

AMENDED AND RESTATED BYLAWS

OF

REDWOOD ESTATES SERVICES ASSOCIATION

a California Nonprofit Mutual Benefit Corporation

Effective November 18, 2015

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1. NAME.

The name of this corporation is REDWOOD ESTATES SERVICES ASSOCIATION (the "**Corporation**").

2. PRINCIPAL OFFICE.

The principal office of the Corporation is located at the Pavilion building, 21450 Madrone Drive, Los Gatos, California, or at such other place as may be designated by the Board of Directors ("**Board**").

3. PURPOSES.

In conformance with the Corporation's Amended and Restated Articles of Incorporation dated July 21, 2010 and filed with the California Secretary of State on February 15, 2011 (the "**Articles**"), the primary purposes of this Corporation are to maintain and operate the following areas and facilities located within the lands within or adjacent to the residential community known as Redwood Estates as described in the Articles ("**Redwood Estates**"), for the benefit of the Corporation's members and their tenants and contract purchasers: paved and unpaved roadways shown on the maps creating the Redwood Estates subdivisions, rights of way and other easements mutually benefitting the Corporation and/or its members, drainage systems along such roadways and easements, recreational facilities and other places and means of recreation, including rental of facilities owned by the Corporation.

4. FORMERLY A MUTUAL WATER COMPANY.

4.1. Sale of Assets. This Corporation, effective September 27, 2006, ceased all activities as a Mutual Water Company as defined at California Corporation Code Sections 14300 et seq. with the sale of its water system assets to San Jose Water Company, a California Public Utility.

4.2. San Jose Water Company Status. Pursuant to the provisions of that certain Agreement For Purchase And Sale Of Water System And Joint Escrow Instructions dated December 14, 2005 between this Corporation and San Jose Water Company, a California Public Utility Corporation, neither San Jose Water Company nor its successors or assigns shall be entitled to any membership shares in this Corporation nor enjoy any voting rights by reason of the ownership of real property within Redwood Estates. San Jose Water Company and its successors and assigns shall, however, be subject to the imposition of reasonable fees to cover the cost of services provided to any of them by this

Corporation, including the use of roads maintained by this Corporation.

5. MEMBERSHIPS APPURTENANT TO LAND.

5.1. Record Ownership. Memberships of this Corporation shall be issued only to record owners of lots in subdivisions located on the land described in the Corporation's Amended and Restated Articles of Incorporation, subject to the following:

5.1.1 In accordance with the Articles and Paragraph 4.2, Memberships shall not be issued to San Jose Water Company or any successor owner of the water system assets.

5.1.2 Memberships shall not be issued with respect to any lots owned by the Corporation, unless and until the Corporation conveys such lots to a third party.

5.2. One Membership per Lot. One membership may be issued for each lot contained in such subdivisions. Each membership shall be appurtenant to such lot when the same is described in the certificate issued therefor and such membership shall only be transferred with such lot (except after sale or forfeiture for delinquent assessments thereon as provided in Section 331 of the California Civil Code). No transfer of a membership shall be made until the established transfer fee is paid to the Corporation and until all unpaid assessments and any other indebtedness to the Corporation of the previous holder have been paid.

5.3 Member in Good Standing. Each member that is less than thirty-one (31) days delinquent in the payment of any fees or assessments due to the Corporation shall be deemed to be a member in good standing of the Corporation ("**Member in Good Standing**").

5.4 Suspension of Member Rights. The membership rights (but not the obligations) of any member shall be suspended upon the occurrence of any of the following events:

5.4.1 The member fails to pay the dues and fees for any period upon the terms set by the Board of Directors for such period; or

5.4.2 The determination by the Board of Directors that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially prejudicial to the interest of the Corporation.

5.5 Procedure for Suspension. Following the determination that a member's rights should be suspended under Paragraph 5.3 above, the following procedure shall be implemented:

5.5.1 A notice shall be sent at least fifteen (15) days before the proposed effective date of the suspension to the most recent address of the member as shown on the Corporation's records, setting forth the suspension and the reasons therefor. Such notice will be deemed to have been given and received when personally delivered, or forty-eight (48) hours after being deposited in United States first-class mail, or certified mail return receipt requested, postage prepaid to the address specified by the party to receive the notice.



5.5.2 The member whose rights are being suspended shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than five (5) days before the effective date of the proposed suspension. The hearing will be held by the Board of Directors. The notice to the member shall state the date, time, and place of the hearing on his or her proposed suspension.

5.5.3 Following the hearing, the Board of Directors shall decide whether or not the member's rights should in fact be suspended or the member be sanctioned in some other way. The decision of the Board of Directors shall be final.

5.6 Effect of Suspension. In the event a member's rights are suspended pursuant to this Paragraph 5, the member shall nevertheless be obligated to pay all dues and fees accruing both before and after the date of suspension, together with all fines or other sanctions imposed by the Board of Directors. Before membership rights and privileges may be reinstated, all said dues, fees and sanctions, if any, shall be paid current.

In addition, a suspended member of the Corporation shall forfeit all of the following rights and privileges of membership, including, but not limited to:

- (i) Voting or written ballot rights;
- (ii) Right to appoint agent by written proxy; any existing proxy shall be terminated;
- (iii) Right to attend meetings of the members;
- (iv) Right to receive information concerning the Corporation;
- (v) Right to inspect the Corporation's books and records;
- (vi) Eligibility to be appointed to the Board of Directors; if currently on Board of Directors, all rights and privileges shall be suspended;
- (vii) Eligibility to be appointed as an Inspector of Election; if currently appointed as an Inspector of Election, all rights and privileges shall be suspended;
- (viii) Eligibility to be appointed as an officer of the Corporation; if currently appointed as an officer, all rights and privileges shall be suspended;
- (ix) Right to reserve the pavilion for meetings or events; and
- (x) Right to utilize the Corporation's swimming pool, parks, or other recreational facilities.

The foregoing forfeiture of membership rights and privileges, fines and

sanctions imposed upon a member shall not be deemed the exclusive remedies of the Corporation, but shall be cumulative and in addition to whatever other remedies, whether legal or equitable, the Corporation may have to enforce the obligations of a member.

6. LIEN.

There shall be a lien in favor of the Corporation upon each membership and the land to which such membership is appurtenant for all unpaid assessments, charges and any other indebtedness to the Corporation of any nature upon either such membership or the holder thereof, and all such assessments, charges and other indebtedness may be enforced by a personal action against such holder as well as by any other remedy provided by law. The Board may cause a notice of such lien to be recorded in the appropriate county recorder offices.

7. MEETINGS OF MEMBERS.

7.1. Place of Meetings of Members. All meetings of the members, annual and special, shall be held at a place within Redwood Estates as designated by the Board, provided that if there is not an available or appropriate place within Redwood Estates, the Board shall designate a meeting place as close as possible to Redwood Estates 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 Corporation.

7.2. Annual Meetings of Members. The annual meeting of the members of the Corporation shall be held each year on the first Sunday in March at 2:00 p.m., or on a Sunday within two weeks before or after the last Sunday in March, so as to avoid popular holidays, school vacations and traditional vacation periods, but in no event shall an annual meeting be held less than once each calendar year.

7.2.1. Annual Meeting Quorum Attempt. Should a quorum of members not be present at the hour and date originally set for the annual meeting of the members, the meeting shall be adjourned once for at least two hours for those present to solicit additional attendance by members and proxies in order to constitute a quorum. At the end of the adjournment time, should a quorum still not be present, the provisions of Paragraph 7.5 hereof shall apply.

7.3. Special Meetings of Members. Special meetings of the members may be called for any lawful purpose by the Board, the president, or by written request signed by members representing at least five percent of the total voting power of the Corporation. A special meeting of the members 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 Corporation. The officer receiving the request shall promptly cause notice to be given to Members in Good Standing (as defined in Paragraph 5.3) in the manner required by Paragraph 7.4, that a special meeting of the members will be held at a time fixed by the Board not less than 35 nor more than 90 days after the receipt of the request. If the notice of special meeting of the members is not given within 20 days after the receipt of the request therefor, the person or persons entitled to call the special meeting may give the notice.



#### 7.4. Notice of Meetings of Members.

7.4.1. Subject to the requirements of Paragraph 7.3 with respect to special meetings requested by members, notice of all member meetings, whether annual or special, shall be given not less than 10 nor more than 90 days before the date of the meeting to each member that is a Member in Good Standing on the record date for such notice of the meeting; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than 20 days before the meeting.

7.4.2. The notice shall state the place, date, and time of the meeting of the members, and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of the regular meeting, those matters which the Board, at the time the notice is given, intends to present for action by the members. The notice shall also state that, in accordance with state law, only announced agenda items of business may be voted upon in a special or regular meeting of the members unless at least one third of the voting power of the Corporation is present in person or by proxy. If at least one-third of the voting power of the Corporation is present in person or by proxy at the annual or special meeting, then the affirmative vote of the majority of the voting power represented and voting on any matter shall be the act of the members unless the vote of a greater number is required by the Articles or these Bylaws. 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.

7.4.3 Notice of a members' meeting or any report shall be given personally, by electronic transmission by the Corporation, or by mail or other means of written communication, addressed to a member at the address of the member appearing on the books of the Corporation or given by the member to the Corporation for purpose of notice; or if no such address appears or is given, at the place where the principal office of the Corporation is located or by publication at least once in a newspaper of general circulation in Santa Clara County. An affidavit of giving of any notice or report in accordance with this section, executed by the secretary, assistant secretary or any transfer agent, shall be prima facie evidence of the giving of the notice or report. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid.

If any notice or report addressed to the member at the address of the member appearing on the books of the Corporation is returned to the Corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the member at the address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the member upon written demand of the member at the principal office of the Corporation for a period of one year from the date of the giving of the notice or report to all other members.

Notice given by electronic transmission by the Corporation under this section shall be valid only if it complies with Section 20 of the California Corporations Code. Notwithstanding the foregoing, notice shall not be given by electronic transmission by the Corporation under this section after either of the following: (1) the Corporation is unable to deliver two consecutive notices to the member by that means, or (2) the inability to so deliver the notices to the member becomes known to the secretary, any assistant secretary, or other person responsible for the giving of the notice.

7.5. Quorum of Members.

7.5.1. The presence at any meeting in person, by ballot or by proxy, of Members in Good Standing on the date of mailing of the notice of meeting, entitled to cast at least twenty percent (20%) of the total votes of all Members in Good Standing, will 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 members representing a majority of the voting power of the members present at the meeting, either in person or by proxy, to another time not 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 members in the manner prescribed in Paragraph 7.4 of these Bylaws. 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 percent (20%) of the total votes of all Members in Good Standing.

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

7.6. Voting.

7.6.1. Except as provided below, each member shall be entitled to cast one vote for each membership owned by the member which is appurtenant to a lot and such fraction of a vote as corresponds to a fraction of a lot which is appurtenant to a membership owned by the member. At an election of directors, each member shall have the right to vote the memberships so owned for as many persons as there are directors to be elected. There is no right of cumulative voting for directors.

7.6.2. No member shall be permitted to vote at any meeting while not a Member in Good Standing.

7.6.3. If a membership stands of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, persons entitled to vote under a voting agreement or otherwise, or if two or more persons (including proxy holders) have the same fiduciary relationship respecting the same membership, unless the secretary of the Corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (i) If only one votes, such act binds all; or (ii) If more than one vote, the act of the majority so voting binds all.



7.7. Proxies.

7.7.1. Each person entitled to vote shall have the right to do so either in person or by one or more agents authorized by written proxy, signed by the person and delivered to an Inspector of Election for subsequent filing with the Secretary of the Corporation.

7.7.2. A validly executed proxy shall continue in full force and effect until (1) written notice is received by the Corporation of the death or incapacity of the member executing the proxy, or (2) the member executing the proxy revokes it before the vote is cast under that proxy by (A) delivering a written revocation to the Corporation, (B) executing a subsequent proxy that is presented to the meeting, or (C) as to any meeting by attendance at such meeting and voting in person thereat. Unless the proxy indicates otherwise, it shall not be valid after 11 months from the date of execution and in no event shall any proxy be valid after three 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 Corporation terminates. The suspension of any member's voting rights by the Corporation shall automatically suspend any proxy executed by that member.

7.7.3 A proxy holder may sign petitions on behalf of members only at special or regular membership meetings.

7.7.4 The authority granted by a proxy shall not extend to exercising a member's rights under Paragraph 7.11 of these Bylaws regarding actions by written ballot. A proxy is not revoked if the member who gave the proxy participates in an action by written ballot.

7.7.5. 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:

- (i) removing a director without cause;
- (ii) filling vacancies on the Board;
- (iii) amending the Articles;
- (iv) the sale, lease, conveyance, exchange, transfer or other disposal of all or substantially all of the Corporation's assets, or the approval of the principal terms of a merger or the amendment to the principal terms of a merger;
- (v) approving a contract or transaction between the Corporation and one or more directors, or between the Corporation and any entity in which a director has a material financial interest;
- (vi) electing to wind up and dissolve the Corporation; or
- (vii) 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 Corporation is in the process of winding up and there is more than one class of membership outstanding at the time).

7.8. Inspectors of Election.

7.8.1. In advance of any meeting of members, the Board may appoint inspectors of election to act at the meeting and any adjournment thereof. If inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairperson of any meeting of members may, and on the request of any member or a member's proxy shall, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. The number of inspectors shall be either one or three, and preferably three. If appointed at a meeting of the members on the request of one or more members or proxies, the majority of the voting power of the members represented in person or by proxy shall determine whether one or three inspectors are to be appointed. In the case of any action by written ballot, the Board may similarly appoint inspectors of election to act with powers and duties as set forth in this Paragraph 7.8. In all cases, the inspectors of election shall be independent third parties, may be a member or a non-member, but may not be a director or a candidate for director or be related to a director or candidate for director and may not be a person or business entity that is currently employed or under contract with the Corporation for any compensable services.

7.8.2. The inspectors of election shall determine the number of memberships outstanding and the voting power of each, the number represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all members.

7.8.3. The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

7.9. Annual Meeting of Members Items of Business.

7.9.1. Agenda Items. Business may be placed on the annual member meeting agenda by the Board, or by the membership, as provided herein.

Provided they do so prior to the mailing of the notice of annual meeting, members may place items on the annual meeting agenda by:

- (i) request to and approval by the Board; or
- (ii) by a written petition executed by the voting power of twenty percent (20%) of the Members in Good Standing.

7.9.2. Order of Business. The order of business of all meetings of the members shall be as follows:

- (i) determination of presence or absence of a quorum;
- (ii) reading of minutes of preceding meeting;
- (iii) reports of board, officers, committees and organizations;
- (iv) election of directors, if any are to be elected;
- (v) unfinished business; and
- (vi) new business.

7.10. Parliamentary Procedure. All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order at the request of any member.

7.11. Action by Written Ballot. Any action that may be taken at any meeting of the members may be taken without a meeting by written ballot if the following requirements are satisfied:

7.11.1. The Corporation distributes a written ballot to each member entitled to vote on the matter. The ballot shall be given personally, or by first-class mail addressed to the member at the address of such member appearing on the books of the Corporation or given by the member to the Corporation for purpose of notice. The ballot shall provide a reasonable time within which to be returned, but shall be delivered by the Corporation to every member not less than 30 days prior to the deadline for voting.

7.11.2. Each ballot shall set forth: (i) the proposed action, (ii) an opportunity to specify approval or disapproval of any proposal, (iii) the time by which the ballot must be received by an Inspector of Election in order to be counted, (iv) the number of responses needed to meet the quorum requirement, and (v) the percentage of approvals necessary to approve the proposed action.

7.11.3. 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. A written ballot may not be revoked.

7.11.4. Mailed or hand-delivered written ballots shall be signed by the member(s) but shall be submitted in sealed envelopes (by mail or in person) to the Inspectors of Election or, in person only, into a sealed voting box located at the Corporation's office.

7.12. Petitions. The members may by petition cause a written ballot in accordance



with Paragraph 7.11 hereof to be taken as to any action that may be taken at any meeting of the members, if the following requirements are satisfied:

7.12.1. A written petition, executed by Members in Good Standing or proxies thereof, representing at least twenty percent (20%) of the total votes of Members in Good Standing on the date of the petition, is presented to the Board setting forth the proposed action.

7.12.2. The Inspectors of Election shall certify to the Board that the petition has been validly executed by the holders of the requisite voting power.

7.12.3. The Board shall, within 10 days after receipt of the certificate of the Inspectors of Election, cause ballots to be prepared and mailed to the members in accordance with Paragraph 7.11 hereof.

8. ELECTION AND TERM OF OFFICE OF MEMBERS OF THE BOARD OF DIRECTORS.

8.1. Number. The Board shall consist of five (5) directors who must be Members in Good Standing.

8.2. Nomination for Election to the Board.

8.2.1. No later than sixty (60) days prior to the date fixed for the annual meeting, the Board shall cause a notice to be sent to each member, inviting members to nominate themselves or other members as candidates for the open seats on the Board of Directors for such annual meeting. Members shall be provided with an appropriate form for such purposes. Nominations made in such fashion must be received by the Corporation's Secretary no later than thirty (30) days prior to the date fixed for the annual meeting. Should no such nominations be received within the prescribed time limit or if the number of nominations is less than the number of directors to be elected, the Board of Directors shall nominate such number of candidates as are necessary to provide that number of candidates equal to the number of positions to be filled.

8.2.2. 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 votes, and for a reasonable opportunity for all members to choose among the nominees.

8.3. Election of Directors.

8.3.1. Subject to Paragraphs 8.3.2 and 8.3.3 hereof, directors shall be elected at each annual meeting of the members, but if any such annual meeting is not held or if directors are not elected thereat, directors may be elected at any special meeting of the members held for that purpose. Each director so elected shall serve for his or her term of office and until the election and qualification of his or her successor.

8.3.2. Each director shall serve for a term ending on the date of the second annual meeting of members following the annual meeting at which the director was elected, and until a

successor has been elected and qualified.

8.3.3. No person may hold office as a director for more than three (3) consecutive terms.

8.3.4. Where a person is appointed to fill the unexpired term created by the death, resignation or removal of a director, such unexpired term shall not count for purposes of Paragraph 8.3.3.

8.3.5. 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.

#### 8.4. Vacancies.

8.4.1. A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (i) the death of any director, (ii) the effective date of any director's resignation, (iii) the removal of a director by vote of a majority of the votes represented and voting at a duly held meeting of the members at which a quorum of members is present (which affirmative votes also constitute a majority of the required quorum, or written ballot, in conformity with the California Nonprofit Mutual Benefit Corporation Law), (iv) the declaration by resolution of the Board in accordance with Section 8.4.2, (v) the increase in the authorized number of directors, or (vi) the failure of the members, at any meeting of the members at which any director or directors are to be elected, to elect the full number of directors required to be elected at that meeting.

8.4.2. The Board may (but is not obligated to) declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or who misses, without the permission of the Board, three (3) or more consecutive Board meetings that have officially been convened. In addition, the Board, by a majority vote of the directors who are Members in Good Standing, may (but is not obligated to) declare vacant the office of any director who is not a Member in Good Standing.

8.4.3 Where a vacancy on the Board occurs within 270 days following the date of the annual meeting at which the director vacating the Board was elected or most recently re-elected, as the case may be, such vacancy shall be filled by the calling of a special meeting of the members for such purpose. Should a quorum not be present at the date and time of such special meeting of the members, a majority of the directors then in office shall fill such vacancy as herein provided. Any other 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, 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.

8.5. Compensation. A director shall not receive any compensation for any services rendered to the Corporation as a director; provided that directors may be reimbursed for actual



out-of-pocket expenses incurred in the performance of his or her duties.

9. MEETINGS OF DIRECTORS.

9.1. Regular Meetings of the Board. A regular meeting of the Board shall be held without notice to the directors immediately following the annual members' meeting, at the same place as the meeting of members. Other regularly scheduled meetings of the Board shall be held at such times and places without notice to the directors as the Board determines.

9.2. Special Meetings of the Board. Special meetings of the Board may be called by the president or by any two directors other than the president and shall be held upon four days' notice to the directors by first-class mail or 48 hours' notice delivered personally or by telephone or e-mail. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

9.3. Emergency Meetings of the Board. Emergency meetings of the Board may be called by the president or by any two directors other than the president and may be held 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 notice to the members. Directors shall be given whatever notice may be practicable under the circumstances.

9.4. Open Meetings. Regular and special meetings of the Board shall be open to all members, provided that members who are not directors may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of a quorum of the Board.

9.5. Director's Waiver of Notice. Notice of a regular, special or emergency Board meetings need not be given to any director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such directors. All such waivers, consents and approvals shall be filed with the Corporation's records or made a part of the minutes of the meetings.

9.6. Executive Session. The Board may adjourn to, or meet solely in, executive session to consider litigation, matters relating to the formation of contracts with third parties, member discipline, personnel matters, and other orders of business of a similar or otherwise sensitive nature, or to meet with a member, upon the member's request, regarding the member's payment of assessments. If requested by the member who is the subject of the discussion, the Board shall adjourn to, or meet solely in, executive session to discuss such member's discipline, which member shall be entitled to attend the executive session. If the Board adjourns to executive session during an open meeting, the general nature of any and all business to be considered in executive session shall first be announced in open session to the members. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following meeting that is open to the entire membership. However, because the topics are sensitive in nature no specific information shall be disclosed. Further, directors shall keep confidential any information gained in executive session and any breach may result in consequences as provided by law.

9.7 Notice to Members of Meetings of the Board.

9.7.1 Except as provided in Paragraph 9.7.2, the Corporation shall give notice to the members of the time and place of a regular or special Board meeting at least four days before the meeting.

9.7.2 If a Board meeting is an emergency meeting held pursuant to Section 9.3, the Corporation is not required to give notice of the time and place of the meeting. If a nonemergency Board meeting is held solely in executive session, the Corporation shall give notice of the time and place of the meeting at least two days prior to the meeting.

9.7.3 Notice of a Board meeting shall be given by one or more of the following methods:

- (i) By any method described in Paragraph 7.4.3;
- (ii) By inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods described in Paragraph 7.4.3; or
- (iii) By posting the notice in a prominent location outside of the principal office of the Corporation, and posting the notice on the Corporation's website.

9.7.4 Notice of a Board meeting shall contain the agenda for the meeting.

9.8 Quorum Requirements. 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 Board 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 Section 7211(a)(8), including without limitation, the requirements relating to (i) approval of contracts or transactions between the Corporation and one or more directors or between the Corporation and any entity in which a director has a material financial interest, (ii) creation of and appointments to committees of the Board, and (iii) indemnification of directors. A Board meeting at 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.

9.9 Adjourned Meetings. A majority of the directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. Notice of the time and place of holding an adjourned Board meeting shall be announced before adjourning; no further notice need be given to directors unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

9.10 Action Taken Without a Meeting. Any action that the Board is required or



permitted to take may be taken without a Board 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. For the purposes of this subparagraph only, "all members of the board" shall not include any "interested director" as defined and referred to in Sections 5233 and 7238 of the California Corporations Code.

9.11 Meeting by Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members of the Board participating in such meeting can hear one another. Participation in a Board meeting pursuant to this subparagraph constitutes presence in person at such meeting. Except for a regular or special meeting of the Board that will be held solely in executive session or an emergency meeting of the Board (where no notice is required), the notice to members of the teleconference shall identify at least one physical location where members may attend, and at least one director or a person designated by the Board shall be present at that location, so that such members in attendance may hear the open session discussion.

9.12 Voting of Directors. The proceedings of the Board shall reflect the vote of each director on all matters considered by the Board.

#### 10. POWERS AND DUTIES OF THE BOARD.

10.1. Powers. Subject to limitations of the Articles, of these Bylaws, and of the California Nonprofit Mutual Benefit Corporation Law relating to action required to be approved by the members or by a majority of members, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board shall appoint and remove at its pleasure all officers, agents, and employees of the Corporation, and shall prescribe powers and duties for them that are consistent with the Articles, these Bylaws, and any applicable laws.

10.1.1. Any memberships arising by reason of the Corporation's ownership of lots shall not be voted by the Corporation on any matter.

10.2. Duties. The Board shall supervise all officers, agents, and employees of the Corporation for the proper performance of their duties. In addition, the Board shall maintain a complete written record of all of its actions, and shall present a complete summary of the actions taken during the preceding twelve (12) months at each annual meeting of the members.

10.2.1. The Board shall cause the Corporation's policies and procedures to be recorded in written form and to be annually reviewed. A current copy of such policies and procedures shall be maintained at the Corporation's principal office for inspection by the members.

10.2.2. The Board shall, prepare a budget for each fiscal year, which budget shall reflect expected revenue and projected expenses; and shall prior to the start of each new fiscal year provide a copy of such budget to all members and provide a forum within which members may comment upon such proposed budget.

10.2.3. The Board shall, as a part of its duties under Paragraph 10.2.1 hereof, establish programs and procedures for the purposes of informing the members about, and creating opportunities for discussion of, matters affecting the Corporation and relationship with the communities served by it. Such programs and procedures may include, but are not limited to, summaries included with or in Board minutes, nonbinding survey polls, establishment of community relations committees, member forums, and the like.

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

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10.4. Committees of the Board.

10.4.1. The Board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, of the Board, each consisting of two 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 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:

- (i) take any final action on any matter which the California Nonprofit Mutual Benefit Corporation Law also requires approval of the members or approval of a majority of all members;
- (ii) fill vacancies on the Board or on any committee which has the authority of the Board;
- (iii) amend or repeal these Bylaws or adopt new bylaws;
- (iv) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable; or
- ..... (v) appoint any other committees of the Board or the members of those committees.

10.4.2. Meetings and actions of the Board shall be governed by, held, and taken in accordance with, the provisions of these Bylaws concerning meetings and other actions of the Board, except that the time for regular meetings 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 Bylaws, or in the absence of rules adopted by the Board, the committee may adopt such rules.

11. OFFICERS AND THEIR DUTIES.

11.1. Officers of the Corporation. The officers of the Corporation shall be a president, a secretary, and a chief financial officer, who may be known as treasurer. The Corporation may also have, at the discretion of the Board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Paragraph 11.3 of these Bylaws. Any number of offices may be held by the same person. Except for the offices of Assistant Secretary and Assistant Treasurer, all officers must be directors.

11.2. Election of Officers. The officers, except those appointed under Paragraph 11.3 of these Bylaws, shall be chosen annually by the Board and shall serve at the pleasure of the Board.

11.3. Other Officers. The Board may appoint and may authorize the president, or another officer, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the right, hold office for the period, have the authority and perform the duties specified in these Bylaws or determined from time to time by the Board.

11.4. Removal or Resignation of Officers. 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 Corporation. Any such resignation shall take effect as of the date the notice is received or at any 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.

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

11.6. Duties. The duties of the officers shall be as follows:

11.6.1 President. The President shall be the Chief Executive Officer of the Corporation; and as such, shall generally supervise, direct and control the Corporation's activities, affairs, officers and employees. The President shall preside at all meetings of members and at all meetings of the Board.

Notwithstanding the foregoing, the President may delegate to a General Manager, who shall not be an officer of the Corporation, where such position is authorized by the Board, such of the President's day to day responsibility for operations, personnel matters and other matters as the President deems appropriate, subject to such limitations and other conditions as the President or the Board may impose.

The President shall have such other powers and duties as may be

prescribed by the Board or these Bylaws

11.6.2 Vice Presidents. In the absence or 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 Bylaws.

11.6.3 Secretary. The secretary shall keep or cause to be kept, at the Corporation's principal office, the following:

- (i) A book of minutes of all 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 Articles and Bylaws, as amended to date.
- (iii) A record of the members, showing the names of all members, their addresses and the number of memberships held by each.

Except as otherwise provided in these Bylaws, the secretary shall give, or cause to be given, the notices required by these 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 Bylaws.

11.6.4 Chief Financial Officer.

- (i) The chief financial officer (also known as the treasurer) shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and transactions of the Corporation, and shall send or cause to be sent to the members and directors such financial statements and reports as are required by law, the Articles of Incorporation, these Bylaws, or the Board. The books of account shall be open to inspection by any director at all reasonable times.
- (ii) The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board, shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the president of the Board, when requested, an account of all transactions made on behalf of the Corporation and of



the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

11.7. Joint Signatures. Unless the Board authorizes otherwise, any check or other negotiable instrument issued by the Corporation shall require the joint signatures of any two officers.

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

## 12. INDEMNIFICATION AND INSURANCE.

### 12.1. Indemnification Right and Power.

12.1.1. The Corporation shall indemnify any agent of the Corporation who was a party to any proceeding by reason of the fact that the person is or was an agent of the Corporation 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.

12.1.2. The Corporation may indemnify any agent of the Corporation 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 Corporation, against expenses actually and reasonably incurred in connection with such proceeding provided the approval requirements described in Paragraph 12.2 of these Bylaws have been satisfied.

12.1.3. For purposes of Paragraphs 12.1-12.5 of these Bylaws, the term "agent" means any present or former director, officer, employee, or other agent of the Corporation; 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 Corporation.

### 12.2. Indemnification Approval.

12.2.1. Unless indemnification is required as provided in Paragraph 12.1 of these Bylaws, indemnification shall be made only if authorized in the specific case on a determination that indemnification is proper in the circumstances because the agent satisfied the appropriate standard of care described in Paragraph 12.3 of these Bylaws. The determination must be made by one of the following methods:

- (i) A majority vote of a quorum of the Board consisting of directors who are not parties to the proceeding.

- (ii) The affirmative vote of a majority of the voting power of the members entitled to vote at a duly held members' meeting in which a quorum was present, or the approval by written ballot under the procedures described in Paragraph 7.10 of these Bylaws, provided that if the agent to be indemnified is a member, the agent shall not be entitled to vote.
- (iii) The court in which such proceeding is or was pending on application made by the Corporation 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 Corporation.

12.2.2. Notwithstanding the foregoing, any indemnification in any proceeding brought by or on behalf of the Corporation shall be subject to the restrictions contained in California Corporations Code Section 7237(c).

12.3. Standard of Care. In any proceeding brought by or on behalf of the Corporation, 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 interests of the Corporation and with the care, including reasonable inquiry that an ordinarily prudent person in like position would use under similar circumstances. In any other proceedings, the agent must have acted in good faith, in a manner the agent believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

12.4. Advancement of Expenses. On approval by the Board, expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of the proceeding, provided the Corporation receives an undertaking by or on behalf of the agent that the advances will be repaid unless it is ultimately determined that the agent was entitled to indemnification as required or authorized by these Bylaws.

12.5. Insurance. The Corporation 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 Corporation would have the power to indemnify the agent against such liability under Paragraphs 12.1-12.4 of these Bylaws.

### 13. AMENDMENTS.

13.1. Amending the Bylaws. Bylaws may be adopted, amended or repealed by the members and, except as provided in the Articles or Bylaws and Sections 7151, 7220, 7224, 7512, 7613, and 7615 of the California Corporations Code, by the Board.

### 14. GENERAL PROVISIONS.

14.1. Fiscal Year. Unless the Board determines otherwise, the fiscal year of the Corporation shall be a calendar year.

14.2. Records.

14.2.1. The Corporation shall maintain the following records:

- (i) adequate and correct books and records of account;
- (ii) written minutes of the proceedings of its members, Board and committees of the Board; and
- (iii) a record of its members, giving their names and addresses and the number of memberships held by each.

14.2.2. The Corporation shall keep at its principal office the original or a copy of the Amended and Restated Articles and these Amended and Restated Bylaws, as each may be amended, which shall be open to inspection by the members at all reasonable times during officer hours.

14.3. Distributions. The Corporation shall not distribute any gains, profits or dividends to its members except upon the dissolution of the Corporation.

[End of Bylaws]



CERTIFICATE OF SECRETARY

I certify that:

(1) I am the duly elected and acting Secretary of REDWOOD ESTATES SERVICES ASSOCIATION a California nonprofit mutual benefit corporation; and

(2) The above Bylaws are the Bylaws of this Corporation as amended by resolution of the Board of Directors of this Corporation at a regularly scheduled meeting on November 18, 2015; and

(3) Such Bylaws are effective as of November 18, 2015, and no further amendments have been made to such Bylaws as of such date.

A handwritten signature in cursive script, reading "Elaine Daniels", written in black ink.

/s/ Elaine Daniels, Secretary