

Bylaws of the Berkeley Property Owners Association, Inc
A California Nonprofit Mutual Benefit Corporation

Bylaws

of the

Berkeley Property Owners Association, Inc
A California Nonprofit Mutual Benefit Corporation

ted October 7, 1980

As amended May 4, 1981
As amended November 21, 1985
As amended January 2, 1986
As amended March 1, 1986
As amended January 3, 1987
As amended August 6, 1988
As amended January 11, 1997
As amended January 15, 2001
As amended August 3, 2002

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ARTICLE I - NAME

The name of the corporation shall be Berkeley Property Owners Association, Inc.

ARTICLE II - OFFICES

SECTION 1. PRINCIPAL OFFICE.

The principal office for the transaction of the business of the corporation ("principal executive office") is located in the City of Berkeley, County of Alameda, California. The directors may change the principal office from one location to another. Any change of this location shall be noted by the secretary of these bylaws opposite this section, or this section may be amended to state the new location.

SECTION 2. OTHER OFFICES.

The board of directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE III - OBJECTIVES AND PURPOSES

The objectives of this corporation shall be:

- A. This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.
- B. A further description of this corporation's purposes is to promote the interest of its members and of the multiple housing industry, and to that end, to engage in educational, informational, and civic activities, including the initiation and maintenance of appropriate litigation on behalf of its members, that protect and further their rights and encourage private enterprise and field of housing.

ARTICLE IV - MEMBERSHIP

SECTION 1. QUALIFICATIONS.

There shall be two classes of membership in this corporation: regular membership and associate membership. Any person eighteen years or older, of good character, dedicated to the purposes of this corporation and an owner of residential rental property in the City of Berkeley shall be eligible for regular membership upon acceptance of his or her application by the board of directors and payment of such dues and initiation fees as may from time to time be fixed by the board of directors.

Any other person eighteen years of age or older, of good character, and dedicated to the purpose of this corporation shall be eligible for associate membership upon acceptance of his or her application by the board of directors and payment of such dues and initiation fees as may from time to time be fixed by the board of directors for that class.

All membership in this corporation shall be for one year periods beginning on September 1 of each year and ending on August 31 of the following years.

SECTION 2. FEES, DUES AND ASSESSMENTS.

The amount of annual dues and of any initiation fee may be set from time to time by the board of directors, but shall not be changed during any membership year. No member shall be deemed in good standing unless he shall have paid any applicable initiation fee and his annual dues in full, provided, however, that annual dues for any new members joining subsequent to the annual membership election meeting may be prorated proportionally.

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Each member of a multiple-property owning entity, such as a partnership, corporation, or marriage, may be a full member of the association but only if he or she shall have paid the full amount of an individual-membership dues and initiation fee (if any), including dues related to at least one rental unit.

SECTION 3. TERMINATION OF MEMBERSHIP.

(a) Causes of Termination.

The membership of any member shall terminate upon occurrence of any of the following events:

- (i) The resignation of the member;
- (ii) Expiration of the period of membership, unless the member sooner renews for a subsequent period, on the renewal terms set by the board of directors;
- (iii) The occurrence of any event which renders such member ineligible for membership, provided that termination for such cause shall take effect only upon expiration of the period (not to exceed one year) for which the member's current membership runs;
- (iv) The determination of the board of directors or a committee designated to make such determination 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 and seriously prejudicial to the interest of the corporation.

(b) Procedure for Expulsion.

Following the determination that a member should be expelled under subparagraph (iv) above, the following procedure shall be implemented:

- (i) A notice shall be sent by mail by prepaid, first class or registered mail to the most recent address of the member as shown on the corporation's records, setting forth the expulsion and the reasons therefore. Such notice shall be sent at least 15 days before the proposed effective date of the expulsion;
- (ii) The member being expelled shall be given an opportunity to be heard either orally or in writing, at a hearing to be held not fewer than 5 days before the effective date of the proposed expulsion, The hearing will be held by a special member expulsion committee composed of not fewer than three directors appointed by the president;
- (iii) Following the hearing, the expulsion committee shall decide whether or not the member should in fact be expelled, the committee shall be final;
- (iv) Any person expelled from the corporation shall receive a refund of dues or assessments already paid. The refund shall be prorated to return only the unaccrued balance remaining for the period of the dues payment.

ARTICLE V - MEETING OF MEMBERS

SECTION 1. PLACE OF MEETING.

Meetings of the membership shall be held at any place within or outside the State of California designated by the board of directors. In the absence of any such designation, member's meetings shall be held at the principal executive office of the corporation.

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SECTION 2. ANNUAL MEETING.

The annual meeting of members shall be held during the month of January of each year, the date thereof to be specified by the board of directors.

SECTION 3. SPECIAL MEETING.

(a) Authorized persons who may call.

A special meeting of the members may be called at any time by the any of the following: The board of directors, the president, or by five percent or more of the regular members.

(b) Calling meetings by members.

If a special meeting is called by members other than the president, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the president, any vice-president, or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the members entitled to vote, in accordance with the provisions of Section 4 of this Article V, that a meeting will be held, and the date for such meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request. If the notice is not given within the 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when the meeting is called by action of the board of directors.

SECTION 4. NOTICE OF MEMBERS' MEETING.

(c) General notice contents.

All notices of meetings of members shall be sent or otherwise given in accordance with subsection (c) of this section of this Article V not less than 10 nor more than 90 days before the date of the meeting. The notice shall specify the place, date, and hour of the meeting and

- (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or
- (ii) in the case of the annual meeting, those matters which the board of directors, at the time of giving the notice, intends to present for action by the members.

SECTION 5. QUORUM.

(d) Percentage required.

Ten percent of the regular members shall constitute a quorum for the transaction of business at a meeting of the members.

(e) Loss of quorum.

The members present at a duly called or duly 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.

SECTION 6. ADJOURNED MEETINGS.

Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time, by the vote of the majority of the members represented at the meeting, either in person or by proxy; but in the absence of a quorum, no

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other business may be transacted at that meeting, except as provided in this Article.

SECTION 7. VOTING.

(f) Eligibility to vote.

Persons entitled to vote at any meeting of members shall be regular members as the date determined in accordance with Section 10 of this Article V, subject to the provision of the California Nonprofit Corporation Law.

(g) Manner of casting votes.

Voting may be by voice or ballot, provided that any election of directors must be by ballot if demanded by any member before the voting begins.

(h) Only majority of members represented at meeting required, unless otherwise specified.

If a quorum is present, the affirmative vote of the majority of the members represented at the meeting, entitled to vote and voting on any matter (other than the election of directors) shall be the act of the members, unless the vote of a greater number of voting by classes is required by California Nonprofit Corporation Law or by the articles of incorporation.

SECTION 8. WAIVER OF NOTICE OR CONSENT BY ABSENT MEMBERS.

(i) Written waiver of consent.

The transactions of any meeting of members, either annual or special, however called or noticed, and whenever held, shall be valid as though taken at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of members, except that if action is taken or proposed to be taken or proposed to be taken for approval of any of those matters specified in Section 4 (b) of Article V, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(j) Waiver by attendance.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business due to the inadequacy or to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting, if that objection is expressly made at the meeting.

SECTION 9. ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

(k) General.

Any action that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice upon compliance with the provisions of this section.

(l) Solicitation of Written Ballots.

The corporation shall distribute one written ballot to each member entitled to vote; such ballots shall be mailed or delivered in the manner required by

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Section 4 of this Article V for giving notice of special meetings, All solicitations of votes by ballots shall:

- (i) indicate the number of responses needed to meet the quorum requirement;
- (ii) state the percentage of approvals necessary to pass the measure(s); and
- (iii) specify the time by which the ballot must be received in order to be counted.

Each ballot so distributed shall:

- (i) set forth the proposed action; and
- (ii) provide the members an opportunity to specify approval or disapproval of each proposal, if more than one proposal is set forth.

(m) Quorum: Majority.

Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(n) Revocation.

No written ballot shall be revoked after delivery to the corporation or deposited in the mails, whichever first occurs.

(o) Filing.

All such written ballots shall be filed with the secretary of the corporation and maintained in the corporate records.

(p) Effect of Noncompliance.

Failure to comply with this section shall not invalidate any corporate action taken, but may be the basis for challenging any written ballot, and any member may petition the Superior Court of California to compel compliance with the provisions of the Law.

SECTION 10. RECORD DATE FOR MEMBER NOTICE, VOTING, AND GIVING CONSENTS AND OTHER ACTIONS.

(q) To be determined by board of directors.

For the purposes of determining which members are entitled to receive notice of any meeting, to vote, to give consent to corporate action without a meeting, or to take other action, the board of directors may fix, in advance, a "record date", which shall not be more than 60 nor fewer than 10 days before the date of any such meeting, nor more than 60 days before any such action without a meeting. Only members of record on the date so fixed are entitled to notice, to vote, to give consents, or take other action, as the case may be, notwithstanding any transfer of membership on the books of the corporation after the record date, except as otherwise provided in the articles of incorporation, by agreement, or in the California Nonprofit Corporation Law.

(r) Failure of board to determine date.

- (i) Record date for notices of voting. Unless fixed by the board of directors, the record date for determining those members entitled to receive notice of, or to vote at, a meeting of members, shall be the next business day preceding the day on which the meeting is held.

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- (ii) Record date for written consent to action without meeting. Unless fixed by the board, the record date for determining those members entitled to vote by ballot on corporate action without a meeting, when no prior action by the board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the board has been taken, it shall be the day on which the board adopts the resolution relating to that action.
- (iii) Record date for other actions. Unless fixed by the board, the record date for determining those members entitled to take any other action shall be the date the board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.
- (iv) "Record date" means as of close of business. For purposes of this paragraph (b), a person holding membership as of the close of business on the record date shall be deemed the member of record.

SECTION 11. PROXIES.

Members shall not be allowed to vote by proxy.

SECTION 12. VOTING OF CLASSES.

Each regular member in good standing shall be entitled to cast one vote in all matters submitted to a vote of the members. In an election of directors, a member not in good standing solely by reason of non-payment of dues as a applicable record date may cure that defect by payment of voting and/or serving as a director, shall be deemed in good standing at such election date.

ARTICLE VI - ELECTION OF DIRECTORS

SECTION 1. NOMINATIONS AND SOLICITATIONS FOR VOTES.

(s) Nominating committee.

The president shall appoint a committee to select qualified candidates for election to the board of directors at least 40 days before the date of any election of directors. The nominating committee shall make its report at least 20 days before the date of the election, and the secretary shall forward to each member, with the notice of meeting required by Article V, Section 4, a list of candidates nominated, by office.

(t) Nomination by members.

Members representing 5 percent of the membership may nominate candidates for directorship at any time before the fiftieth day preceding such election. On timely receipt of a petition signed by the required number of members, the secretary shall cause the names of the candidates named in it to be placed on the ballot along with those candidates named by the nominating committee.

(u) Nominations from the floor.

If there is a meeting to elect directors, any member present at the meeting may place names in nomination.

(v) Publications.

Without limiting the generality of the foregoing, if the corporation now or hereafter publishes, owns, or controls a magazine, newsletter, or other publication, and publishes material in the publication soliciting votes for any nominee or director, it shall make available to all other nominees, in the same issue of the publication, an equal amount of space, with equal

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prominence, to be used by the nominee for a purpose reasonably related to the election.

(w) Mailing election material.

On written request by any nominee for election to the board and accompanying payment of the reasonable costs of mailing (including postage), the corporation shall, within ten business days after the request (provided payment has been made), mail to all members, or such portion of them as the nominee may reasonably specify, any material that the nominee may furnish and that is reasonably related to the election, unless the corporation within five business days after the request allows the nominee, at the corporation's option, the right to do either of the following: (1) Inspect and copy the record of all the members' names, addresses, and voting rights, at reasonable times, on five business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested; or (2) obtain from the secretary of the corporation, on written demand and tender of a reasonable charge, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of a date specified by the member subsequent to the date of demand. The membership list shall be made available on or before the later of ten business days after the demand is received or after the date specified in it as the date by which the list is to be compiled.

(x) Refusal to publish or mail material.

The corporation may not decline to publish or mail material that it is otherwise required hereby to publish or mail on behalf of any nominee, on the basis of the content of the material, except that the corporation or any of its agents, officers, directors, or employees may seek and comply with an order of the Superior Court allowing them to delete material that the court finds will expose the moving party to liability.

(y) Use of corporate funds to support nominee.

Without authorization of the board, no corporate funds may be expended to support a nominee for director after there are more people nominated for director than can be elected.

SECTION 2. VOTE REQUIRED TO ELECT DIRECTORS.

Candidates receiving the highest number of votes shall be elected as directors.

ARTICLE VII - DIRECTORS

SECTION 1. POWERS.

(z) General corporate powers.

Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the articles of incorporation and these bylaws relating to action required to be approved by the members, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of directors.

(aa) Specific powers.

Without prejudice to these general powers, and subject to the same limitations, the directors shall have the power to:

- (i) Select and remove all officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; and fix their compensation.

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- (ii) Change the principal executive office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any members' meeting or meetings, including annual meetings.
- (iii) Adopt, make and use a corporate seal; prescribe the forms of membership certificates; and alter the form of the seal and certificate.
- (iv) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

SECTION 2. NUMBER AND QUALIFICATION OF DIRECTORS

The number of directors shall be at the discretion of the board. Directors need not be residents of the State of California. No person shall be eligible to serve on the board of directors unless he or she is a member in good standing as of the time of election.

SECTION 3. ELECTION AND TERM OF OFFICE OF DIRECTORS

Directors shall be elected at each annual meeting of the members to hold office until the next annual meeting; however, if any annual meeting is not held or the directors are not elected at any annual meeting, they may be elected at any special members' meeting held for that purpose. Each director, including a director elected to fill a vacancy or elected at a special members' meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

(bb) LIMITS ON DEBATE

A limit on debate relating to any motion or amendment to a motion under discussion at any meeting of the Directors may be imposed at any time either at the option of the officer presiding at the meeting or upon demand by two or more Directors. Upon being so imposed, debate shall be limited 60 that each Director shall be permitted to have the floor for a maximum of three minutes for a first round of limited debate. Following the first round, each Director shall be offered the privilege of having the floor for one additional minute in a second round of debate. Questions and peripheral discussion, if permitted, will be charged against the time of the Director then having the floor. Except as provided below, the question shall be put to a vote after completion of the two rounds of discussion described above. Immediately before the question on the table is put to a vote, a motion to extend debate for one or more additional rounds may be made and if passed as specified in Article VII, Section 3 of these bylaws, debate may continue under the terms specified in the motion to extend debate.

SECTION 4. VACANCIES

(cc) Events causing vacancy.

A vacancy or vacancies in the board of directors shall be deemed to exist on the occurrence of the following:

- (i) the death, resignation, or removal of any director,
- (ii) the declaration by resolution of the board of directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final

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order or judgment of any court to have breached a duty under Corp.C 7230 and following of the California Nonprofit Corporation Law,

- (iii) the vote of the members to remove a director,
- (iv) the increase of the authorized number of directors, or
- (v) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting.

(dd) Resignations.

Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the president, the secretary, or the board of directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may elect a successor to take office when the resignation becomes effective.

(ee) Vacancies filled by members.

The members may elect a director or directors at anytime to fill any vacancy or vacancies not filled by the directors, except a vacancy created by the removal of a director who was designated or selected as such a director pursuant to any provision of the articles or bylaws, if such provisions contain further provisions for designating or selecting another director. Any such election by written consent shall require the consent of a majority of the voting power.

(ff) No vacancy on reduction of number of directors.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

SECTION 5. PLACE OF MEETINGS; MEETINGS BY TELEPHONE.

Regular meetings of the board of directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal executive office of the corporation. Notwithstanding the above provisions of this Section 5, a regular or special meeting of the board of directors may be held at any place consented to in writing by all the board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.

SECTION 6. ANNUAL MEETING.

Immediately following each annual meeting of members, the board of directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of this meeting shall not be required.

SECTION 7. OTHER REGULAR MEETINGS.

Other regular meetings of the board of directors shall be held without call at such time as shall from time to time be fixed by the board of directors. Such regular meetings may be held without notice.

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SECTION 8. SPECIAL MEETINGS

(gg) Authority to call.

Special meetings of the board of directors for any purpose may be called at any time by the president, or any vice president, the secretary, or any two directors.

(hh) Notice

- (i) Manner of giving. Notice of the time and place of special meetings shall given to each director by one of the following methods: (a) by personal delivery or written notice; (b) by first-class mail, postage paid; (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.
- (ii) Time requirements. Notices sent by first class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.
- (iii) Notice contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of meeting, or the place of the meeting, if it is to be held at the principal executive office of the corporation.

SECTION 9. QUORUM

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article XII. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of the California Non-profit Corporation Law, especially those provisions relating to

- (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest,
- (ii) appointment of committees, and
- (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

SECTION 10. WAIVER OF NOTICE

The transactions of any meeting of the board of directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) 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. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

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SECTION 11. ADJOURNMENT

A majority of the directors present, whether or not constituting a quorum may adjourn any meeting to another time and place.

SECTION 12. NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

SECTION 13. ACTION WITHOUT MEETING

Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board.

SECTION 14. FEES AND COMPENSATION OF DIRECTORS

Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the board of directors to be just and reasonable.

ARTICLE VIII - COMMITTEES

SECTION 1. COMMITTEES OF DIRECTORS

The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

- (a) take any final action on matters which, under the Nonprofit Corporation Law of California, also requires members' approval or approval of a majority of all the members,
- (b) fill vacancies on the board of directors or in any committee, which has the authority of the board;
- (c) fix compensation of the directors for serving on the board or on any committee;
- (d) amend or repeal bylaws or adopt new bylaws;
- (e) amend or repeal any resolution of the board of directors, which by its express terms is not so amendable or repealable;
- (f) appoint any other committees of the board of directors or the members of these committees;
- (g) expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected.
- (h) approve any transaction (1) to which the corporation is a party and one or more directors have a material financial interest; or (2) between the corporation and one or more of its directors or between the corporation or any person in which one or more of its directors have a material financial interest.

SECTION 2. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article XII of these bylaws, concerning meetings of directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of

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directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the board of directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

SECTION 3. OTHER COMMITTEES

The board of directors may establish such other committees as it deems advisable. However, if any such committee is to have non-director committee members, it shall constitute and be called an "advisory committee".

ARTICLE IX - OFFICERS

SECTION 1. TITLES

The officers of the corporation shall be a president, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the board of directors, 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 Section 3 of this Article IX. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as the president.

SECTION 2. ELECTION OF OFFICERS

The officers of the corporation, except those appointed in accordance with the provisions of Section 3 of this Article IX, shall be chosen by the board of directors, and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

SECTION 3. SUBORDINATE OFFICERS

The board of directors may appoint, and may authorize the president or another officer to appoint, any other officers that the business of the corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined from time to time by the board of directors.

SECTION 4. REMOVAL OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the board of directors, at any regular or special meeting of the board, or, except in case of an officer chosen by the board of directors, by an officer on whom such power of removal may be conferred by the board of directors.

SECTION 5. RESIGNATION OF OFFICERS

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

SECTION 6. VACANCIES IN OFFICERS

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these bylaws for regular appointments to that office.

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SECTION 7. RESPONSIBILITIES OF OFFICERS

(ii) **President.**

The president shall, subject to the control of the board of directors, generally supervise, direct, and control the business and the officers of the corporation. He shall preside at all meetings of the members and, all meetings of the board of directors. He shall have such other powers and duties as may be prescribed by the board of directors or the bylaws.

(jj) **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 of directors, or, if not ranked, a 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 chairman of the board.

(kk) **Secretary.**

The secretary shall attend to the following:

- (i) **Book of minutes.** The secretary shall keep or cause to be kept, at the principal executive office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of members present or represented at members' meetings, and the proceedings of such meetings.
- (ii) **Membership records.** The secretary shall keep, or cause to be kept, at the principal executive office, as determined by resolution of the board of directors, a record of the corporation's members, showing the names of all members, their addresses, and the class of membership held by each.
- (iii) **Notices, seal and other duties.** 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 bylaws to be given. He shall keep the seal of the corporation in safe custody. He shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(ll) **Chief financial officer.**

The chief financial officer shall attend to the following:

- (i) **Books of account.** The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets', liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.
- (ii) **Deposit and disbursement of money and valuables.** The chief financial officer shall deposit 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 of

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directors; 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 of his transactions as chief financial officer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

- (iii) Bond. If required by the board of directors, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of his office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

ARTICLE X - INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

SECTION 1. DEFINITIONS

For the purpose of this Article,

- (a) "agent" means any person who is or was a director, officer, employee, or other agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor corporation;
- (b) "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and
- (c) "expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

SECTION 2. SUCCESSFUL DEFENSE BY AGENT

To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him, then the provisions of Sections 3 through 5 shall determine whether the agent is entitled to indemnification.

SECTION 3. ACTIONS BROUGHT BY PERSONS OTHER THAN THE CORPORATION.

Subject to the required findings to be made pursuant to Section 5, below, this corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, this corporation, or by an officer, director or person granted related status by the Attorney General, or by the Attorney General on the ground that the defendant director was or is engaging in self-dealing within the meaning of California Corporations Code section 5233, or by the Attorney General or a person granted related status by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of this corporation, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

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SECTION 4. ACTION BROUGHT BY OR ON BEHALF OF THE CORPORATION

(mm) Claims settled out of court.

If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding, unless it is settled with the approval of the Attorney General.

(nn) Claims and suits awarded against agent.

The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of this corporation by reason of the fact that the person is or was an agent of this corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:

- (i) The determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that section; and

Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

SECTION 5. DETERMINATION OF AGENT'S GOOD FAITH CONDUCT

The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

(oo) Required standard of conduct.

The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he believed to be in the best interest of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in the best interest of this corporation or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.

(pp) Manner of determination of good faith conduct.

The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:

- (i) the board of directors by a majority vote of a quorum consisting of directors who are not parties to the proceeding; or
- (ii) the affirmative vote (or written ballot in accord with Article V, Section 9) of a majority of the votes represented and voting at a duly held meeting of members at which a quorum is present (which affirmative votes also constitute a majority of the required quorum); or
- (iii) the court in which the proceeding is or was pending, Such determination may be made on application brought by this corporation or the agent or the attorney or other person rendering a defense to the agent, whether

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or not the application by the agent, attorney, or other person is opposed by this corporation.

SECTION 6. LIMITATIONS

No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5(b) (iii), in any circumstance when it appears:

- (a) That the indemnification or advance would be inconsistent with a provision of the articles, a resolution of the members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

SECTION 7. ADVANCE OF EXPENSES

Expenses incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

SECTION 8. CONTRACTUAL RIGHTS OF NONDIRECTORS AND NONOFFICERS,

Nothing contained in this Article shall affect any right to indemnification to which persons other than directors and officers of this corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

SECTION 9. INSURANCE

The board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability other than for violating provisions against self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against that liability under the provisions of this section.

ARTICLE XI - RECORDS AND REPORTS

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of its members, board, and committees of the board;
- (c) A record of its members, giving their names and addresses and the class of membership held by each.

All such records shall be kept at the corporation's principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state.

SECTION 2. MEMBERS INSPECTION RIGHTS

- (a) (i) Any member of the corporation may inspect and copy the records of members' names and addresses and voting rights during usual business hours on five days' prior written demand on the corporation, stating the purpose for which the inspection rights are requested, or
- (ii) obtain from the secretary of the corporation, on written demand and on the tender of the secretary's usual charges for such a list, if any, a list of names and addresses of members who

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are entitled to vote for the election of directors, and their voting rights, as of the most recent record date for which that list has been compiled, or as of a date specified by the member after the date of demand. The demand shall state the purpose for which the list is requested. This list shall be made available to any such member by the secretary on or before the later of 10 days after the demand is received or the date specified in it as the date by which the list is to be compiled; and

(b) Any member of the corporation may inspect the accounting books and records and minutes of the proceedings of the members and the board and committees of the board, at any reasonable time, for a purpose reasonably related to such person's interest as a member.

(c) Any inspection and copying under this section may be made in person or by an agent or attorney of the member and the right of inspection includes the right to copy and make extracts.

SECTION 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the articles and bylaws as amended to date, which shall be open to inspection by the members at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, on the written request of any member, furnish to that member a copy of the articles and bylaws as amended to date.

SECTION 4. INSPECTION BY DIRECTORS

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

SECTION 5. ANNUAL REPORT TO MEMBERS

(a) Not later than 120 days after the close of the corporation's fiscal year, the board shall cause an annual report to be sent to the members. Such report shall contain the following information in reasonable detail:

- (1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.
- (5) Any information required by Section 6 of this Article.

(b) The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

SECTION 6. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

No later than the time the corporation gives its annual report, if any, to the members, and in any event no later than 120 days after the close of the corporation's fiscal year, the corporation shall prepare and mail

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or deliver to each member a statement of the amount and circumstances of any transaction or indemnification of the following kind:

(a) Any transactions in which the corporation, its parent or its subsidiary was a party, and in which either of the following had a direct or indirect financial interest:

(1) Any director or officer of the corporation, its parent or subsidiary (a mere common directorship shall not be considered such an interest); or

(2) Any holder of more than 10% of the voting power of the corporation, its parent or its subsidiary; if such transaction involved over \$40,000 or was one of a number of transactions with the same person involving in the aggregate, over \$40,000.

(b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation pursuant to Article X hereof, unless such indemnification has already been approved by the members pursuant to Section 5(b) (ii) of Article X.

ARTICLE XII - CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the corporation and a natural person.

ARTICLE XIII - AMENDMENTS

SECTION 1. AMENDMENT BY MEMBERS

New bylaws may be adopted or these bylaws may be amended or repealed by approval of the members or by written assent of these persons.

Further, where any provision of these bylaws requires the vote of a larger proportion of the members than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of members. No amendment may extend the term of a director beyond that for which such director was elected.

SECTION 2. AMENDMENT BY DIRECTORS

Subject to the rights of members under Section 1 of this Article XIII and the limitations set forth below, the board of directors may adopt, amend or repeal bylaws. Such power is subject to the following limitations:

(a) The limitation set forth in Section 1 on the members' power to adopt, amend or repeal bylaws shall apply to actions by the board of directors.

(b) The board of directors may not amend a bylaw provision fixing the authorized number of directors or the minimum and maximum number of directors.

(c) If any provision of these bylaws required the vote of a larger proportion of the directors than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of directors.

(d) The board of directors may not adopt or amend bylaw provisions concerning the following subjects without the approval of the members:

(i) Any provision increasing the terms of directors, or affecting the qualifications of members or of their right to vote or to hold office.

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- (ii) Any provision allowing one or more directors to hold office by designation or selection rather than election by the members;
- (iii) Any provision giving the board of directors' power to fill vacancies on the board created by removal of directors;
- (iv) Any provision increasing the quorum for members' meetings;
- (v) Any provision repealing, restricting, creating or expending proxy rights:

ARTICLE XIV - FISCAL YEAR

The fiscal year of the corporation for accounting and reporting purposes shall be the calendar year unless otherwise required by law.

ARTICLE XV - AFFILIATION

The board of directors may cause the corporation to become affiliated with such local, state or national organizations as it deems advisable.

ARTICLE XVI - RULES OF ORDER

Meetings of the members of the Association and meetings of the Directors shall be governed by Roberts' Rules of Order except as otherwise specified by these bylaws or by California

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of Berkeley Property Owners Association, Inc., a California nonprofit corporation, and the above bylaws consisting of 35 pages, are the bylaws of this corporation as adopted at a meeting of the board of directors held on October 7, 1980.

DATED: October 7, 1980

s/Secretary

AMMENDMENTS TO THE BYLAWS

Amendments: May 4, 1981

If the above proposal is accepted in essence by the Board, a minor bylaws change is necessary in order to permit the Legal Committee to function semi-autonomously as proposed.

Article VIII, Section 3, "Other Committees," should be amended by separate vote of the Board to read as follows:

"The board of directors may establish such other committees as it deems advisable. The board may also, by majority vote, delegate specified powers and responsibilities to such a committee, provided that:

- a. Any such committee shall contain at least two board members as members;
- b. Meetings and actions of such committees are held in accordance with procedures specified in Article VII of these bylaws concerning meetings of directors; and
- c. The board shall not delegate to the committee any power or responsibility which is reserved to the members of the board under California law, the corporation's Articles of Incorporation, or these bylaws."

Respectfully submitted, s/ Margaret C. Phillips

May 4, 1981

Amendments: November 21, 1985, January 2, 1986 & March 1, 1986

NOTES (to accompany March 1, 1986, revision of Bylaws):

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1) On November 21, 1985, the Board amended the Bylaws by adding the following subsections to Article IV.

SECTION 1A. MARRIED MEMBERS. Married couples need only hold a single membership in BPOA to receive membership benefits even though rental property may be owned in the name of either or both partners as individuals. Individuals who are married shall not be considered properly enrolled as members unless all residential rental units owned by both partners, either jointly or individually, within the City of Berkley are declared, and the appropriate membership fee paid.

SECTION 1B. Memberships which involve more than one individual, for example partnerships, corporations and married members, shall only be entitled to the privileges of an individual membership with respect to voting, holding of any official position as an officer or director, or receipt of publications and notices from the association.

SECTION 1C. All membership in the Corporation shall be for one-year periods beginning on the initial dues payment date and subsequent anniversaries thereafter.

On January 2, 1986, the Board amended the Bylaws by adding the following Section 13 to Article V.

Election results will not be official or final until they have been certified to meet all the requirements of these bylaws by the Board of Directors within 14 days after any election, the Board of Directors shall determine the validity of each election result. If any election result is disqualified by the Board of Directors, the member shall be informed within 60 days of the finding of invalidity. Notice to the members shall include a statement of reasons for the disqualification.

At the membership meeting of March 1, 1986, these four amendments were revoked.

2) The third paragraph of Article IV, Section 1, was deleted on November 21, 1985, and reinstated at the membership meeting of March 1, 1986.

3) Article IV, Section 2, Fees, Dues and Assessments originally read:

Each member in good standing must pay, within the time and on the conditions set by the board of directors, the initiation fee and annual dues in amounts to be fixed from time to time by the board of directors.

At the membership meeting of March 1, 1986, it was amended to its present form.

4) Article V, Section 12, Voting of Classes, originally read:

Each regular member shall be entitled to cast one vote on all matters submitted to a vote of the members.

At the membership meeting of March 1, 1986, it was amended to its present form.

5) Article VII, Section 2, originally read:

The authorized number of directors shall be nine. Any member of the Board who misses two successive meetings without cause will automatically forfeit his position on the Board." No person shall be eligible to serve on the board of directors unless he or she has been a member of this corporation for at least one year preceding election to the board. However, this criterion shall not go into effect until the annual meeting in 1982. *Sentence added 1-17-83.

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At the membership meeting of March 1, 1986, it was amended to its present form.

6) Article XIII, Section 2,(d)(i) originally read:

(1) Any provision increasing the terms of directors:

At the membership meeting of March 1, 1986, it was amended to its present form.

7) Article XVI, Rules of order, was added to original by an amendment earlier than March 1, 1986.

8) Article VII, Section 3a. Limits on Debate, was added to original by an amendment earlier than March 1, 1986.

9) The Certificate of Secretary applies only to original Bylaws. However, as of March 1, 1986, the original Bylaws and all available original statements of amendments were examined. From them the attached restatement of the Bylaws, corrected as of that date, and its accompanying notes, were prepared and are believed to be correct.

s/ Charles Lawrence, Secretary.

Amendments: January 11, 1987

NOTE (to accompany amendment of Article VII, Section 2).

10) Article VII, Section 2, originally read as indicated in Note 5. At the membership meeting of March 1, 1986, it was amended to read:

The authorized number of directors shall be nine. Any member of the Board who misses two successive meetings without cause will automatically forfeit his position on the Board. Directors need not be residents of the State of California. No person shall be eligible to serve on the board of directors unless he or she is a member in good standing as of the time of election.

At the membership meeting of January 3, 1987, it was amended to its present form.

CERTIFICATE OF SECRETARY

I am the Secretary of the Berkeley Property Owners Association, Inc. I certify that the foregoing Note 10 correctly describes the amendments to Article VII, Section 2.

January 3, 1987

s/Charles F. Lawrence

Secretary

Amendments: August 6, 1988

NOTE (to accompany amendment of Article III, Section B).

11) At the membership meeting of August 6, 1988, Section B of Article III was amended to read as follows by addition of the material underlined:

B. A further description of this corporation's purposes is to promote the interests of its members and of the multiple housing industry, and to that end, to engage in educational, informational and civic activities, including the initiation and maintenance of appropriate litigation on behalf of its members, that protect and further their rights and encourage private enterprise and the field of housing.

CERTIFICATE OF SECRETARY

Bylaws of the Berkeley Property Owners Association, Inc A California Nonprofit Mutual Benefit Corporation

I am the Secretary of the Berkeley Property Owners Association, Inc. I certify that the foregoing note 11 correctly describes the amendment of Article IZI, Section B, adopted by the membership on August 6, 1988.

December 1, 1988.

s/Charles F. Lawrence

Secretary

Amendments: January 3, 1987

NOTE (to accompany January 11, 1997 revision of the bylaws):

12) Article VII, Section 2, originally read as indicated in Note 10. At the Annual Membership Meeting of January 11, 1997 Article VII, Section 2 was amended to read as follows:

SECTION 2. NUMBER AND QUALIFICATION OF DIRECTORS

The authorized number of directors shall be ~~nine~~ fifteen. Any member of the Board who misses two successive meetings without cause will automatically forfeit his position of the Board. Directors need not be residents of the State of California. No person shall be eligible to serve on the board of directors unless he or she is a member in good standing as of the time of election.

I am the Secretary of the Berkeley Property Owners Association, Inc. I certify that the foregoing Note S 12 and correctly describes the amendment of Article VII, Section 2, adopted by the membership on January 11, 1997.

October 13, 1997

s/Michael St. John, Secretary