

**HILLER HIGHLANDS FOUR ASSOCIATION
30 Schooner Hill
Oakland, CA 94618-2335**

BY-LAWS

ARTICLE I - DEFINITIONS

Section 1. Terms Defined.

As used in these By-Laws the following definitions shall apply, unless the context otherwise requires.

Articles of Incorporation.

The Articles of Incorporation of this corporation as the same may be amended from time to time.

Member or Membership.

A member of or membership in this corporation.

Declaration.

Any Declaration of Covenants Conditions and Restrictions affecting the property over which this corporation has jurisdiction.

All other terms used herein shall have the meaning given to them in the Declaration and in the Articles of Incorporation.

ARTICLE II - MEMBERSHIP

Section 1. Qualifications.

Qualifications for membership shall be as set forth in Article VI of the Articles of Incorporation.

Section 2. Membership Certificates.

No membership certificates shall be issued by this corporation. Membership shall be and is limited to such person or persons as are set forth and defined in Article VI of the Articles of Incorporation.

Section 3. Fees, Dues and Assessments.

Fees, dues and assessments shall be levied and collected as provided in Article IV, V, VI and VII of the Declaration.

ARTICLE III - MEETINGS OF MEMBERS

Section 1. Annual Meetings. All annual meetings of members shall be held on the first Wednesday in April of each year at the hour of 8:00 P.M. However if this day should fall on a legal holiday, the meeting shall be held at the same time and place on the next succeeding business day that is not a legal holiday. At the annual meetings directors shall be elected, reports of the officers of the corporation shall be considered, and any other business may be transacted that is within the powers of the members. Notice of annual meetings, except as required by Section 2201 of the Corporations Code, is expressly dispensed with.

Section 2. Special Meetings.

Special meetings of the members for any purpose or purposes whatsoever, may be called at any time by the President, by the Board of Directors, or by one or more members holding not less than five percent (5%) of the voting power of the corporation.

Section 3. Notice of Special Meetings.

On request in writing to the President, Vice President, or Secretary sent by registered mail or delivered to the officer in person, by any persons entitled to call a special meeting of members, the officer forthwith shall cause notice to be given to the members entitled to vote that a meeting will be held at a times fixed by the officer, not less than ten or more than a sixty days after the receipt of the request. The purpose of the meeting and the matters to be considered at the meeting shall be specified in the notice. If the notice is not mailed or delivered within seven days after the date of delivery, or the date of mailing of the request, the persons calling the meeting may fix the time of meeting and give the notice in the manner provided herein.

Nothing contained herein shall be construed as limiting, fixing, or affecting the time or date when the meeting of members called by action of the Board of Directors may be held.

Notice of a special meeting may be delivered personally or by mail. If by mail, such notice shall be mailed, postage prepaid, to the address of the member given by such member to the corporation for the purpose of notice, or to the address of the member's unit if no such address has been given to the corporation.

Notice shall be delivered personally, or shall be deposited in the mail, at least ten days prior to the date of the meeting. In case of a meeting called to consider a plan of merger or consolidation, the period shall be twenty days.

Section 4. Place of Meeting.

Annual meetings and special meetings of the members shall be held at the Highlands Country Club, 110 Hiller Drive, Oakland, California, provided that the Board of Directors by resolution may designate a place upon or in the immediate vicinity of the property subject to the jurisdiction of this corporation or some convenient place within a distance of not more than twenty miles from the principal office of the corporation as the place at which any annual or special meeting of the members may be held.

Section 5. Adjourned Meetings.

Any members' meeting, annual or special, requires the presence of a Quorum. In the absence of a quorum, no business may be transacted except to vote to adjourn. In addition, any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote a majority of the voting power present, either in person or by proxy.

Section 6. Notice of Adjourned Meetings.

Notice of each such adjourned meeting shall be given in like manner as provided in this Article III except for special meetings except that the time thereof may be shortened from ten to five days.

Section 7. Voting.

Voting rights of members are as follows: Members shall be entitled to one vote per residence lot. When more than one person holds an interest in any residence lot, the vote for such residence lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot.

At any election for directors, every member entitled to vote shall have the right to cast one vote for each director to be elected. Cumulative voting shall not be permitted.

The vote at any members' meeting may be by voice or by ballot; provided, however, that all elections for directors must be by ballot on demand made by a member at any election before the voting begins.

The Board of Directors may fix a time not exceeding thirty days preceding the date of any meeting of members, as a record date for the determination of the members entitled to notice of and to vote at any such meeting and in such case only members of record on the date so fixed shall be entitled to notice of and to vote at such meeting. In the event no such record date is fixed by the Board of Directors the record date for the determination of members entitled to notice of and to vote at any such meeting shall be the twentieth day preceding the date of such meeting as of 8:00 A.M. of such day.

Section 8. Address of Members.

It shall be the duty of each member to keep the corporation advised as to his correct address from time to time. Absent written notice to the contrary, the address of each member shall be the address of his unit.

Section 9. Quorum.

Members representing a majority of the voting power of this corporation present in person or by proxy shall be requisite to and shall constitute a quorum at all meetings of the members for transaction of business, except as otherwise provided by law.

The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 10. Consent of Absentees.

The transactions of any meeting of members, however, called and noticed, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of

the records of the meeting. Executors, administrators guardians, trustees, and other fiduciaries entitled to vote shares may sign such waivers, consents, and approvals.

Section 11. Action Without Meeting.

Any action that under any provisions of the General Corporation Law of California may be taken at a meeting of the members, except approval of an agreement for merger or consolidation of the corporation with other corporations may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such an action at a meeting, and filed with the Secretary of the corporation,

Section 12. Proxies.

Voting can be done by valid proxies. Such proxies shall be in writing, signed and dated by the member or his duly authorized representative and delivered to the Secretary of the Corporation.

ARTICLE IV - DIRECTORS

Section 1. Powers.

Subject to limitations of the Articles of Incorporation, of these By-laws, and of the General Non-Profit Corporation Law of California as to actions that must be authorized or approved by the membership and subject also to all the restrictions, provisions and limitations contained in the Declaration, all corporate powers shall be exercised by or under authority of, and the business and affairs of the corporation shall be controlled by the Board of Directors.

Section 2. Number of Directors.

The authorized number of directors is five. This number may be changed by an amendment of the Articles of Incorporation or by an amendment of this by-law; provided, however, that the authorized number of directors shall in no event be less than three.

Section 3. Election and Term of Office.

The directors shall be elected at each annual members' meeting. But, if the annual meeting is not held, or if the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose.

Section 4. Removal and Resignation of Directors

A. Removals

A.1 Removal by Board

The Board shall have the power and authority to remove a Director and declare his or her office vacant if:

- a) He or she has been declared of unsound mind by a final order of court; or
- b) He or she has been convicted of a felony; or
- c) He or she fails to attend three meetings per year; or
- d) He or she is not bondable; or
- e) He or she fails or ceases to meet any required qualification of Directors that was in effect at the beginning of that Director's current term of office.

A.2 Removal by Membership

If not subject to removal by the Board as specified in Article IV, Section 4.A.1, a Director may be removed from office prior to expiration of his or her term only by the affirmative vote of a majority of the voting power of the Members represented and voting at a duly held meeting at which a quorum is present or by written ballot conducted in accordance with these By-Laws.

4.B. Resignation

A Director may resign office at any time, effective upon giving written notice to the President or to the Secretary or to the Board, unless the notice specifies a later time for the resignation of a Director to be effective. If the resignation of a Director is effective at a future time, the Board may elect a successor to take office when the resignation becomes effective.

Section 5. Vacancies.

Any vacancy occurring on the Board of Directors may be filled by a vote of the majority of the remaining directors, though they are less than a quorum of the Board, or by a sole remaining director. A director so chosen must be a member of the corporation and shall serve until the next annual meeting and the election of his successor.

The members may elect a director at any time to fill any vacancy not filled by the directors. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the members may elect a successor to take office when the resignation becomes effective.

Section 6. Meetings.

Special meetings: Special meetings may be held at any time selected by the President, or if he is absent or unable or refuses to act, by a Vice President or by any two directors.

Annual Meeting: Without call or notice other than this By-law, the Board of Directors shall hold its annual meeting immediately following each annual meeting of members.

Place of Meetings. The annual meeting shall be held at the place designated for the annual meeting of the members. Special meetings may be held at the principal office of the corporation, or at any place designated by resolution of the Board of Directors or by written consent of all directors.

Notice. Pursuant to California Civil Code Section 1363.05(g), or comparable superseding statute, meetings shall be noticed as follows:

- a) Special meetings: Written notice of the time and place of special meetings of the Board of Directors shall be delivered personally to each Director, or sent to each Director by mail or by other form of written communication at least four days before the meeting, except for an emergency meeting, which does not require four days notice. If the address of a director is not shown on the records and is not readily ascertainable, notice shall be mailed to him at the city or place in which the meeting of the directors is regularly held.
- b) Adjourned meetings: Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place are fixed at the meeting adjourned.
- c) Notice of the annual meeting is dispensed with.

Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present, and if either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such Waivers consents, or approvals shall be filed with the corporate records or made a part of the minutes of meeting.

Quorum. A majority of the authorized number of directors constitutes a quorum of the Board for the transaction of business. Every act or decision done or made by a majority of the directors present is the act of the Board of Directors.

Voting. Each director shall have one vote at any meeting.

Adjournment. In the absence of a quorum, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board. Notice of the time and place of holding an adjourned meeting of a meeting need not be given to absent directors if the time and place are fixed at the meeting adjourned.

Section 7. Action Without Meeting.

Any action required or permitted to be taken by the Board of Directors under any provision of the General Corporation Law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action, and such written consent is filed with the minutes of the proceedings of the Board.

Section 7. Compensation.

Directors as such shall not receive any salary or compensation for their services as directors; provided, however, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE V - OFFICERS

Section 1. Designation.

The officers of the corporation shall be a President, a Vice President, a Secretary and a Treasurer. The corporation may also have, at the discretion of the Board of Directors, one or more additional Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such officers as may be appointed in accordance with the provisions of this Article V. One person may hold two or more offices except that of President and Secretary.

Section 2. Election.

The officers of the corporation, except as such officers may be appointed in accordance with the provisions of this Article V hereinafter stated, shall be chosen annually by the Board of Directors immediately after the regular annual meeting of the membership and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. Subordinate Officers.

The Board of Directors may elect or authorize the appointment of such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may from time to time authorize or determine.

Section 4. Removal and Resignation.

A. Removal

Any officer may be removed, either with or without cause, by a majority of the directors at any regular or special meeting of the Board, or except in case of any officer chosen by the Board of Directors, by an officer upon whom such power of removal may be conferred by the Board of Directors.

B. Resignation

An 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 other specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled in the manner provided or authorized herein for regular elections or appointments to such office.

Section 6. President.

The President shall be the chief executive officer of the corporation and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and other officers of the corporation. He shall preside at all meetings of the members and at all meetings of the Board of Directors and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors and the By-laws, subject to, however, any limitations contained in the Declaration.

Section 7. Vice President.

In the absence or disability of the President, the Vice President, or if more than one, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively, by the Board of Directors or the By-laws.

Section 8. Secretary.

The Secretary shall keep or cause to be kept a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of Directors and membership with the time and place of the notice thereof given, the names of those present at Directors' meetings, the number of memberships and votes present or represented at members' meetings and all the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the members and of the Board of Directors required by the By-laws or by law to be given, and shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the By-laws. The Secretary shall also issue such certificates to title insurers as are provided in the Declaration.

Section 9. Treasurer.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses, The Treasurer shall also maintain or cause to be maintained complete records of all assessments and charges levied and the liens securing same under and pursuant to the provisions of the Declaration, the amounts thereof, the properties and interests against which the same have been assessed, the dates upon which the same are due, and upon which the same are delinquent, and a record of the payments thereof. The Treasurer shall deposit or cause to be deposited all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated

by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request, it an account of all his transactions as Treasurer 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 of Directors or by the By-laws.

Section 10. Insurance.

All officers, jointly and severally, shall be charged with the duty to maintain in force the insurance coverage as provided in the Declaration.

Section 11. Indemnification.

The members of the Board of Directors and officers of this corporation shall not be liable to any member, or any person claiming by or through any members for any act or omission of such directors or officers in the performance of their duties except if such act or omission shall involve gross negligence, bad faith or reckless disregard of their duties. The members of this corporation do hereby indemnify all its directors and officers from all claims, demands, actions, proceedings and any expenses in connection therewith, unless the Directors and Officers are found by a Court or determined by the Members to have acted with gross negligence, bad faith or in a reckless disregard of their duties.

ARTICLE VI - CONTRACTS & COMMITTEES

Section 1. Contracts.

The Board of Directors may enter into, make, perform and carry out contracts of every kind and character for any lawful purpose, consistent with the status of a nonprofit corporation, with any person or persons, partnership, firm, association, corporation, private, public or municipal, any body politic, any state, territory, or municipality of the United States or with the government of the United States or any department, branch, board, commission or contracting authority thereof or with any foreign government including the right to make agreements with municipal county, state, national or other public officials or with any political subdivision or any corporation or individual for and on behalf of the owners of the property covered by the Declaration and other property owned or subject to the jurisdiction of the corporation for a division of the work or the doing of the work on the streets, roads, ways, walks, drives, driveways, parks or other portions or serving said property or for any other work to be done or utilities to be furnished as will enable the corporation to co-operate with said officials, corporation or individuals to secure the benefits for the said property referred to or portions thereof that can be derived from the pro rata share of any municipal, county, state, national or other funds that may be available for use thereon, or in connection therewith or which might otherwise benefit the subject property.

The Board of Directors may specifically contract and pay for all water, sewer and refuse collection serving the subject Common Area property and such electrical, gas and telephone services and use as shall be applicable to the corporation.

Section 2. Committees.

The Board of Directors may maintain and operate such departments, boards and committees as may be provided for in these By-laws or as it may provide by resolution, with such powers and authority as may be conferred, and to make funds of the corporation available for the use of such departments, boards, and committees. The Board of Directors may employ a manager, secretaries, engineers, auditors, legal counsel, technical consultants or any other employees or assistants provided for by these By-laws or authorized by the Board of Directors and may pay all expenses necessary or incidental to the conduct and carrying on of the business of the corporation.

ARTICLE VII - CHARGES AND ASSESSMENTS

Section 1. General.

The Board of Directors shall determine the amount of all charges and assessments provided for in the Declaration, and shall levy and enforce such charges and assessments in the manner therein provided.

ARTICLE VIII - MISCELLANEOUS

Section 1. Annual Report to Members.

The Board of Directors shall present at each annual meeting of the members a statement of the business affairs, and financial condition of the corporation as of the end of the previous calendar year.

Section 2. Checks, Drafts and Notes.

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payment to the corporation, and any and all securities owned or held by the corporation requiring signature for transfer, shall be signed or endorsed by such person or persons and in such manner as from time to time, shall be determined by resolution of the Board of Directors.

Section 3. Contracts - How Executed.

The Board of Directors, except as in the By-laws otherwise provided may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless authorized by the Board of Directors, no officer, except the President, and no agent or employee shall have any power or authority to bind the corporation to any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 4. Inspection of Corporate Records.

The books of account and the minutes of proceedings of the members and directors and other corporate records shall be kept at the principal office of the corporation and shall be open to inspection by any director upon demand at any reasonable time and to inspection by any member upon the written demand of any such member at any reasonable time. Such inspection may be made in person or by an agent or attorney and shall include the right to make extracts. Demand for inspection by any member other than at a members meeting shall be made in writing upon the President, Secretary or Assistant Secretary of the corporation. Every such demand, unless granted, shall be referred by such officer to the Board of Directors. The corporation shall keep in its principal office for the transaction of business the original or true copies of the Articles of Incorporation, as amended, the By-laws, as amended, and the Declaration, as amended, each of which documents shall be open to inspection by the members during reasonable business hours, The membership list may be inspected and copied only upon a finding by the Board that the inspection request is for a proper corporate purpose.

Section 5. Defective Notices.

Any mistake, inadvertence or excusable neglect in giving any notice required by these By-laws, shall not affect the validity of any meeting called thereby, or of any proceedings had at such meeting.

Section 6. Headings and Titles.

All headings and titles used in these By-laws, including those of Articles, Sections and Subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them, affect that which is set forth in such Article, nor any of the terms or provisions of these By-laws nor the meaning thereof.

Section 7. Rules.

Subject to the limitations contained in the Declaration, the Board of Directors may from time to time make, publish and enforce Rules, and establish and collect fines for the violation thereof, governing the use of the property over which this corporation has jurisdiction and the conduct of the users thereof, in the manner set forth in such Declaration. A current record of the amount of the fines (if any) established for the violation thereof, shall be kept by the Secretary of the corporation and shall be available to any member at any reasonable time.

ARTICLE IX - AMENDMENTS OF BY-LAWS

Section 1. Amendments.

These by-laws, and any part thereof, may be amended or repealed and new By-laws may be adopted by the vote or written assent of members entitled to exercise a fifty-one percent (51%) majority of the voting power, provided, that no amendment shall be contrary to the provisions of ETU 65-356, an exception to use permit granted by the City of Oakland, or contrary to any other ordinance or regulation of the City of Oakland.