **Quorum.** A majority of the Board shall constitute a quorum and if a quorum is present, the decision by a majority of the directors present and voting shall be the act of the Board.

4.8 **Adjournment.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment shall be given, prior to the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

4.9 **Owner Attendance at Board Meetings; Notice.** Any Owner may attend meetings of the Board except when the Board adjourns to executive session as provided herein. Notice of the time and place of a Board meeting, except for emergency meetings and executive sessions, shall be communicated to Owners not less than four (4) days prior to the meeting. Notice may be given by posting the notice in a prominent place or places within the Common Area, by mail, by delivery to all Lots in Alvarado Estates, or by electronic means of communication other than merely posting notice on the Association’s web site.

4.10 **Action Without a Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board 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. Such written consent or consents shall be filed and distributed with the minutes of the proceedings of the Board.

4.11 **Board Deliberation Regarding Owner Discipline.** In any matter relating to the disciplining of an Owner, the Board shall meet in executive session if requested by that Owner, or upon the Board’s own initiative. The Owner subject to discipline shall be allowed to address the Board during that portion of the executive session and shall be entitled to be represented by legal counsel.

4.12 **Meeting Minutes; Availability to Owners.** The Board shall keep accurate written minutes of its meetings, and shall retain them in the permanent records of the Association. The minutes of any Board meeting, other than executive session, shall be promptly made available to Owners. The minutes shall be distributed to the Owners by mail, personal delivery or by posting on the Association’s web site if an electronic mail notice is sent to Owners with Internet access, other Owners to be given mail or personal delivery.

**ARTICLE 5 - OFFICERS**

5.1 **Enumeration of Officers.** The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. The Board may appoint such additional officers as it may, in its sole discretion, determine necessary or desirable. Any number of offices may be held by the same person except for the offices of (a) President and Treasurer, and (b) President and Secretary. The President must be a director.
5.2 **Appointment and Term**. The officers shall be elected annually by the Board. Any vacancies shall be filled by the Board. Each officer shall hold his or her office at the pleasure of the Board.

5.3 **Duties**. Unless otherwise delegated by the Board, the duties of the officers shall be as follows:

5.3.1 The President shall:

5.3.1 (a) Preside over all meetings of the Owners and of the Board.

5.3.1 (b) Sign as President all deeds, contracts and other written instruments that have been approved by the Board, unless the Board, by duly adopted resolution, authorizes the signature of another officer.

5.3.1 (c) Call meetings of the Board whenever he or she deems it necessary, in accordance with any rules and notice requirements imposed by the Board and the Governing Documents.

5.3.1 (d) Have, subject to the approval of the Board, general supervision, direction and control of the affairs of the Association.

5.3.1 (e) Discharge any other duties required of him or her by the Board.

5.3.2 The Vice-President shall:

5.3.2 (a) Act in the place and in the stead of the President in the event of his or her absence, inability or refusal to act when required by the Board.

5.3.2 (b) Exercise and discharge any other duties required of him or her by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

5.3.3 The Secretary shall:

5.3.3 (a) Keep a record of all meetings and proceedings of the Board and of the Owners.

5.3.3 (b) Serve all required notices of meetings of the Board and the Owners.

5.3.3 (c) Keep current records showing the names, addresses and contact information of the Owners.
5.3.3 (d) Sign as Secretary all deeds, contracts, and other written instruments that have been approved by the Board, if the instruments that have been approved by the Board and signed by the President require a second Association signature and the Board has not passed a resolution authorizing another officer to sign in the place and stead of the Secretary.

5.3.4 The Treasurer shall:

5.3.4 (a) Receive and deposit all of the funds of the Association in any bank or banks selected by the Board.

5.3.4 (b) Be responsible for and supervise the maintenance of books and records to account for Association funds and other Association assets.

5.3.4 (c) Disburse and withdraw Association funds in the manner specified by the Board.

5.3.4 (d) Prepare and distribute the financial statements for the Association required by the Governing Documents.

5.4 Resignation and Removal. The Board may remove any officer from office either with or without cause. An officer may resign at any time by giving written or verbal notice to the Board, the President or the Secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation by the Board shall not be necessary to make it effective.

5.5 Return of Association Property. Upon resignation, removal or expiration of the officers’ term, officers shall return to the Association any Association property in their possession.

5.6 Compensation. An officer shall not receive any compensation for any service he or she may render to the Association as an officer; provided, however, that any officer may be reimbursed for actual out-of-pocket expenses incurred by the officer in the performance of his or her duties. Any out-of-pocket expenses in excess of $500 must have prior approval of the Board.

5.7 Delegation. With Board approval, an officer may delegate his or her powers and duties to any committee, employee or agent of the Association, including, but not limited to, a community association manager.

ARTICLE 6 - BOOKS AND RECORDS; INSPECTION RIGHTS

6.1 Required Books and Records. The Association shall maintain:
6.1.1 Copies of the Governing Documents as last amended.

6.1.2 Adequate and correct books and records of account.

6.1.3 Written minutes of the proceedings of the Owners, of the Board, and of committees of the Board.

6.1.4 An ownership register containing the Owners' names, contact information and voting rights.

6.2 **Owner Inspection of Accounting Records and Minutes**. In accordance with Corporations Code section 8333, the accounting books and records and minutes of proceedings of the Owners, the Board and its committees, with the exception of minutes of executive sessions, shall be open to inspection upon the written demand on the Association by any Owner at any reasonable time, for a purpose reasonably related to such person's interests as an Owner. Owners may not inspect the minutes of executive sessions without Board approval.

6.3 **Owner Inspection of Ownership Register**. Subject to Section 6.4 and applicable law, Owners may obtain copies of the ownership register within 10 days upon a written demand to the Association and payment of a reasonable charge. The demand shall state the purpose for which the list is requested.

6.4 **Denial of Inspection Request**. In accordance with section 8338 of the Corporations Code, the ownership register is a corporate asset. The Association may deny an Owner access to the ownership register, including copies thereof, where the Association reasonably believes that the information will be used for a purpose not reasonably related to the Owner's interest as an Owner, or where the Association provides a reasonable alternative method of achieving the purpose identified in the written demand from the Owner in accordance with section 8330(c) of the Corporations Code.

6.5 **Director Inspection of All Association Records**. Subject to any limitations imposed by law, every director shall have the right to inspect all Association records and the physical properties owned or controlled by the Association at any reasonable time as provided by section 8334 of the Corporations Code.

6.6 **Removal of Records**. No Owner or director may remove the Association's original copies of the Governing Documents, books and records of account, minutes, the membership register, or other records or documents from the Association's office or designated depository without the prior consent of the Board.

ARTICLE 7 - NONLIABILITY AND INDEMNIFICATION

7.1 **Limitation on Liability of Association's Directors and Officers**. Directors and officers of the Association (collectively and individually referred to as the "Released

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Party") shall not be responsible to any Owner, any member of an Owner's family, any of the Owner’s tenants, guests, servants, employees, licensees, invitees or any other person for:

7.1.1 Any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required by the Governing Documents, provided that such Released Party has, upon the basis of such information as may be possessed by the Released Party, acted in good faith, in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Association’s annual financial budget, the decision whether to purchase insurance, the funding of Association capital replacement and reserve accounts, repair and maintenance of Common Areas, and enforcement of the Governing Documents.

7.1.2 Any loss or damage suffered by reason of theft or otherwise of any article, vehicle or other item of personal property which may be stored by such Owner or other person within any Lot or the Common Area or for any injury to or death of any person or loss or damage to the property of any person caused by fire, explosion, the elements or any other Owner or person within Alvarado Estates, or by any other cause, unless the same is attributable to his or her own willful or wanton act or gross negligence. It is the intent of this Section to provide volunteer directors and officers with protection from liability to the full extent permitted by California Civil Code section 1365.7, or comparable superseding statute, and to the extent this provision is inconsistent with said section, the Civil Code shall prevail.

7.2 Indemnification of the Association . Each Owner shall be liable to the Association for any damage to the Common Areas caused by the negligence or willful misconduct of the Owner or his or her family, guests, invitees or lessees. Each Owner shall indemnify, hold harmless, and pay any costs of defense of each other Owner from claims for personal injury or property damage occurring within any Lot owned by the indemnitee, provided that this protection shall not extend to any indemnitee whose gross negligence or willful misconduct caused or contributed to the injury or damage. This Section is not intended to be for the benefit of any insurer and shall not affect nor limit the duty of any insurer to pay any claim which would be payable by said insurer but for this Section.

7.3 Indemnification by Association of Directors, Officers, Employees and Other Agents . To the fullest extent permitted by law, the Association shall indemnify its directors, officers, employees and other agents described in Corporations Code section 7237, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in
Corporations Code section 7237 and including an action by or in the right of the Association, by reason of the fact that such person is or was a person described by that section. "Expenses," as used in this Section, shall have the same meaning as in Corporations Code section 7237(a).

7.4  **Approval of Indemnity by Association**. On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine in accordance with Corporations Code section 7237(e) whether the applicable standard of conduct set forth in Corporations Code section 7237(b) or section 7237(c) has been met and, if it has, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a majority of a quorum of directors who are not parties to the proceeding, the Board shall promptly call a meeting of Owners. At that meeting, the Owners shall determine under Corporations Code section 7237(e) whether the applicable standard of conduct set forth in Corporations Code section 7237(b) or section 7237(c) has been met and, if it has, the Owners present at the meeting in person or by proxy shall authorize indemnification.

7.5  **Advancement of Expenses**. To the fullest extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a director, officer, employee or agent seeking indemnification under Sections 7.1, 7.2 and 7.3 and of this Article 7 in defending any proceeding covered by those Sections shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

7.6  **Insurance**. The Association shall have the power to purchase and maintain insurance on behalf of its directors, officers, employees or other agents against other liability asserted against or incurred by any director, officer, employee or agent in such capacity or arising out of the director's, officer's, employee's or agent's status as such.

**ARTICLE 8 - AMENDMENTS**

These Bylaws may be amended by the vote or written consent of a majority of the voting power of the Owners or may be adopted, amended or repealed by the Board. Notwithstanding the foregoing, the percentage of a quorum or of the voting power of the Owners necessary to amend a specific clause or provision in these Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.
EXHIBIT A

The real property subject to these By-Laws is situated in the City of San Diego, County of San Diego, State of California, and is more particularly described as follows:

Residential Lots:

PARCEL A Lots 1 through 12 of Alvarado, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2789, filed in the Office of the County Recorder of San Diego County, June 15, 1951.

PARCEL B Lots 13 through 26, 30 through 82 of Alvarado No. 2, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2823, filed in the Office of the County Recorder of San Diego County, on November 14, 1951.

PARCEL C Lots 105 through 128 of Alvarado Unit No. 3, in the City of San Diego, County of San Diego, State of California, according to map thereof No. 5185, filed in the Office of the County Recorder of San Diego County, May 22, 1963.

PARCEL D That part of Lots 27 and 28 of ALVARADO UNIT NO. 2, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2823, filed in the Office of the Recorder of San Diego entitled, "JUAN M. LUCO, et al. vs. THE COMMERCIAL BANK OF SAN DIEGO, et al" included within Record of Survey Map No. 3130, filed in the Office of the County Recorder of said County July 6, 1953, lying Westerly of the center line of Navajo Road, 80 feet wide, as said road is shown on County Road Survey No. 877 on file in the Office of the County Surveyor of said County and lying Southerly of courses numbered (1) to (6) inclusive described as follows:

Beginning at a point on the Westerly line of said Alvarado Unit No. 2, distant thereon South 0°42'14" West, 141.03 feet from a 3/4 inch iron pipe with tag marked "L. S. 2201" as said pipe is set for the Southwesterly corner of said Record of Survey Map No. 3130; thence along the following numbered courses; (1) North 86°34'16" East, 57.93 feet; (2) South 54°56'13" East, 150.00 feet; (3) North 87°07'36" East, 169.83 feet; (4) North 33°04'40" East, 86.02 feet; (5) North 87°16'09" East, 46.47 feet to a point on the Westerly side line of said Navajo Road, distant thereon for reference Southerly, 14.19 feet from a 2 inch iron pipe with a tag marked "R.E. 1534", said point being in the arc of a 1040 foot radius curve, concave Easterly, (said curve being drawn from a tangent which bears South 5°34'06" East, through an angle of 0°46'54" from said 2 inch iron pipe marking the Northerly end of said curve); (6) continuing North 84°16'09" East, 40 feet, more or less, to the center line of said Navajo Road.

PARCEL E Lot 29 of Alvarado Unit No. 2, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2823 filed in the County Recorder's Office, November 14, 1951.

Excepting therefrom that portion granted to the State of California by deed recorded June 9, 1958 in Book 7111, page 42 of Official Records, said portion being more particularly described as follows:

Beginning at a point on the Westerly line of Lot 29 of said subdivision, distant thereon and along the Westerly line of Lot 28, South 0°42'14" West, 141.03 feet from a 3/4 inch iron pipe with tag marked "L.S. 2201", set for the Southwesterly corner of that parcel of land described in deed to R.E. Hazard and Sons, recorded November 25, 1941 in Book 1264, page 36 of Official Records; thence North 86°34'16" East, 57.93 feet; thence South 54°56'13" East, 150.00 feet; thence North 87°07'36" East, 169.88 feet; thence North 33°04'40" East, 86.02 feet; thence North 84°16'09" East, 46.37 feet to a point on the Easterly line of Lot 27 of said subdivision, distant thereon South 5°34'06" East, 14.19 feet from a 2 inch iron pipe with tag marked "R.E. 1534" set for the end of curve in said Easterly line.
PARCEL F Lot 84, Alvarado Unit No. 2, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2823, filed in the Office of the County Recorder of said San Diego County, November 14, 1951.

EXCEPT that portion beginning at the Southwesterly corner of said Lot 84; thence along the Westerly line of said Lot, North 07°21'11" East 51.61 feet to the Northwesterly corner of said Lot; thence along the Northerly line of said Lot, South 83°57'40" East 105.99 feet to the beginning of a 300.00 foot radius curve concave Northerly and Easterly along said curve 110.35 feet through an angle of 21°04'30" to the end of said curve; thence South 07°21'11" West 76.57 feet to the Southerly line of said Lot 84; thence along said Southerly line, North 82°38'49" West 213.35 feet to the point of beginning.

PARCEL G Lot 85 of ALVARADO UNIT NO. 2, in the City of San Diego, County of San Diego, State of California, according to the Map thereof No. 2823, filed in the Office of the County Recorder of San Diego, on November 14, 1951; EXCEPTING therefrom that portion lying within that portion of Lot 67 of the Rancho Mission of San Diego, according to Partition Map thereof on file in the Office of the County Clerk of said County, in Action No. 348, in the Superior Court of said County entitled "Juan M. Loco, et al, vs. The Commercial Bank of San Diego, et al" described as follows:

Beginning at the Northeast corner of Lot 23 of said Rancho Mission of San Diego: thence along the Northerly prolongation of the East line of said Lot 23, North 0°23'55" West (Record North 0°23'50" West) 50.46 feet; thence South 82°38'49" East 29.16 feet; thence South 42°35'10" East 63.22 feet to the Southerly line of said Lot 67; thence along said Southerly line South 89°51'40" West 71.36 feet to the point of beginning.

PARCEL H Lot 86 of ALVARADO UNIT NO. 2, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2823, filed in the Office of the County Recorder of San Diego County, November 14, 1951.

EXCEPTING THEREFROM the Southwesterly 10 feet, being that portion of said Lot 86 which lies Southwesterly of a 1,550.00 foot radius curve, concave Southwesterly, said 1,550.00 foot radius curve being concentric with that 1,540.00 foot radius curve, concave Southwesterly which forms the Southwesterly line of said Lot 86.

An easement and right of way for access over, along and across the Westerly 50 feet of that portion of said Lot 86 excepted in Parcel H hereinabove described.

PARCEL I Lots 87, 88, 89 and 90 of ALVARADO UNIT NO. 2, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2823, filed in the Office of the County Recorder of San Diego County, November 14, 1951.

EXCEPTING from said Lots 87, 88, 89 and 90 that portion lying Southerly and Southwesterly of a line described as follows:

Beginning at a point in the Southeasterly line of said Lot 87, distant thereon North 24°37'16" East (Record North 24°35'01" East) 16.88 feet from the Southeast corner thereof; thence North 65°51'51" West, 50.0 feet to the TRUE POINT OF BEGINNING; thence continuing North 65°51'51" West, 163.33 feet to a point in the Northwesterly line of said Lot 87, distant thereon North 24°37'16" East (Record North 24°36'01" East) 45.00 feet from the Southwest corner thereof; thence North 46°45'56" West, 241.06 feet to a point in the Northwesterly line of said Lot 88, distant thereon North 23°55'29" East (Record North 23°54'14" East) 85.00 feet from the Southwest corner thereof; thence North 48°52'26" East 55.17 feet from the most Westerly corner thereof.
Parcel J  Lots 1-13 of ALVARADO TERRACE, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 3509, filed in the Office of the County Recorder of San Diego County, September 26, 1956.

Parcel K  Lots 25, 30 and 32-34 of Montezuma Park Unit No. 3, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 5375, filed in the Office of the County Recorder of San Diego County, on April 20, 1964, and Lots 37 and 38 of Montezuma Park Unit No. 4, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 5523, filed in the Office of the County Recorder of San Diego County on January 28, 1965.

But excepting therefrom that portion of Lot 25, Montezuma Park Unit No. 3, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 5375, filed in the Office of the County Recorder of San Diego County, described as follows:

Beginning at the Northeasterly corner of said Lot 25, thence North 84°25'20" West 240.66 feet along the Northerly line of Lot 25 to a point in the East line of Yerba Anita Drive as shown on said Map No. 5375; thence South 5°34'40" West 35.45 feet; thence North 87°11'45" East 243.26 feet to the Point of Beginning.

The real property subject to these By-laws also includes, as a part thereof, certain parcels of unimproved real property (the "Common Area") legally described as:

Lot 41 of Alvarado No. 2, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2823, filed in the Office of the County Recorder of San Diego on November 14, 1951.

A portion of Lot 1 of ALVARADO, according to Map thereof No. 2789, filed in the office of the County Recorder of San Diego County, June 15, 1951, more particularly described as follows:

Beginning at the Northwest corner of Lot 1 Alvarado; thence North 89°51'40" East along the North line of said Lot 1; 71.36 feet to the Easterly line of said Lot 1 being also the Southwesterly line of Yerba Santa Drive; thence South 42°35'10" East 61.58 feet along said Easterly line of Lot 1 to a point on the arc of a tangent 47.51 foot radius curve convex to the Northwest; thence Northwesterly along the arc of said curve 114.27 feet through a central angle of 137°48'45" thence radial to said curve South 89°36'05" West 30.00 feet to the West line of Lot 1 Alvarado; thence North 0°23'55" West, 77.86 feet to the point of beginning.
CERTIFICATE OF SECRETARY

OF

ALVARADO COMMUNITY ASSOCIATION
a California Nonprofit Corporation

I, the undersigned, do hereby certify that I am the duly elected Secretary of the Alvarado Estates Association, a California nonprofit corporation. The foregoing Bylaws of said Association constitute entire Bylaws of the Association as amended to date.

Dated: February 16, 2005.

//Alan Williams//
Secretary