

FIRST AMENDED
BY-LAWS
OF
VILLA CANADA ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is VILLA CANADA ASSOCIATION, INC., hereinafter referred to as the “Association”.

The principal office of the corporation shall be located at the current president’s home address.

The meeting of members and directors may be held at such places within the State of California, County of Los Angeles, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

The following terms used herein shall have the following meanings:

Section 1. “Project” means all of the real property located within Tract No. 27548

Section 2. “Lot” means any one of lots numbered 1 to 51, inclusive, as described on said track map.

- Section 3. “Residence” means a residential structure, including patio and garage, located on a lot.
- Section 4. “Common Areas” means the real property located within Lots 52 to 58, inclusive, of Tract No. 27548. .
- Section 5. “Owner” means the record owner, whether one or more persons or entities, of a fee simple title to any lot, but excluding those having such interest merely as security for the performance of an obligation.
- Section 6. “Association” means the Villa Canada Association, Inc., a California nonprofit corporation.
- Section 7. “The Board” means the Board of Directors of the Association.
- Section 8. “Member” means every person or entity who holds a membership in the association.
- Section 9. “Mortgage” and “mortgagee” respectively include a deed of trust and beneficiary of a deed of trust.
- Section. 10. “Declaration” means one or more Declaration of Restrictions recorded applicable to the project or a portion thereof.
- Section 11. “Mortgage” and “mortgagee” respectively include a deed of trust and beneficiary of a deed of trust.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a lot in the project shall be a member of the Association; the foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of a lot. Ownership of such lot shall be the sole qualification for membership. However, no lot owner shall have more than one membership. No membership shall be issued for any lot owned by a person who is already a member of the Association until such lot is conveyed to a person who is not a member of the Association; and if a person who is already ~ member of the Association acquires any other lot or lots as to which a membership is outstanding, such membership shall be cancelled until the lot is conveyed to a person who is not then a member, at which time it shall be reissued.

In the event any lot is owned by two or more persons, whether by joint tenancy, tenancy in common, or otherwise the membership as to each lot shall be joint, and a single membership for such lot shall be issued in the name of all, and they shall designate to the Association in writing at the time of issuance one of their number who shall hold the membership and have the power to vote said membership. In the absence of such designation and until such designation is made, the Board shall make such designation. The membership in the Association held by any lot owner shall not be transferred, pledged or alienated in any way, except (1) upon the transfer of title to the lot to the lot owners and then only to the transferee of title to such lot, and (2) such membership may be pledged to a lending institution as additional security for a purchase money real estate loan on the lot to which the membership is appurtenant. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the lot owner of any lot should fail or refuse to transfer the membership registered in his name to the transferee of such lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new certificate to the transferee, and thereupon the old certificate outstanding in the name of the transferor shall be null and void as though the same had been surrendered.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The powers of the corporation shall be exercised and its affairs conducted by a board of seven (7) directors.

Section 2. Election. Four (4) Directors will be elected in each calendar year ending in an odd number. Three (3) Directors will be elected in each calendar year ending in an even number. In the initial year of commencement of this staggered term provision, the President shall determine which Directors terms have expired and whose positions will be subject to election. The Directors whose positions are not subject to election in the initial year of commencement of this staggered term provision shall serve to the following annual meeting.

Section 3. Removal and Vacancies. The entire Board of Directors or any individual director may be removed from office with or without cause at any time by a vote of the majority of the votes held by the entire membership of record at any regular or special meeting of members duly called, and a successor or successors may then and there be elected to fill the vacancy or

vacancies thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. However, unless the entire Board is removed, an individual director shall not be removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total number of outstanding votes entitled to vote is divided by one plus the authorized number of Directors.

Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the membership shall be filled by a vote of the majority of the remaining directors even though they may consist of less than a quorum; and each person so elected shall be a director until a successor is elected by the membership at the next annual meeting, or special meeting called for this purpose.

Section 4.

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

Section 5.

Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting, by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

MEETING OF DIRECTORS

Section 1.

Regular Meetings. Regular meetings of the board shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2.

Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3.

Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1.

Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the board, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors following each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among the members.

A member of the Association is eligible for nomination for election to the Board of Directors, or, in the case of vacancy, is eligible for election by the Board to fill such vacancy, only if the member has no unsatisfied notices from the Board regarding any violation of a provision of the Declaration of Restrictions of the Villa Canada project.

Board of Director's term of office should be staggered with 2 year terms for each member, as set forth in Article IV Section 3 hereof.

Section 2.

Election. Election to the Board of Directors shall be by written ballot. At such election, each member shall be entitled to vote, in person or by proxy one vote for each lot owned by such member multiplied by the number of Directors to be selected; each vote to be a vote for each director to be elected, and not a cumulative vote for a single director or distributed among the number to be voted for, or any two or more of them as he or she sees fit.

ARTICLE V

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ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1.

Powers. The Board of Directors shall have power:

- (a) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration;
- (b) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- (c) To adopt rules and regulations for the operation and use of the project, and amend them from time to time, provided, however, that any rule or regulation so adopted by the Board of Directors may be amended or repealed by the vote of a majority of owners, in person or by proxy, at a regular or special meeting of the Association duly called for such purpose.
- (d) To enforce rules and regulations, these By-Laws or the Declaration provided that at least fifteen (15) days prior notice of any charges (other than assessments) or potential discipline or fine and the reason therefore are given to the member affected, and that an opportunity is provided for the member to be heard, orally or in writing before the imposition of the discipline or fine, said hearing to be before the Board. Notice of the hearing shall be given as required by California Corporations Code Section 7341.

Section 2.

Duties. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote.
- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

- (c) As more fully provided herein and in the applicable to the project;
 - c1) To fix the amount of the assessments against each lot;
 - c2) To send written notice of each assessment to every owner subject thereto;
- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of any assessment therein stated to have been paid;
- (e) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property maintained by the Association;
- (f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) To perform all duties of the Association or Board set forth in Declarations applicable to the project;
- (h) To establish the dates of fiscal year of the Association.

ARTICLE VIII

COMMITTEES

The Association shall appoint such committees as deemed appropriate to assist in carrying out its purposes.

ARTICLE IX

MEETINGS OF MEMBERS

- Section 1. Annual Meeting. The regular Annual Meeting of the members shall be held on the second Tuesday of January of each year at the hour of 7 o'clock p.m. If the day for the Annual Meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday.
- Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fifth (1/5) of all of the votes of the entire membership.
- Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than seven (7) nor more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify a reasonable place, day and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted at the meeting.
- Section 4. Quorum. The presence at any meeting, in person or by proxy, of members entitled to cast in excess of fifty percent (50%) of the votes of the membership, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration of Restrictions or the by-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or be represented. If such adjourned meeting is held not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, the presence at such adjourned meeting of members entitled to cast in excess of 25 percent (25%) of the votes of the membership shall constitute a quorum for the transaction of business at such meeting.

Section 5.

Proxies and Voting. At all meetings of members, each member may vote in person or by proxy. Each member shall have one (1) vote, subject to Article III restrictions, on all matters presented to the membership for vote including the following:

- (a) Approval of special assessments which in the aggregate exceed five percent (5) of the budgeted gross expenses of the Association for the fiscal year in which the special assessment is levied on approval.
- (b) The exercise of the Association's power of mortgage, encumber or otherwise dispose of the real or personal property of the Association.

All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. The vote of a majority of the vote present in person or by proxy shall decide questions brought before such meeting unless the question is one upon which, by express provision of statute, the Articles of Incorporation or the By-Laws, a different vote is required, in which event such express provision shall control.

SECTION X

OFFICERS AND THEIR DUTIES

Section 1.

Enumeration of Officers. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer and such other officers as the Board may create by resolution who shall at all times be members of the Board of Directors.

Section 2.

Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

Section 3.

Term. The officers of the Association shall be elected annually by the Board and each shall hold office for two (2) years staggered unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

- Section 4. Special Appointment. The board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
- Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.
- Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.
- Section 8. Duties. The duties of the officers are as follows:
- (a) President. The president shall preside at all meeting of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
 - (5) Vice President. The vice president shall act in place and stead of the president in the event of his absence, inability, or refusal to act as president, and shall exercise and discharge such other duties as may be required of hire by the Board.
 - (c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

- (d) Treasurer. The treasurer shall receive and deposit or cause to be received and deposited in appropriate bank accounts all monies of the Association and shall disburse or cause to be disbursed such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account, cause an annual audit of the association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures, a copy of which shall be presented to each membership within the period prescribed in Article XI hereof.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration of Restrictions, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost. A complete annual financial report of the Association's operations shall be furnished to each lot owner within thirty (30) days after completion of the report, and in no event more than one hundred twenty (120) days after the end of the Association's fiscal year.

ARTICLE XII

AMMENDMENTS

- Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote fifty-one percent (51%) of the total voting power of the membership.
- Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the articles shall control; and in the case of any conflict between the Declaration of Restrictions applicable to the project and these By-Laws, the Declaration of Restriction shall control.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end of the 31st day of December every year.

ARTICLE XIV

TRANSFERS AND LEASES

Section 1. Notice of Transfer

Prior to any sale, gift or other transfer of a lot or residence, the owner who is transferring the lot shall notify the Association in writing of the name and address and the social security number of the transferee, the nature of the transfer and the lot number involved.

Section 2. Leases.

Any owner who enters into a rental or lease agreement, or any voluntary extension thereof ("lease"), with respect to his residence, shall comply with the following:

- (a) An express provision shall be included in the leases that the tenant or lessee ("tenant") agrees to be bound by and comply with the provisions of the Declaration, By-Laws, and the Association's rules and regulations and that the tenant shall be jointly and severally liable with the owner to the Association for all assessments, including charges, fines or penalties, levied against the Lot.
- (b) Prior to the tenant's taking possession, the owner shall register the tenant with the Board of Directors by delivering to the Board a written statement, signed by both the owner and the tenant, which includes the tenant's name, the lot number being rented, and a statement that the tenant has received a copy of the Declaration, By-Laws and rules and regulations and that the lease between the owner and tenant includes a provision complying with paragraph 2 (a) of this Article

ARTICLE XV

DAMAGE OR DESTRUCTION OF PROJECT

Section 1. Bids and Insurance Proceeds

As soon as practicable after the damage or destruction of all or any portion of the common area, the Board shall

- (a) obtain bids from at least two (2) reputable contractors, licensed in California, which bids shall set forth in detail the work required to repair, reconstruct and restore the damaged or destroyed portions of the common area to substantially the same condition as they existed prior to such damage and the itemized cost of such work, and
- (b) determine the amount of all insurance proceeds available to the Association, as trustee or otherwise for the purpose of effecting such repair, reconstruction and restoration and the amount of proceeds of insurance purchased by the Association which will not be made available to the Association for such purpose by reason of the payment of such proceeds to Mortgagees holding Mortgages encumbering condominiums within the project.

Section 2. Sufficient Insurance Proceeds.

In the event of damage or destruction to all or a portion of the common area and the insurance proceeds available to the Association, as trustee or otherwise, are sufficient (when added to any sums actually received by the Association as the result of any special assessment) to effect the total repair, reconstruction and restoration of the damaged or destroyed common area, then the Association shall cause such common area to be repaired, reconstructed and restored to substantially the same condition as the same existed prior to such damage or destruction.

Section 3.

Insurance Proceeds Partially Sufficient.

In the event of damage or destruction to all or any portion of the common area and the insurance proceeds available to the Association, as trustee or otherwise, are sufficient (when added to any sums actually received by the Association as the result of any special assessment) to cover at least eighty-five percent (85) of the cost of such repair, reconstruction and restoration, the Association shall promptly cause the common area to be repaired, reconstructed and restored to substantially the same condition as said common area existed prior to such damage, and the difference between the insurance proceeds available to the Association for such purpose and the actual cost of such repair, reconstruction and restoration shall be specially assessed to each owner in accordance with his proportionate share; provided that, notwithstanding anything herein contained to the contrary, no repair, reconstruction or restoration not provided for in this section shall be conducted.

ARTICLE XVI

FINES AND REMEDIES

1. FINES

The Board shall have the right to assess fines against any member Who violates, or whose lessee, tenant guest or occupant violates, any provision of these By-Laws, the Declaration or rules and regulations then in effect. Such fine shall not take effect unless the member is notified in writing as to the amount of the fine and the nature of the violation not less than fifteen (15) days prior to the effective date of the fine. The notice shall provide an opportunity for the member to be heard, orally or in writing, not less than five (5) days before the effective date of the fine by the Board. The notice may be given by first-class mail, postage prepaid, to the last address of the member as shown on the Association records. The member shall appear the hearing and defend himself as to the matters relative to the fine: and his failure to appear (except for good cause shown) shall constitute a waiver of the right to a hearing. Such fines may be levied for each offence and for the first offense shall not exceed \$100.00. For repeated or continuing offenses beyond 10 days of date of notification, fines shall not exceed \$100.00 per offense per day. Any fine or fines so assessed by the Board shall be added to the assessment charges of the member and shall be subject to the assessment lien provided in the Declaration.

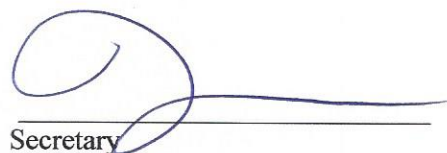
2. REMEDIES CUMULATIVE

The remedies provided herein shall be in addition to and not in lieu of, any other remedies which may be provided by the Declaration, these By-Laws, or under the law.

3. ATTORNEY'S FEES

In any legal action or proceeding brought to declare any right or enforce any obligation or violation with respect to the Declaration, the By-Laws or any rules or regulations the prevailing party shall be entitled to reasonable attorney's fees in an amount determined by the Court.

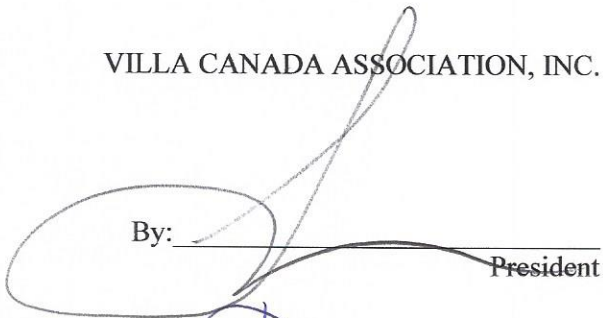
IN WITNESS WHEREOF, I have subscribed my name this 18th day of November 2009

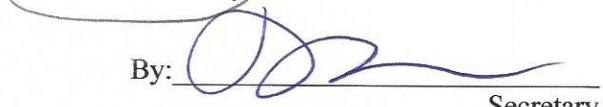

Secretary

I HEREBY CERTIFY & DECLARE, under penalty of perjury, that the foregoing First Amended By-Laws of Villa Canada Association, Inc. have been approved by the percentage of owners required by the prior By-Laws.

Executed at LA CANADA, California on the 18th day of November, 2009

VILLA CANADA ASSOCIATION, INC.

By: 
President

By: 
Secretary