

**MASTER ASSOCIATION BYLAWS
OF
RIO BRAVO COMMUNITY ASSOCIATION
A California Nonprofit Mutual Benefit Corporation**

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ARTICLE I
NAME

A. The name of the association is **RIO BRAVO COMMUNITY ASSOCIATION**, hereinafter referred to as the "Master Association."

ARTICLE II
PRINCIPAL OFFICE

A. The principal office of the Master Association is located at 15200 Casa Club Drive, Bakersfield, California, 93306-9778, or at such other place as may be designated by the Board.

ARTICLE III
DEFINITIONS

A. The definitions of the terms contained in **ARTICLE II** of the First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rio Bravo, a Master Planned Community, ("Master Declaration"), entitled, "**DEFINITIONS**," which was recorded on April 20, 2001, as Instrument No. 0201055, in the office of the County Recorder of the County of Kern, are incorporated herein and by this reference made a part hereof, as though fully set forth herein, and shall apply to those same terms as they may appear in these Master Association Bylaws.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

A. The membership and voting rights provisions contained on **ARTICLE VII** of the Master Declaration, entitled, "**PROVISIONS DECLARING MEMBERSHIP AND VOTING RIGHTS**," are incorporated herein and by this reference made a part hereof, as though fully set forth herein.

ARTICLE V
MEETINGS OF MEMBERS

A. Place of Meetings.

1. All meetings of the Members, annual and special, shall be held at a place within the Master Planned Community as designated by the Board, provided that if there is not an available or appropriate place within the Master Planned Community, the Board shall designate a meeting place as close as possible to the Master Planned Community but in no event outside the County unless unusual conditions exist. In the absence of any designation, the meetings of Members shall be held at the principal office of the Master Association.

B. Annual Meetings.

1. The first annual meeting of Members of the Master Association shall be held within forty-five (45) days after the closing of the sale of the Parcel and/or Condominium that represents the fifty-first (51st) percentile interest authorized for sale under the first (1st) Final Subdivision Public Report issued for the initial phase of the Master Planned Community by the California Commissioner of Real Estate, provided that said Public Report authorizes the sale of fifty (50) subdivision interests or more in the Master Planned Community, but in no case later than six (6) months after the closing and recording of the sale of the first (1st) Parcel in the first (1st) Subsidiary Development. Thereafter, the annual meeting of the Members of the Master Association shall be held each year on the Wednesday immediately preceding the anniversary date of the first (1st) annual meeting, at eight o'clock a.m. (8:00 a.m.), or at such other date or time as may be fixed by the Board but in no event shall an annual meeting be held less than once each calendar year. If the scheduled date of the annual meeting falls on a legal holiday, the meeting shall be held at the same time on the next business day.

C. Special Meetings.

1. Special meetings of the Members may be called for any lawful purpose by the Board, the President or by a written request signed by Members representing at least five percent (5%) of the total voting power of the Master Association. A special meeting called by any person, other than the Board, entitled to call a meeting shall be made by submitting a written request, specifying the general nature of the business to be transacted, to the president, any vice president, or secretary of the Master Association. The officer receiving the notice shall promptly cause notice to be given the Members in the manner required by Subsection VD. of these Master Association Bylaws, entitled, "Notice of Meetings," that a meeting will be held at a date, time, and place fixed by the Board, which meeting shall be held not less than thirty-five (35) days nor more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the receipt of the request, the person or persons requesting the meeting may give the notice.

D. Notice of Meetings.

1. Notice of all Members' meetings, annual or special, shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting to each Delegate. The notice shall be given personally, or by first-class registered, or certified mail addressed to the Delegate at the address of such Delegate appearing on the books of the Master Association or given by the Delegate to the Master Association for purpose of notice. If no address appears or is given for any Delegate, notice may be given at the Master Association's principal office or by publication at least once in a newspaper of general circulation.

2. The notice shall state the place, date, and time of the meeting. If directors are to be elected at the meeting, the notice shall include the names of all those who are nominees at the time notice is given. In the case of a special meeting, the notice shall state the general nature of the business to be transacted and no other business may be transacted. In the case of the annual meeting, the notice shall state those matters that the Board intends, at the time the notice is given, to present to the Delegates for action, but any proper matter may be presented at the meeting for action subject to the special notice requirements described in Subsection VE. of these Master Association Bylaws, entitled, "Special Notice Requirements." Notwithstanding the foregoing, the Delegates may vote only on those matters for which notice was given in any meeting with the quorum requirement as described in Subsection VH. of these Master Association Bylaws, entitled, "Quorum," is less than one-third (1/3) of the voting power of the Master Association and Delegates holding less than one-third (1/3) actually attended.

E. Special Notice Requirements.

1. Approval by the Delegates of any of the following proposals, other than by unanimous approval of those Delegates entitled to vote, shall not be valid unless the general nature of the proposal was stated in the notice or in any written waiver of the notice:

- a. Removing a director without cause;
- b. Filling vacancies on the Board;
- c. Amending the Master Association Articles;
- d. Approving a contract or transaction between the Master Association and one (1) or more directors, or between the Master Association and any entity in which a director has a material financial interest;
- e. Electing to wind up and dissolve the Master Association; or
- f. Approving a plan of distribution of assets, other than money, not in accordance with the liquidation rights of any class of Members, applicable only if the Master Association is in the process of winding up and there is more than one (1) class of Membership outstanding at the time.

F. The Waiver of Notice or Consent.

1. The transactions of any meeting of Members, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after a regular call and notice, if:

- a. A quorum is present either in person or by proxy; and
- b. Either before or after the meeting, each Delegate entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of Members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Subsection VE. of these Master Association Bylaws, entitled, "Special Notice Requirements," the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

2. Attendance of a Delegate at a meeting shall also constitute a waiver of notice and presence at that meeting, unless the Delegate objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

G. Proof of Membership and Record Date.

1. No person shall exercise the rights of Membership in the Master Association until satisfactory proof of Membership has been furnished the Master Association. Such proof may consist of either a duly-executed and acknowledged grant deed or a title insurance policy showing that the person has an ownership interest in a Parcel and/or Condominium that would entitle the person to Membership in the Master Association as provided in Subsection 7.1 of the Master Declaration, entitled, "MEMBERSHIP APPURTENANT TO OWNERSHIP." Such deed or policy shall be deemed conclusive proof of the persons Membership in the absence of a conflicting claim based on a later deed or policy.

2. For the purpose of determining the Members entitled to notice of any meeting, to vote, or to exercise any other rights in respect of any lawful action, the Board may fix, in advance, a record date as follows:

- a. The record date for notices shall be not more than ninety (90) nor less than ten (10) days before the date of the meeting;
- b. The record date for voting shall not be more than sixty (60) days before the date of the meeting or before the date on which the first (1st) written ballot is mailed or solicited; and
- c. The record date for any other action shall not be more than sixty (60) days before the date of such action. If no record date is fixed by the Board, the record date shall be determined in accordance with California Corporations Code §7611, or any comparable superseding statutes. A person holding a Membership as of the close of business on the record date shall be a member of record.

H. Quorum

1. The presence at any meeting, in person or by proxy, of Delegates entitled to cast at least twenty-five percent (25%) of the total votes of all Members and the Declarant shall constitute a quorum. Any Members' meeting, whether or not a quorum is present, may be adjourned from time to time for any reason, by a vote of the Delegates representing a majority of the voting power of the Members present at the meeting, either in person or by proxy, to another time not less than five (5) days nor more than thirty (30) days from the date of the original meeting. If the time and place of the adjourned meeting is announced prior to the adjournment of the original meeting, no notice of the adjourned meeting is required, provided that if a new date is fixed for the adjourned meeting after the adjournment of the original meeting, notice of the date, time and place of the adjourned meeting shall be given to him in the manner prescribed in Subsection VD. of these Master Association Bylaws, entitled, "Notice of Meetings." Any business that might have been transacted at the original meeting may be transacted at the adjourned meeting. In the absence of a quorum no business may be transacted at the meeting other than to adjourn the meeting to another time. If a meeting is adjourned because a quorum is not present, the quorum requirement at the adjourned meeting shall be twenty-five percent (25%) of the total voting power of all the Members and the Declarant.

2. The Delegates 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 Delegates to leave less than a quorum, if any action taken, other than adjournment, is approved by at least a majority of the Delegates required to constitute a quorum.

I. Proxy.

1. Each person entitled to vote shall have the right to do so either in person or by one (1) or more agents authorized by written proxy, signed by the person and filed with the Secretary of the Master Association. A proxy shall be deemed signed if the member's name is placed on the proxy, whether by manual signature, typewriting, telegraphic transmission, or otherwise, by a Member or the Member's attorney-in-fact. Any form of proxy or written ballot distributed by any person to the Membership of the Master Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or a group of matters to be acted on. The proxy or written ballot shall provide that, when the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy also shall identify the person who is authorized to exercise the proxy and the length of time it will be valid. Any proxy or written ballot that is distributed to ten (10) or more Members shall satisfy the requirements of California Corporations Codes §7514(a), or any comparable superseding Statutes, if the Master Association has one hundred (100) or more Members.

2. A validly executed proxy shall continue in full force and effect until:
 - a. Written notice is received by the Master Association of the death or incapacity of the Member executing the proxy; or
 - b. The Member executing the proxy revokes it before the vote is cast under that proxy by:
 - (i) Delivering a written revocation to the Master Association;
 - (ii) Executing a subsequent proxy that is presented to the meeting; or
 - (iii) Attending and voting in person at any meeting.

3. Unless the proxy indicates otherwise, it shall not be valid after eleven (11) months from the date of execution and in no event shall any proxy be valid after three (3) years from the date of execution. Notwithstanding any of the foregoing, all proxies shall be revocable and shall automatically terminate when the Member's Membership in the Master Association terminates as provided in Subsection 7.1 of the Master Declaration, entitled, "MEMBERSHIP APPURTENANT TO OWNERSHIP." The suspension of any member's voting rights by the Master Association shall automatically suspend any proxy executed by that member.

4. No proxy shall be valid with respect to a vote on the following proposals to be approved by the Members unless the general nature of the matter to be voted on was set forth in the proxy:
 - a. Removing a director without cause;
 - b. Filling vacancies on the Board;
 - c. Amending the Master Association Articles;
 - d. The sale, lease, conveyance, exchange, transfer, or other disposal of all or substantially all of the Master Association's assets, or the approval of the principal terms of a merger or the amendment to the principal terms of a merger;
 - e. Approving a contract or transaction between the Master Association and one (1) or more directors, or between the Master Association and any entity in which a director has a material financial interest;
 - f. Electing to wind up and dissolve the Master Association; or
 - g. Approving a plan of distribution of assets, other than money, not in accordance with the liquidation rights of any class of Members, applicable only if the Master Association is in the process of winding up and there is more than one (1) class of Membership outstanding at the time.

J. Order of Business.

1. The order of business of all meetings of Members shall be as follows:
 - a. Determination of a quorum;
 - b. Proof or notice of meeting or waiver of notice;
 - c. Approval of the minutes of the preceding meeting;
 - d. Reports of the Board and the officers;
 - e. Election of directors, if any are to be elected;
 - f. Unfinished business; and
 - g. New business.

K. Parliamentary Procedure.

1. All questions of parliamentary procedure shall be decided in accordance with Robert's Rules of Order.

L. Action by Unanimous Consent.

1. Any action required or permitted to be taken by the Members may be taken without a meeting if all of the Members consent in writing to the action. The written consent shall have the same force and effect as the unanimous vote of the Members. The written consents shall be filed with the minutes of the proceedings of the Members.

M. Action by Written Ballot.

1. Any action that may be taken at any meeting of the Members, except the election of directors, may be taken by written ballot if the following requirements are satisfied:

- a. The Master Association distributes a written ballot to each Member entitled to vote on the matter. The ballot shall be given personally, or by first-class, registered, or certified mail addressed to the Member at the address of such Member appearing on the books of the Master Association or given by the Member to the Master Association for the purpose of notice. The ballot shall provide a reasonable time within which to be returned. If the ballots are distributed to ten (10) or more Members and the Master Association has one hundred (100) or more Members, the requirements of California Corporations Code §7514, or comparable superseding statutes, shall be satisfied.
- b. Each ballot shall state:
 - (i) The proposed action;
 - (ii) An opportunity to specify approval or disapproval of any proposal;
 - (iii) Confirmation that, if the Member specifies a choice, the vote shall be cast in accordance with that Member's choice;
 - (iv) The time by which the ballot must be received by the Master Association in order to be counted;
 - (v) The number of responses needed to meet the quorum requirement; and
 - (vi) The percentage of approvals necessary to approve the proposed action.
- c. The proposed action shall be considered approved by written ballot if:
 - (i) Within the time period specified the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action; and
 - (ii) 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 votes cast by ballot.
- d. A written ballot may not be revoked.

**ARTICLE VI
ELECTION AND TERM OF OFFICE OF MEMBERS
OF THE
BOARD OF DIRECTORS**

A. Number.

1. The Board shall consist of three (3) directors who need not be Members of the Master Association.

B. Nomination.

1. Except for the initial directors selected by the incorporators or the Members as provided in Subsection VIC. of the Master Association Bylaws, entitled, "Election of Directors," nomination for election to the Board shall be made by a nominating committee consisting of three (3) persons. The nominating committee shall consist of a chairman, who shall be a director, and two (2) other persons who may either be Members of the Master Association or representatives of Declarant. Each member of the nominating committee shall be appointed by the Board to serve for a period of one (1) year, and vacancies thereon shall be filled by the Board. The nominating committee may make as many nominations as it desires but not less than the number of positions to be filled. Nominations may be made from among Members or non-Members.

2. Notwithstanding the foregoing, any member present in person or by proxy at a meeting in which a director or directors are to be elected may place a name in nomination at the meeting prior to the vote. If the Master Association has five hundred (500) or more Members, the nomination requirements of California Corporations Code §7521, or any comparable superseding statutes, shall be satisfied.

3. The Board shall adopt procedures that provide for a reasonable opportunity for nominees to communicate their qualifications and reasons for candidacy to the Members and to solicit their votes, and for a reasonable opportunity for all Members to choose among the nominees. Without authorization of the Board, no Master Association funds may be expended to support a nominee for director if there are more nominees than can be selected.

C. Election of Directors.

1. The initial directors shall be elected either by the incorporator of the Master Association or by the Members as soon as practical after the incorporation of the Master Association, and shall hold office until the first (1st) annual meeting of the Members as specified in Subsection VB. of these Master Association Bylaws, entitled, "Annual Meetings." At the first (1st) annual meeting, the Members shall elect directors to fill all of the positions on the Board. Unless the office is vacated sooner as provided in Subsection VIE. of these Master Association Bylaws, entitled, "Vacancies," each director shall hold office until his or her term expires and a successor has been elected and qualified. The term of office of the three (3) directors receiving the highest number of votes shall be for two (2) years and the term for the remaining elected directors shall be for one (1) year. Successor directors shall be elected at the next annual meeting corresponding with the expiration of the terms.

2. The election of directors shall be by secret written ballot and subject to the provision regarding specially elected directors in Subsection VID. of these Master Association Bylaws, entitled, "Special Elected Directors," the persons receiving the highest number of votes up to the number of positions to be filled shall be elected.

3. Any director may resign effective on giving written notice to the president, the secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation.

D. Special Elected Directors.

1. As long as the majority of the voting power of the Master Association resides in the Declarant, or as long as there are two (2) outstanding classes of Membership in the Master Association, no less than twenty percent (20%) of the directors shall be elected by Members other than Declarant. If Members other than Declarant are unable to elect at least twenty percent (20%) of the Directors, the number of positions on the Board necessary to meet the twenty percent (20%) requirement shall be filled by nominees elected by Members other than Declarant, hereinafter referred to as the "Specially Elected Directors."

Nominations for the Specially Elected Directors may be made by any Member other than Declarant by submitting a written nomination, before the meeting to, the secretary of the Master Association or by placing a name in nomination at the meeting prior to the vote. A Specially Elected Director may be removed prior to the expiration of his or her term only by the vote or written assent of Members other than Declarant who hold a majority of the voting rights other than the voting rights held by Declarant. In case of the death, resignation, or removal of a Specially Elected Director, a successor shall be elected by Members other than Declarant to hold office for the unexpired term of his or her predecessor and until a successor has been elected and qualified. Except as otherwise provided in this **ARTICLE VI**, the provisions of the Master Declaration, the Master Association Articles, and the Master Association Bylaws, applicable to directors, including their election, removal, rights, and duties, shall apply to Specially Elected Directors.

E. Vacancies.

1. A vacancy or vacancies on the Board shall exist on the occurrence of any of the following:
 - a. The death of any director;
 - b. The effective date of any director's resignation;
 - c. The removal of a director by vote of the Members or by vote of a majority of all the votes entitled to be cast by all the Members if the Master Association has less than fifty (50) Members, provided that, if applicable, the vote for removal satisfied the requirements contained in the Special Elected Director provision in Subsection **VID.**, entitled, "Special Elected Directors." of these Master Association Bylaws;
 - d. The declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by an order of court or convicted of a felony;
 - e. An increase in the authorized number of directors; or
 - f. The failure of the Members, at any meeting of the Members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

2. Any vacancy on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director, except for a vacancy created by removal of a director by vote of the Members or a vacancy of a Specially Elected Director position, which vacancy shall be filled by the Members. In addition, the Members may fill any vacancy not filled by the directors. Any director elected to fill a vacancy shall hold office until the expiration of the term of his or her predecessor and until a successor has been elected and qualified.

F. Compensation.

1. A director shall not receive any compensation for any services rendered to the Master Association as a director; provided that directors may be reimbursed for actual out-of-pocket expenses incurred in the performance of his or her duties.

**ARTICLE VII
MEETINGS OF DIRECTORS**

A. Place of Meetings.

1. Meetings of the Board shall be held at any place within the Master Planned Community designated by the Board or described in the notice of the meeting. In the absence of any designation or notice, meetings shall be held at the principal office of the Master Association.

B. Regular Meetings.

1. Regular meetings of the Board shall be held monthly at such time and place as may be fixed from time to time by resolution of the Board, provided that, if the business to be transacted by the Board does not require monthly meetings, regular meetings may be held less frequently but no less than one (1) regular meeting quarterly. If a regular meeting falls on a legal holiday, the meeting shall be held at the same time on the next business day. Notice of the time and place of any regular meeting shall be posted at a prominent place or places within the Common Area, if the common area consists only of an easement or is otherwise unsuitable for posting of such notice, the governing body shall communicate the notice of the time and place of such meeting by any means it deems appropriate, and shall be given to each director not less than four (4) days prior to the meeting; provided, however, that notice need not be given to any director who signs a waiver of notice or written consent to the holding of the meeting.

2. An emergency meeting of the Board may be called by the president of the Master Association, or by any two (2) members of the Board other than the president, if there are circumstances that could not have been reasonably foreseen and require immediate attention together with possible action by the Board, that of necessity make it impractical to provide notice as required by Section VIII. of the Master Association Bylaws, entitled, "Notice to Members."

C. Special Meetings.

1. Special meetings of the Board may be called by written notice signed by the president of the Master 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, shall be posted in a manner prescribed for notice of regular meetings, and shall be sent to all directors not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided that notice need not be given to any director who signs a waiver of notice or a written consent to the holding of the meeting.

D. Open Meetings

1. With the exception of executive sessions of the board and any meeting that may be conducted by conference telephone, all meetings of the Board shall be open to Members, provided, however, that non-director Members may participate in deliberations or discussions of the Board only when expressly authorized by the Board member chairing the meeting.

2. The agenda for Board meetings shall include a specific time for Member questions and comments. The chair shall be authorized to impose reasonable time limitations on Member comments.

3. The Board, on the affirmative vote of a majority of the directors present at a meeting at which a quorum is present, shall be entitled to adjourn at any time for purposes of reconvening in executive sessions to discuss and take action on any of the following matters:

- a. Litigation in which the Master Association is or may become a party;
- b. Personnel matters;
- c. Contract negotiations; or
- d. Member disciplinary proceedings, when the Member being disciplined has requested that the hearing be conducted in executive session.

4. The nature of any and all business to be considered in an executive session shall first be announced in open session and any matter discussed in executive session shall be generally noted in the minutes of the Board of Directors, with special care being taken to not reveal sensitive material.

E. Quorum Requirements.

1. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. 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, subject to the requirements of California Corporations Code §7211(a)(8), or any comparable superseding statutes, including, without limitation, the requirements relating to:

- a. Approval of contracts or transactions between the Master Association and one (1) or more directors or between the Master Association and any entity in which a director has a material financial interest;
- b. Creation of an appointments to committees of the Board; and
- c. Indemnification of directors.

2. A meeting in which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

F. Adjourned Meetings.

1. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of adjournment.

G. Action Taken Without a Meeting.

1. Any action that the Board is required or permitted to take 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 any other validly approved action of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of any actions so approved shall be posted at a prominent place or places within the Common Area, if the Common Area consists only of an easement or is otherwise unsuitable for posting of such notice, the governing body shall communicate the notice of the time and place of such meeting by any means it deems appropriate, within three (3) days after the written consents of all the directors have been obtained.

H. Waiver of Notice.

1. Notice of a meeting need not be given any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the Master Association's records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

I. Minutes.

1. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Board, other than an executive session, shall be made available to every Member within thirty (30) days of said meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member on request and on reimbursement of the Master Association's costs in marking such a distribution. The Members shall be notified in writing at the time the proforma budget required by Subsection 5.13 of the Master Declaration, entitled, "PREPARATION AND

DISTRIBUTION OF FINANCIAL STATEMENTS, REPORTS AND COPIES OF GOVERNING INSTRUMENTS," is distributed or at the time of any general mailing to the entire Membership of the Master Association of their right to have copies of the minutes of the meetings of the Board, how and where those minutes may be obtained, and the cost of obtaining same.

2. If two (2) or more associations consolidate any of their functions under a joint neighborhood association, the Members of each participating association are entitled to attend all meetings of the joint association other than executive sessions. Those Members must be given reasonable opportunity to participate in the meetings and must be given the same access to the joint records as they are to the participating Association's records. It is the express intent that this Subsection VII.1.2. satisfy the requirements of California Civil Code §1363(j). In the event said code section is amended or superseded by another, similar provision of the California statutes, this Subsection VII.1.2. shall be deemed amended, without the necessity of further Owner approval, to correspond to the amended or successor code provision.

J. Notice to Members.

1. Members shall be given notice of the time and place of any board meeting, except for an emergency meeting, at least four (4) days before the meeting. Notice may be given by posting the notice in a prominent place or places within the Common Area, by mail or delivery of the notice to each Parcel and/or Condominium in the Master Planned Community, or by newsletter or similar means of communication. For purposes of the notice requirements, a "meeting" of the Board includes any congregation of a majority of the members of the Board at the same time and place to hear, discuss, or deliberate on any item of business scheduled to be heard by the Board except those matters that may be discussed in executive session.

**ARTICLE VIII
POWERS AND DUTIES OF THE BOARD**

A. Powers.

1. The Board shall have all powers conferred on the Master Association as set forth in the Master Declaration and these Master Association Bylaws, except those powers expressly reserved to the Members and subject to the requirements to obtain approval of the Members before certain actions may be taken. In addition, the Board shall appoint and remove, at its pleasure, all officers, agents, and employees of the Master Association and shall prescribe powers and duties for them that are consistent with the Master Declaration, the Master Association Articles, these Master Association Bylaws, and any applicable laws.

B. Duties.

1. The Board shall be responsible for the performance of the duties of the Master Association as set forth in the Master Declaration, and shall supervise all officers, agents, and employees of the Master Association for the proper performance of their duties.

C. Standard of Care.

1. Each director shall perform his or her duties as a director, including the duties as a member of any committee of the Board of which the director serves, in good faith, in a manner such director believes to be in the best interest of the Master Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

D. Committees of the Board.

1. The Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one (1) or more committees, each consisting of two (2) or more directors, and no persons who are not directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. The Board may appoint one (1) or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board except that no committee, regardless of Board resolution, may:

- a. Take any final action on any matter which under the Master Declaration or the California Non-Profit Mutual Benefit Corporation Law, also requires approval of the Members or approval of a majority of all Members;
- b. Fill vacancies on the Board or on any committee which has the authority of the Board;
- c. Amend or repeal these Master Association Bylaws or adopt new Master Association Bylaws;
- d. Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- e. Appoint any other committees of the Board or the Members of those committees; or
- f. Expend corporate funds to support a nominee for director after there are more nominees than can be elected.

2. Meetings and actions of the committees of the Board shall be governed by, held, and taken in accordance with, the provisions of these Master Association Bylaws concerning meetings and other actions of the Board, except that the time for regular meeting of such committees and calling of special meetings of such committees may be determined either by resolution of the Board, or, in the absence of a Board resolution, by resolution of the committee. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Master Association Bylaws, or in the absence of rules adopted by the Board, the committee may adopt such rules.

E. Financial Review Requirements.

1. The Board shall review on at least a quarterly basis the current reconciliation of the Master Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared with the current year's budget, and an income and expense statement from the Master Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Master Association has its operating and reserve accounts.

**ARTICLE IX
OFFICERS AND THEIR DUTIES**

A. Officers of the Master Association

1. The officers of the Master Association shall be a president, a secretary, and a chief financial officer. The Master Association may also have, at the discretion of the Board, one (1) or more vice presidents, one (1) or more assistant secretaries, one (1) or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Subsection IX.C. of these Master Association Bylaws, entitled, "Other Officers." Any number of offices may be held by the same person.

B. Election of Officers.

1. The officers, except those appointed under Subsection IX.C. of these Master Association Bylaws, entitled, "Other Officers," shall be chosen annually by the Board and shall serve at the pleasure of the Board. The Board shall appoint one (1) of its directors as president and one (1) as the chief financial officer; the officers need not be directors.

C. Other Officers.

1. The Board may appoint and may authorize the president, or another officer, to appoint any other officers that the Master Association may require. Each officer so appointed shall have the title, hold office for the period, have the authority and perform the duties specified in these Master Association Bylaws or as determined from time to time by the Board.

D. Removal or Resignation of Officers.

1. Any officer may be removed with or without cause by the Board and also, if the officer was not chosen by the board, by any officer on whom the board may confer that power of removal. Any officer may resign at any time by giving written notice to the Master Association. Any such resignation shall take effect as of the date the notice is received or at a later time specified in the notice and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

E. Vacancies in Office.

1. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Master Association Bylaws for regular appointments to that office; provided, however, that vacancies need not be filled on an annual basis.

F. Duties.

1. The duties of the officers shall be as follows:

- a. President: The president shall be the general manager and chief executive officer of the Master Association and generally supervise, direct, and control the Master Association's activities, affairs, and officers. The president shall preside at all meetings of Members and all meetings of the Board. The president shall have such other powers and duties as may be prescribed by the Board or these Master Association Bylaws.
- b. Vice President: In the absence of or the disability of the president, the vice presidents, if any, in order of their rank, as fixed by the Board, or, if not ranked, a vice president designated by the Board, shall perform all of the duties of the president. When so acting, a vice president shall have all of the powers of and be subject to all of the restrictions on the president. The vice presidents shall have such other powers and perform such other duties as prescribed by the Board or these Master Association Bylaws.
- c. Secretary: The secretary shall keep or cause to be kept, at the Master Association's principal office, the following:
 - (i) A book of minutes of all of the meetings, proceedings, and actions of the Board, of committees of the board, and of Members. The minutes of meetings shall include the time and place of holding, whether annual, regular, or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings, and the number of Members present or represented at Members' meetings;
 - (ii) A copy of the Master Association Articles and Master Association Bylaws as amended to date;

- (iii) A record of the Members, showing the names of all Members, their current addresses and the class of Membership held by each; and
- (iv) Except as otherwise provided in these Master Association Bylaws, the secretary shall give or cause to be given, the notices required by these Master Association Bylaws for meetings of Members, of the Board and of committees of the Board. The secretary shall have such other powers and perform such other duties as may be prescribed by the Board or these Master Association Bylaws.

d. **Chief Financial Officer:** The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and transactions of the Master Association, and shall send or cause to be sent to the Members and Directors such financial statements and reports as are required by law, the Master Declaration, these Master Association Bylaws, or the Board. The books of accounts shall be opened to inspection by any director at all reasonable times. In addition, he shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Master Association with such depositories as may be designated by the Board, shall disburse the funds of the Master Association as may be ordered by the Board, shall render to the president and the Board, when requested, an account of all transactions made on behalf of the Master Association and of the financial position of the Master Association and shall have such other powers and perform such other duties as may be prescribed by the Board or the Master Association Bylaws.

G. **Joint Signatures.**

1. Unless the Board authorizes more stringent requirements, any check or negotiable instrument issued by the Master Association shall require the joint signatures of any two (2) of the following officers: the president, the chief financial officer, and the secretary, provided that under all circumstances the withdrawal of any money from the Master Association reserve accounts shall require the signatures of at least two (2) people who shall either be members of the Board or one (1) member of the Board and one (1) officer who is not a member of the Board. For all purposes herein, "Reserve Accounts" shall mean money that the Master Association's Board has identified from its annual budget for use to defray the future repair of, replacement of, or additions to those major components that the Master Association is obligated to maintain.

H. **Compensation.**

1. Officers shall not receive any compensation for any service rendered to the Master Association as an officer, provided that any officer may be reimbursed for out-of-pocket expenses incurred in the performance of his or her duties.

ARTICLE X INDEMNIFICATION AND INSURANCE

A. **Indemnification Right and Power.**

1. The Master Association shall indemnify any agent of the Master Association who was a party to any proceeding by reason of the fact that the person is or was an agent of the Master Association, against expenses actually and reasonably incurred in any proceeding, to the extent that, the agent was successful on the merits in defense of the proceeding or in defense of any claim, issue, or matter therein. Expenses shall include any attorneys' fees and any other expenses of establishing a right to indemnification.

2. The Master Association may indemnify any agent of the Master Association who was or is a

party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was an agent of the Master Association, against expenses actually and reasonably incurred in connection with such proceeding, provided the approval of requirements described in Subsection XB. of these Master Association Bylaws, entitled, "Indemnification Approval," have been satisfied.

3. For purposes of Subsections XA. through XE. of these Master Association Bylaws, the term "Agent" means any present or former director, officer, employee, or other agent of the Master Association, the term "Proceeding" means any threatened, pending or completed action, or proceeding, whether civil, criminal, administrative, or investigative, and the term "Expenses" includes judgments, fines, or settlements occurring in any Proceeding other than a Proceeding brought by or on behalf of the Master Association.

B. Indemnification Approval.

1. Unless indemnification is required as provided in Subsection XA. of these Master Association Bylaws, entitled, "Indemnification Right and Power," indemnification shall be made only if authorized in the specific case on a determination that indemnification is proper under the circumstances because the agent satisfied the appropriate standard of care as described in Subsection XC. of these Master Association Bylaws, entitled, "Standard of Care." The determination must be made by one (1) of the following methods:

- a. A majority vote of a quorum of the Board consisting of directors who are not parties to the proceeding.
- b. The affirmative vote of a majority of the voting power of the Members entitled to vote at a duly held Member's meeting in which a quorum was present, or the approval by written ballot under the procedures described in Subsection VM. of these Master Association Bylaws, entitled, "Action by Written Ballot," provided that if the Agent to be indemnified as a member, the Agent shall not be entitled to vote.
- c. The court in which such proceeding was pending on application made by the Master Association or the Agent or the attorney or other person rendering services in connection with the defense, whether or not the application is opposed by the Master Association.

2. Notwithstanding the foregoing, any indemnification in any Proceeding brought by or on behalf of the Master Association shall be subject to the restrictions contained in California Corporations Code §7237(c), or any comparable superseding statutes.

C. Standard of Care.

1. In any proceeding brought by or on behalf of the Master Association, the applicable standard of care shall require that the Agent acted in good faith, in a manner the Agent believed to be in the best interest of the Master Association and with the care, including reasonable inquiry, that an ordinarily prudent person in like position would use under similar circumstances. In all other proceedings, the agent must have acted in good faith, in a manner the agent believed to be in the best interest of the Master Association and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

D. Advancement of Expenses.

1. On approval by the Board, expenses incurred in defending any proceeding may be advanced by the Master Association prior to the final disposition of the proceeding, provided the Master Association receives an undertaking by or on behalf of the Agent that the Agent was entitled indemnification as required or authorized by these Master Association Bylaws.

E. Insurance.

1. The Master Association shall have the power to purchase and maintain insurance on behalf of its Agents, against any liability asserted against or incurred by any Agent in such capacity or arising out of the Agent's status as such whether or not the Master Association would have the power to indemnify the Agent against such liability under Subsections XA. through XD. of these Master Association Bylaws.

ARTICLE XI
AMENDMENTS

A. Amending the Master Association Bylaws.

1. If a two (2)-class voting system is in effect, these Master Association Bylaws may be amended by vote or written assent of a majority of the voting power of a quorum of the Members of each class.

2. If a one (1)-class voting system is in effect, these Master Association Bylaws may be amended by the vote or written assent of a majority of the voting power of a quorum of the Members of the class and a majority of the voting power of all the Members of the Master Association other than Declarant.

B. Amending the Master Association Articles.

1. If a two (2)-class voting system is in effect, the Master Association Articles may be amended by the vote or written assent of a majority of the voting power of a quorum of the Members of each class.

2. If a one (1)-class voting system is in effect, the Master Association Articles may be amended by a majority vote of the Board, a majority of the voting power of all the Members, and a majority of the voting power of all the Members other than Declarant.

C. Amendment Restrictions.

1. Notwithstanding the amendment requirements contained in Subsections XIA., entitled, "Amending the Master Association Bylaws," and XIB., entitled, "Amending the Master Association Articles," of these Master Association Bylaws, the percentage of the voting power of the Master Association or of the Members other than the Declarant necessary to amend a specific clause or provision in these Master Association Bylaws or the Master Association Articles, shall not be less than the prescribed percentage of the affirmative votes required for action to be taken under the clause or provision; and, if applicable, any amendment to the Master Association Articles or Master Association Bylaws shall satisfy the requirements of California Business and Professions Code §11018.7, or any comparable superseding statutes.

ARTICLE XII
GENERAL PROVISIONS

A. Conflict with Master Declaration.

1. If any provision of these Master Association Bylaws conflicts with any provision of the Master Declaration, the Master Declaration shall control to the extent of such conflict.

B. Fiscal Year.

1. Unless the Board determines otherwise, the fiscal year of the Master Association shall be a calendar year.

C. Records.

1. The Master Association shall maintain the following records:

- a. Adequate and correct books of records of account;
- b. Written minutes of the proceedings of its Members, Board and committees of the Board; and
- c. A record of its Members, giving their names, current mailing addresses, telephone numbers and the class of Membership held by each.

2. The Master Association shall keep at its principal office the original or a copy of the Master Declaration, the Master Association Articles, and these Master Association Bylaws, as amended to date, which shall be open to inspection by the Members at all reasonable times during office hours.


D. Inspection Rights.

1. The inspection rights of Members and Directors contained in Subsection 6.18 of the Master Declaration, entitled, "**DELIVERY OF DOCUMENTS AND INSPECTION OF ASSOCIATION BOOKS AND RECORDS.**" are incorporated herein and by this reference made a part hereof, as though fully set forth herein.

CERTIFICATE OF SECRETARY

I certify that I am the duly-elected and acting secretary of the **RIO BRAVO COMMUNITY ASSOCIATION**, a California Nonprofit Mutual Benefit Corporation, and the above Master Association Bylaws consisting of seventeen (17) pages, are the Master Association Bylaws of this corporation as adopted by the incorporator on _____, 200____, and that they have not been amended or modified since that date.

Executed on March 16, 2001, at Bakersfield, California.



Michael Cutler, Secretary