

AMENDED AND RESTATED
BYLAWS
OF
BIG SKY ASSOCIATION

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AMENDED AND RESTATED BYLAWS **OF** **BIG SKY ASSOCIATION**

ARTICLE 1: GENERAL PLAN

1.1 Name. The name of the corporation is the Big Sky Association. The principal office of the Association shall be located in Simi Valley, California.

1.2 Definitions and Interpretation. Unless otherwise provided herein, the capitalized terms in these Bylaws have the same meanings as are given to such terms in the Declaration.

1.3 Association Responsibilities. In accordance with the Declaration, the Association is responsible for administering the Properties, maintaining and repairing the Common Area, approving the Budget, establishing and collecting all assessments authorized under the Declaration, providing overall architectural and landscaping control in the Properties, and enforcing the Restrictions.

1.4 Application. The provisions of these Bylaws are applicable to the phased master planned community known as Big Sky, located in Simi Valley, California. All Persons occupying a Residence in the Properties or using the facilities of the Properties in any manner are subject to the Restrictions. By acquiring, renting or occupying any Residence in the Properties the Person doing so signifies that the Person accepts, ratifies and agrees to comply with the Restrictions.

1.5 Limits.

1.5.1 Organization and Activities. The Association is organized exclusively for social welfare purposes within the meaning of Section 501(e)(4) of the Internal Revenue Code ("IRC"). The Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Association. The Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the IRC or the corresponding provision of any future United States internal revenue law.

1.5.2 Political Activities. The Association shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for political office or any proposed legislation.

1.5.3 Assets and Property. The property, assets, profits, and net income of the Association are irrevocably dedicated to social welfare purposes. No part of the earnings of the Association shall ever inure to the benefit of any director, trustee, officer, shareholder or member of the Association or to the benefit of any private individual.

1.5.4 Not for Profit. The Association is not organized, and shall not be operated, for pecuniary gain or profit.

1.5.5 Dissolution. On the winding up and dissolution of the Association, after paying or adequately providing for its debts and obligations, the Association's remaining assets shall be distributed to such organizations organized and operated exclusively for social welfare purposes which have established tax-exempt status under Section 501(c)(4) of the IRC or the corresponding provisions of any future United States internal revenue law.

ARTICLE 2: BOARD OF DIRECTORS

2.1 Number. Until the first election of Directors, the Association's property, business and affairs shall be governed and managed by a Board of Directors composed of three (3) Persons. Commencing with the first election of Directors, the property, business and affairs of the Association shall be governed and managed by a Board of Directors composed of five (5) Persons, each of whom except for those appointed by Declarant, must be an Owner of a Lot in the Properties. The authorized number of Directors may be changed by a duly adopted amendment to the Bylaws.

2.2 Qualifications for Holding Office. Directors are encouraged to satisfy the following requirements while they serve in office:

- (a) Not be absent from three (3) consecutive meetings of the Board;
- (b) Attend at least seventy five percent (75%) of the Board meetings held each year and attend the entire meeting time;
- (c) Exhibit respect, professionalism and courteous behavior to Owners, committee members, vendors, the Manager and its staff, and any other Persons associated with or retained by the Association;
- (d) Be a Member in good standing; and
- (e) Participate in education programs provided to the Directors by the Association.

2.3 Term of Office. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. The term of office of the three (3) Directors receiving the highest number of votes at the first election shall be three (3) years and the term of office of the two (2) Directors receiving the next highest number of votes at the first election shall be two (2) years. Thereafter, new Directors shall be elected or appointed to fill any vacancies. The

term of office of each Director elected to fill a vacancy created by the expiration of the term of office of the respective past Director shall be three (3) years. The term of office of each Director elected or appointed to fill a vacancy created for any other reason shall be the balance of the unserved term of the Director's predecessor. Any Director may be reelected. There is no limit on the number of terms which a Director may serve.

2.4 Elections.

2.4.1 Nomination Procedure. The Board may establish nomination procedures and reasonable time frames for receiving nominations in the Rules and Regulations. The date set for close of nominations must be not less than fifty (50) nor more than one hundred twenty (120) days before the date of the Directors election (the "Election Meeting"). No nominations for the Board can be made after the date set for the close of nominations. A slate of candidates ("Slate of Candidates") must be prepared and distributed to the Members based on the nominations that comply with the nomination guidelines established by the Board. If more qualified people are nominated than there are positions to be filled, an election shall be held in accordance with the procedure established in this Section 2.4. IL after the close of nominations, the number of qualified people nominated for the Board is not more than the number of positions to be filled, the Association may, without further action, declare those nominated and qualified to be elected.

2.4.2 Election Meeting. The Board of Directors shall set the date for each Election Meeting. The date for the first Election Meeting must be set within one (1) year after the first Close of Escrow in the Properties. Each subsequent Election Meeting must be held within the sixty (60) days preceding the date on which any Director's term of office will expire. Notice of date of each Election Meeting must be distributed to the Members no less than ten (10) nor more than ninety (90) days before the date of the Election Meeting. The quorum for Election Meetings is twenty-five percent (25%) of the voting power of the Association. The Board may establish additional guidelines for holding Election Meetings in the Rules and Regulations.

2.4.3 Record Dates. The Board may fix a date as a record date for determining Members entitled to notice of each Election Meeting. The record date so fixed must be not more than ninety (90) nor less than ten (10) days prior to the date of the Election Meeting. If the Board does not fix a record date, the record date is the close of business on the business day preceding the day on which notice is given. The Board may also fix a date as a record date for determining Members entitled to vote at the Election Meeting. The record date so fixed must be not more than sixty (60) days prior to the date of the Election Meeting. If the Board does not fix a record date, the record date is the day on which the Election Meeting is held.

2.4.4 Voting by Proxy. Votes may be cast in person or by proxy. All proxies must be in writing, signed, dated and filed with the Secretary in advance of the meeting. Every proxy is revocable and automatically ceases after completion of the Election Meeting for which the proxy was provided. Any form of proxy distributed must afford the opportunity to choose among all of the candidates listed on the Slate of Candidates. The proxy must provide that, when the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy must also identify the length of time it will be valid and the Person authorized to exercise it.

2.4.5 Cumulative Voting. Cumulative voting must be used in the election of Directors for any election in which two (2) or more Directors are be selected. To cumulate votes, Members may cast a number of votes equal to the Member's share of the voting power multiplied by the number of Directors to be elected.

2.4.6 Voting Reports. To verify compliance with the voting requirements of this Section 2.4, the Board may require each Person exercising proxy rights to execute a certification providing the following information: (i) the total number of Class A and Class B votes represented by such Person; and (ii) the total number of Class A and Class B votes which are cast for individual candidates. The Board may establish rules for the certifications and proxy rights in the Rules and Regulations.

2.4.7 Special Election Requirement. So long as either (a) Declarant or any Guest Builder is entitled to exercise a Class B vote, (b) Declarant is entitled to exercise a Class C appointment right, or (c) Declarant and all of the Guest Builders collectively are entitled to exercise a majority of the Association's voting power, not less than twenty percent (20%) of the members of the Board must be elected solely by the votes of Members other than Declarant and the Guest Builders.

2.5 Replacement Meetings. If a vacancy in the Board of Directors exists, a replacement Director may be elected at a "Replacement Meeting." The procedure for calling and holding a Replacement Meeting shall be the same as that for an Election Meeting, subject to the following modifications. The Board shall call a Replacement Meeting (a) as directed by resolution of a majority of a quorum of the Board, (b) by request of the President of the Association, or (c) upon receipt of a petition signed by Members holding at least five percent (5%) of the Association's voting power. The Secretary shall give notice of any Replacement Meeting within twenty (20) days after adoption of such resolution or receipt of such request or petition. -The notice must state the date, time, place and purpose of the Replacement Meeting. The Replacement Meeting must be held not less than thirty-five (35) nor more than ninety (90) days after adoption of such resolution or receipt of such request or petition. No business may be transacted at the Replacement Meeting except as stated in the notice. The quorum for Replacement Meetings is twenty-five percent (25%) of the voting power of the Association. The Board may establish procedures for identifying a Slate of Candidates and collecting proxies for Replacement Meetings in the Rules and Regulations. The Board may establish record dates for receipt of notice of Replacement Meetings and for voting at Replacement Meetings within time frames comparable to those for Election Meetings.

2.6 Vacancies. Until termination of the Class C Membership, a vacancy in the office of a Director who was appointed by the Class C Member shall be filled only by an appointee of the Class C Member. Any vacancies on the Board caused by removal of a Director or by a vote of the Members must be filled by the Members in an Election Meeting or a Replacement Meeting. All other vacancies on the Board caused by any other reason may be filled by vote of a majority of the remaining Directors, even though they may constitute less than a quorum. A Director may resign at any time by giving written notice to the President, the Secretary or the Board. Any such resignation is effective on the date of receipt of such notice or at any later time specified therein. Unless specified in the notice, acceptance of the resignation by the Board is not necessary to make it effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office when the resignation becomes effective. A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death or resignation Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court, convicted of a felony or found by a final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Corporation Law; (c) the increase of the authorized number of Directors; (d) the failure at any Election Meeting or Replacement Meeting to elect the number of Directors required to be elected at such meeting; or (e) the occurrence of any other events resulting in a vacancy as provided under the California Nonprofit Corporation Law. Any vacancy not filled by the Directors may be filled at an Election Meeting or Replacement Meeting.

2.7 Removal of Directors. Any Director or the entire Board may be removed prior to the expiration of their terms of office with or without cause as follows: (i) for so long as fewer than fifty (50) Lots are included within the Properties, by Members holding a majority of the Association's voting power

(including votes attributable to Declarant and the Guest Builders), and (ii) once fifty (50) or more Lots are included within the Properties, by a majority of a quorum of the Members. However, if the entire Board is not removed as a group pursuant to a single vote, no individual Director may be removed if the number of votes cast against his removal would be sufficient to elect such Director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Directors authorized at the time of the Director's most recent election were then being elected. Any Director whose removal has been proposed must be given an opportunity to be heard. Any Director who has been elected to office solely by the votes attributable to Members other than Declarant or the Guest Builders may be removed from office prior to the expiration of his term of office only by the votes attributable to Members holding at least a simple majority of the Association's voting power, excluding votes of Declarant and the Guest Builders. Any Director who has been elected solely the Class C Member may be removed from office prior to the expiration of his term of office only by the Class C Member.

2.8 General Powers and Duties. The Board has the powers and duties necessary to conduct, manage and control the Association's affairs. All of the Association's powers, including those enumerated in Sections 4.2 and 4.3 of the Declaration, shall be exercised by its Board of Directors except those powers reserved in specific provisions of the Articles, these Bylaws, the Declaration or any Supplemental Declaration, to the Members or Design Review Committee or delegated by the Board pursuant to Section 2.9.7. All of the powers and duties of the Board shall be exercised in accordance with the standards established in Section 4.3.1 of the Declaration.

2.9 Special Powers and Duties. Without limiting the scope of the Board's general powers and duties, the Board is also granted the following powers and duties.

2.9.1 Officers, Agents and Employees. The power and duty to select, appoint and remove all Association officers, agents and employees, to prescribe such powers and duties for them consistent with law and with the Restrictions, to fix their compensation, to require from them security for faithful service when the Board deems advisable, and to contract to provide them with such indemnification from the Association as the Board determines is appropriate.

2.9.2 Contracts. The power to enter into contracts. This includes the power and duty to contract and pay for maintenance, landscaping, utilities, materials, supplies and services relating to the Common Area, to retain Persons necessary to operate the Properties, including legal and accounting services, to contract and pay for Improvements on the Common Area, and to contract to provide services to areas outside of the Properties when the Board determines that the Association will be appropriately compensated and providing the services will not unreasonably burden the Association. However, the Board may not enter into any contract with a third Person wherein the third Person will furnish goods or services for the Common Area or the Association without the vote or written consent of Members except for the following:

(a) Terminable Agreements. Agreements that are terminable by the Association without cause, penalty or other obligation upon not more than ninety (90) days written notice,

(b) Public Utilities. A contract with a public utility company for a term that does not exceed the shortest term for which the public utility company will contract at the regulated rate if the rates charged for the materials or services are regulated by the California Public Utilities Commission,

(c) Insurance. Casualty or liability insurance policies of not more than three (3) years' duration provided that the policies permit short-term cancellation by the Association,

(d) Communication Systems. Agreements for television services, satellite dish services, communication services, high speed data transfer, computer services, telephony or comparable technology and equipment with terms not in excess often (10) years, provided that Declarant does not have a direct or indirect ownership interest in the supplier of such services or equipment equal to or

greater than ten percent (10%),

(e) Alarms. Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services with terms not in excess of five (5) years, provided that Declarant does not have a direct or indirect ownership interest in the supplier of such services or equipment equal to or greater than ten percent (10%),

(f) Nonprofit Corporations and Local Governmental Agencies. Agreements with any nonprofit corporations or Local Governmental Agencies,

(g) Contingency Agreements. Contracts in which the Association enters into litigation or any alternative dispute resolution procedure when the Association's obligation to pay for services is set in whole or in part on a contingency basis only if they are (i) contracts for collection of assessments or other accounts receivable, (ii) or contracts involving evaluation of services, or (iii) contracts with a total amount to be paid by the Association not in excess of Forty Thousand Dollars (\$40,000.00), and

(h) ORE Approval. Agreements approved by the DRE.

2.9.3 Principal Office, Place of Meetings, Seal. The power but not the duty to change the principal office for the transaction of the Association's business from one location to another within the County; to designate any place within the County for the holding of any meetings of Members; to adopt and use a corporate seal and to alter the form of such seal as the Board, in its sole judgment, deems best, provided that such seal must at all times comply with the provisions of law.

2.9.4 Assessments. The power and duty to fix, levy and collect Assessments, as provided in the Declaration. Subject to any limits imposed by the Restrictions, the Board may incur expenditures for any permitted purpose and provide, or cause to be provided, adequate reserves for replacements as it deems to be necessary or advisable in the Association's interest or its Members' welfare. The funds collected by the Board from the Members for replacement reserves, maintenance recurring less frequently than annually, and capital Improvements, is at all times held in trust for the Members. Disbursements from such trust reserve fund may only be made in accordance with the Declaration.

2.9.5 Enforcement. The power to enforce the Restrictions and any agreements entered into by the Association and to impose sanctions against members for violations of the Restrictions as authorized in Article VII.

2.9.6 Insurance. The power and duty to contract and pay for insurance in accordance with the Declaration, covering and protecting against such damages or injuries as the Board deems advisable (which coverage may include medical expenses of Persons injured on the Common Area).

2.9.7 Delegation. The power but not the duty to delegate its powers according to law.

2.9.8 Restrictions. The power to adopt these Bylaws and amend these Bylaws as authorized in Section 6.1 hereof along with the power to adopt, amend or restate such other Restrictions as authorized in the Declaration or any Supplemental Declaration.

(a) Conveyances. The power but not the duty to grant or quitclaim exclusive or nonexclusive easements, licenses or rights of way in, on, or over the Common Area for purposes consistent with the intended use of the Properties as a master planned community.

(b) Records. The power and duty to keep, or cause to be kept, a complete record of the Association acts and corporate affairs.

(c) Sale of Property. The power but not the duty to sell property of the Association; however, the approval of Members holding at least a majority of the voting power of the Association must be obtained to sell during any Fiscal Year property of the Association having an aggregate fair market value greater than five percent (5%) of the Association's budgeted gross expenses for that Fiscal Year.

(d) Agreements wit/i Declarant or Guest Builders. The power but not the duty to negotiate and enter

into subsidy agreements or maintenance agreements with Declarant and Guest Builders approved by the DRE.

(e) Manager. The power to engage a Manager for the Association at a compensation established by the Board to fulfill such duties and provide such services as the Board authorizes.

2.10 Books, Audit. The Board shall distribute the following financial information to all Members and any Beneficiary, insurer and guarantor of a first Mortgage upon request. The financial information required by Sections 2.10.1 and 2.10.2 should be prepared separately for each Designated Services Area and the General Assessment Component of Common Assessments.

2.10.1 Budget. A pro forma operating budget for each Fiscal Year consisting of at least the following information must be distributed not less than forty-five (45) nor more than sixty (60) days prior to the beginning of the Fiscal Year:

- (a) The estimated revenue and Expenses computed on an accrual basis.
- (b) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to Section 1365.5 of the California Civil Code, which must be printed in bold type and include all of the following:
 - (i) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component of the Common Area for which the Association is responsible.
 - (ii) As of the end of the Fiscal Year for which the study is prepared:
 - (1) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components of the Common Area for which the Association is responsible ("Estimated Reserves").
 - (2) The current amount of accumulated cash reserves actually set aside to repair, replace, restore or maintain the major components of the Common Area for which the Association is responsible ("Actual Reserves").
 - (iii) The percentage that the Actual Reserves is of the Estimated Reserves.
- (c) A statement as to whether the Board has determined or anticipates that the levy of one or more Capital Improvement or Reconstruction Assessments will be required to repair, replace, or restore any major component of the Common Area for which the Association is responsible or to provide adequate reserves therefor.
- (d) A general statement setting forth the procedures used by the Board in calculating and establishing reserves to defray the costs of repair and replacement of, or additions to, major components of the Common Area and facilities for which the Association is responsible.
- (e) The Board may distribute a summary of the Budget in lieu of the Budget itself, so long as the Board complies with the provisions of Section 1365(c) of the California Civil Code.

2.10.2 Financial Report. A report consisting of the following must be distributed within one hundred twenty (120) days after the close of the Fiscal Year;

- (a) A balance sheet as of the end of the Fiscal Year.
- (b) An operating (income) statement for the Fiscal Year.
- (c) A statement of changes in financial position for the Fiscal Year.
- (d) Any information required to be reported under Section 6322 of the California Corporations Code.
- (e) For any Fiscal Year in which the Association's gross income exceeds \$75,000, a copy of a review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. (1) A statement of the place where the names and addresses of the Members are located. If the report referred to in this Section 2.10.2 is not prepared by an independent accountant, it must be accompanied by the certificate of an authorized Association officer stating that the report was prepared from the Association's books and records without independent audit or review.

2.10.3 Insurance Information. The Association shall distribute to all of its Members a summary of the Association's property, general liability, and earthquake and flood insurance policies, if any, which shall be distributed within sixty (60) days preceding the beginning of the Association's fiscal year. The summary must include all of the following about each policy: (i) the name of the insurer, (ii) the type of insurance, (iii) the policy limits of the insurance, and (iv) the amount of deductibles, if any.

(a) The Association shall notify its Members in the manner and at the times required by law if any of the policies described above have lapsed, been canceled, and are not immediately renewed or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, for any of those policies. If the Association receives any notice of nonrenewal of a policy described above, the Association shall immediately notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

(b) To the extent that any of the information required to be disclosed is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it to all of its Members.

(c) The summary distributed above shall contain, in at least 10-point boldface type, the statement required by Section 1365 of the California Civil Code.

2.10.4 Enforcement Policies. In addition to financial statements, the Board shall annually distribute within sixty (60) days prior to the beginning of the Fiscal Year a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of Assessments.

2.10.5 Reconciliations. The Board shall do the following on at least a quarterly basis: (1) cause to be completed and review a current reconciliation of the Association's operating and reserve accounts, (2) review the current Fiscal Year's actual reserve revenues and expenses compared to the Budget for the then current Fiscal Year, (3) review the income and expense statement for the Association's operating and reserve accounts, and (4) review the most current account statements prepared by the financial institutions where the Association maintains its operating and reserve accounts. The signatures of either (i) two (2) Directors, or (ii) one (1) Director and one (1) Association officer who is not also a Director are required for withdrawal of money from the Association's reserve accounts. As used in this paragraph, the term "reserve accounts" means monies that the Board has identified from its Budget for use to defray the expense of future repair and replacement of, or additions to, those major components of the Common Area which the Association is obligated to maintain.

2.10.6 Reserve Study. The Board shall cause a study of the reserve account requirements and an inspection of the Properties to be conducted in accordance with Section 1365.5(e) of the California Civil Code. As used in this paragraph, "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified time to repair, replace or restore those major components which the Association is obligated to maintain.

2.11 Compensation. Directors may not receive any salary or compensations for their services as Directors unless such compensation is approved by Members holding at least a majority of the voting power of the Association; however, (i) nothing in these Bylaws precludes any Director from serving the Association in some other capacity and receiving compensation therefor, (ii) any Director may be reimbursed for actual expenses incurred in performance of Association duties, and (iii) no officer, employee or director of Declarant, a Guest Builder or any affiliate of Declarant or a Guest Builder may receive any compensation as a Director of the Association.

2.12 Meetings.

2.12.1 Attendance. Any meeting of the Board may be held by conference telephone or through use of

any other communication equipment, so long as the requirements for attendance at a meeting through the selected method established by the California Corporations Code are met. In these cases, all Directors will be deemed to be present in Person at the meeting.

2.12.2 Organization Meeting of Board. The first regular meeting of a newly elected Board ("Organization Meeting") must be held within ten (10) days of election of the Board, at such place as is fixed and announced by the Directors when such Directors were elected, for the purpose of organization, election of officers and the transaction of other business. No notice is necessary to the newly elected Directors in order legally to constitute such meeting; however (a) a majority of the whole Board is present when the time and place are announced and (b) the meeting is held on the same day and at the same place as the meeting of the Members at which the newly constituted Board was elected.

2.12.3 Regular Meetings of Board. Regular meetings of the Board must be open to all Members to the extent of space available. Regular meetings may be held at such time and place within the Properties as is determined by a resolution adopted by a majority of a quorum of the Directors; however, such meetings must be held no less frequently than quarterly. Regular meetings of the Board may be held without notice to the Board if the time and place of such meetings are fixed by the Board. Otherwise, notice of regular meetings must be given in the manner required for special meetings of the Board by Section 2.12.4.

2.12.4 Special Meetings of Board. Special meetings may be called by the President or by any two (2) Directors upon four (4) days' notice to Board members by first-class mail or forty-eight (48) hours' notice to Board members delivered personally or by telephone, including a voice messaging system or other system of technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. The notice must state the time, place and purpose of the meeting.

2.12.5 Executive Sessions. The Board may convene in executive session to discuss and vote upon personnel matters, litigation, matters relating to the formation of contracts with third parties, or Member discipline. The nature of all business to be considered in executive session must first be announced in an open session and must be generally noted in the minutes of the Board. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested by that Member. The Member may attend the executive session.

2.12.6 Other Meetings of the Board. Any congregation of a majority of the members of the Board at the same time and place to hear, discuss, or deliberate upon any item of business scheduled to be heard by the Board, except those matters that may be discussed in executive session, shall constitute a meeting of the Board. All Members shall have the right to attend any regular, special or other meeting of the Board to the extent of space available, except an executive session. Members who are not Directors may not participate in any deliberation or discussion at such meetings unless authorized by a vote of a majority of a quorum of the Board. However, at each Board meeting, except for executive sessions, the Board must set aside time for Members to speak, subject to reasonable time limitations imposed by the Board.

2.12.7 Notice to Members. Members shall be given at least four (4) days advance notice of the time and place of any meeting of the Board, except emergency meetings defined in this Section. Notice required by this Section may be given by posting the notice in a prominent place or places within the Common Area, by mail or delivery of the notice to each Residence in the Properties, or by newsletter or other similar means of communication. If there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board and which of necessity make it not practical to provide notice to the Members, then an emergency meeting of the Board may be

called by the President or any two (2) other members of the Board without providing notice to the Members.

2.12.8 Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive personal notice of such meeting and such waiver is equivalent to the giving of notice to such Director. Attendance by a Director at any Board meeting waives personal notice by him of the time and place thereof. If all the Directors are present at any Board meeting, no notice to Directors is required and any business may be transacted at such meeting. The transactions of any Board meeting, however called and noticed or wherever held, are valid as if they occurred at a meeting duly held after regular call and notice, if (a) a quorum is present, (b) notice to the Members of such meeting was provided if required by Section 2.12.7, and (c) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. The Secretary shall file all waivers, consents and approvals with the Association's records or make them a part of the minutes of the meeting.

2.13 Action Without Meeting. The Board may act without a meeting if all Directors consent in writing to such action. Written consents must be filed with the minutes of the proceedings of the Board. Action by written consent has the same effect as a unanimous vote of the Directors. Within three (3) days after the written consents of all Directors have been obtained, an explanation of any action taken by unanimous written consent without a meeting must be either (a) posted by the Board in a prominent place or places in the Common Area, or (b) communicated to the Members by another means the Board determines is appropriate.

2.14 Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board, a majority of the Directors constitutes a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present are the acts of the Board. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting to another time. At any such reconvened meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice if a quorum is present.

2.15 Committees. The Board may by resolution designate such advisory and other committees as it desires, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee must (a) provide for the appointment of its members and a chairman, (b) state the purposes of the committee, and (c) provide for reports, termination and other administrative matters the Board deems appropriate. All committees are required to keep minutes of their meetings. Committee meeting minutes shall be maintained at the Association's principal office or at such other place as the Board may designate.

ARTICLE 3: OFFICERS

3.1 Designation. The Association's principal officers are a President, a Vice President, a Secretary, and a Chief Financial Officer, all elected by the Board. The Board may appoint an Assistant Financial Officer, an Assistant Secretary and such other officers as it determines to be necessary. Officers other than the President need not be Directors. Any Person may hold more than one office except one Person cannot be both the Secretary and the Chief Financial Officer.

3.2 Election of Officers. The Board shall annually elect the Association's officers at the new Board's Organization Meeting. Each officer shall hold his office at the pleasure of the Board, until he resigns or is removed or otherwise disqualified to serve or his successor is elected and qualified to serve.

3.3 Removal of Officers. Upon an affirmative vote of a majority of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary. Any such resignation is effective on the date of receipt of such notice or at any later time specified therein. Unless specified in the notice, acceptance of the resignation by the Board is not necessary to make it effective.

3.4 Compensation. Officers may not receive any salary or compensation for their services as officers unless such compensation is approved by Members holding at least a majority of the voting power of the Association; however (i) nothing in these Bylaws precludes any officer from serving the Association in some other capacity and receiving compensation therefor, (ii) any officer may be reimbursed for actual expenses incurred in the performance of Association duties, and (iii) no officer, employee or director of Declarant, a Guest Builder or any affiliate of Declarant or Guest Builder may receive any compensation for service as an officer of the Association.

3.5 President. The President is the chief executive officer of the Association and is responsible for presiding at all Association and Board meetings, exercising all of the general powers and duties which are usually vested in the office of the President of a corporation, including but not limited to the power to appoint committees from among the Members as he decides are appropriate to assist in the conduct of Association affairs, subject to the control of the Board, exercising general supervision, direction and control of Association business, and exercising such other powers and duties as are prescribed by the Board or these Bylaws.

3.6 Vice President. The Vice President shall take the President's place and perform the President's duties whenever the President is absent, disabled, refuses or is unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as imposed by the Board or these Bylaws.

3.7 Secretary. The Secretary is responsible for ensuring minutes of all meetings of the Board, and Association committee meetings are taken and maintained at the Association's principal office or such other place as the Board may direct, keeping the Association's seal in safe custody, keeping charge of such books and papers as the Board may direct, giving, or causing to be given, notices of meetings of the Members and the Board required by these Bylaws or by law to be given, maintaining or causing to be maintained a record book of Members, listing the names, mailing addresses and telephone numbers of the Members as furnished to the Association ("Membership Register") and recording or causing to be recorded the termination or transfer of ownership by any Member in the Membership Register, together with the date of the transfer, and in general, performing all of the duties incident to the office of Secretary, and performing such other duties as prescribed by the Board or these Bylaws.

3.8 Chief Financial Officer. The Chief Financial Officer is responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association, being responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as the Board designates, disbursing the Association's funds as ordered by the Board, rendering to the President and Directors, upon request, an account of all transactions as Chief Financial Officer and of the Association's financial condition, and exercising such other powers and performing such other duties prescribed by the Board or these Bylaws.

ARTICLE 4: OWNERS

4.1 Voting Rights. The Association has two (2) classes of voting Membership, and one (I) class of appointment right Membership, as described in the Declaration. Except as provided in Section 2.4.7, any provision of the Bylaws which requires the vote or written consent of a specified percentage of the Association's voting power before action may be undertaken (i.e., other than actions requiring merely the vote or written consent of a majority of a quorum) requires the approval of such specified percentage of (a) each class of Membership so long as a Class B Membership exists, and (b) both the Association's total voting power and the Association's voting power represented by Owners other than Declarant and Guest Builders.

4.2 Majority Of Quorum. Unless otherwise provided in the Restrictions, any action which may be taken by the Association may be taken by a majority of a quorum of the Owners.

4.3 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of at least twenty-five percent (25%) of the Association's voting power constitutes a quorum of the Membership. Owners present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, despite the withdrawal of enough Owners to leave less than a quorum, if any action taken (other than adjournment) is at least a majority of approved by a quorum. If a meeting is actually attended, in person or by proxy, by Owners having less than one-third (1/3) of the Association's voting power, then no matter may be voted on except matters which were generally described in the notice of the meeting. No action by the Owners on any matter is effective if the votes cast in favor are fewer than the minimum number of votes required by the Restrictions to approve the action.

4.4 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary in advance of each meeting. Every proxy is revocable and automatically ceases after completion of the meeting for which the proxy was filed. Any form of proxy or written ballot distributed by any Person to the Owners must afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted on, except it is not mandatory that a candidate for election to the Board be named in the proxy or written ballot. The proxy or written ballot must provide that, when the Owner specifies a choice, the vote shall be cast in accordance with that choice. The proxy must also identify the person authorized to exercise the proxy and the length of time it will be valid. No proxy is valid with respect to a vote on any matter described in Section 7613(g) of the California Corporations Code unless the general nature of the proposal was described in the proxy.

4.5 Place Of Meetings Of Owners. Meetings of the Owners shall be held on the Properties, or such other suitable place as proximate thereto as practical and convenient to the Owners, as designated by the Board.

4.6 Annual Meetings Of Owners. The first annual meeting of Owners shall be held no later than one (1) year after the first Close of Escrow in the Properties. Thereafter, the annual meetings shall be held on or about the anniversary date of the first annual meeting. Each first Mortgagee may designate a representative to attend all annual meetings.

4.7 Special Meetings Of Owners. The Board shall call a special meeting of the Owners (a) as directed by resolution of a majority of a quorum of the Board, (b) by request of the President of the Association, or (c) on receipt of a petition signed by Owners representing at least five percent (5%) of the Association's total voting power. The Secretary shall give notice of any special meeting within twenty (20) days after adoption of such resolution or receipt of such request or petition. The notice must state the date, time and place of the special meeting and the general nature of the business to be transacted.

The special meeting must be held not less than thirty-five (35) nor more than ninety (90) days after adoption of such resolution or receipt of such request or petition. No business may be transacted at a special meeting except as stated in the notice. Each first Mortgagee may designate a representative to attend all special meetings.

4.8 Notice. The Secretary shall send to each Owner of record, and to each first Mortgagee who has filed a written request for notice with the Secretary, a notice of each annual or special meeting. The notice must be sent by first-class mail, or by any other written means of communication, including by a system of technology designed to record and communicate messages, telegraph, facsimile, electronic mail or other electronic means, at least ten (10) but not more than thirty (30) days before the meeting. The notice must state the purpose for the meeting as well as the day, hour and place where it is to be held. The notice may establish time limits for speakers and nominating procedures for the meeting. The notice must specify those matters the Board intends to present for action by the Owners, but, except as otherwise provided by law, any proper matter may be presented for action at the meeting. The notice of any meeting at which Directors are to be elected must include the names of all nominees when the notice is given to the Owners. Once a notice is sent, it shall be considered received forty-eight (48) hours after the notice has been sent. Notwithstanding any other provision of these Bylaws, approval by the Owners of any of the following proposals, other than by unanimous approval of those Owners entitled to vote, is not valid unless the general nature of the proposal was stated in the notice or in any written waiver of the notice: (a) removing a Director without cause; (b) filling vacancies on the Board; (c) approving a contract or transaction between the Association and one or more Directors, or between the Association and any entity in which a Director has a material financial interest; (d) amendment of the Articles; or (e) electing to wind up and dissolve the Association.

4.9 Record Dates. The Board may fix a date as a record date for determining which Owners are entitled to notice of any meeting of Owners. The record date so fixed must be not less than ten (10) nor more than sixty (60) days before the date of the meeting or the date the written ballot is distributed. If the Board does not fix a record date for notice to Owners, the record date for notice is the close of business on the business day preceding the day on which notice is given. In addition, the Board may fix a date in the future as a record date for determining the Members entitled to vote at any meeting of the Owners or by written ballot. The record date so fixed must be not more than sixty (60) days prior to the date of the meeting or cut off date for receipt of the ballot. If the Board does not fix a record date for determining Members entitled to vote, Members on the day of the meeting or the date the written ballot is distributed who are otherwise eligible to vote are entitled to vote at the meeting.

4.10 Adjourned Meetings. If a quorum is not present at the time and place established for a meeting, a majority of the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not more than forty-five (45) days from the original meeting date, at which meeting the quorum requirement is the presence in person or by proxy of Owners holding at least twenty percent (20%) of the Association's voting power. Such an adjourned meeting may be held without the notice required by these Bylaws if notice thereof is given by announcement at the meeting at which such adjournment is taken.

4.11 Order Of Business. Meetings of Owners must be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. The order of business at all meetings of the Owners is as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of- notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of Directors (at annual meetings or special meetings held for such purpose); (g) unfinished business; and (h) new business.

4.12 Action Without Meeting. Except for election of Directors, any action which may be taken at a

meeting of the Owners may be taken without a meeting by written ballot of the Owners. Ballots must be solicited in the same manner as provided in these Bylaws for giving of notice of meetings to Owners. Such solicitations must specify (a) the number of responses needed to meet the quorum requirements, (b) the percentage of approvals necessary to approve the action, and (c) the time by which ballots must be received to be counted. The form of written ballot must afford an opportunity to specify a choice between approval and disapproval of each matter and must provide that, where the Owner specifies a choice, the vote shall be cast in accordance therewith. Receipt within the time period specified in the solicitation of (i) ballots which equal or exceed the quorum which would be required if the action were taken at a meeting, and (ii) approvals which equal or exceed the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast, constitutes approval by written ballot.

4.13 Consent Of Absentees. The actions taken at any meeting of Owners, however called and noticed, are valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present either in person or by proxy, and (b) either before or after the meeting, each of the Owners not present in person or by proxy signs (i) a written waiver of notice, (ii) a consent to the holding of such meeting, or (iii) an approval of the minutes thereof. The Secretary shall file all such waivers, consents or approvals with the corporate records or make them a part of the minutes of the meeting.

4.14 Minutes, Presumption Of Notice. Minutes or a similar record of the proceedings of meetings of Owners, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters described therein. A recitation in the Minutes executed by the Secretary that proper notice of the meeting was given constitutes prima facie evidence that such notice was given.

4.15 Provisions Applicable to Designated Services Area Actions.

4.15.1 Calling Meetings. The Board shall call a meeting of the Members in a Designated Services Area (a) as directed by resolution of a majority of a quorum of the Board, (b) by request of the President of the Association, or (c) upon receipt of a petition signed by Members representing at least five percent (5%) of the Association's voting power in the Designated Services Area. The Secretary shall give notice of any meeting within twenty (20) days after adoption of such resolution or receipt of such request or petition. The notice must state the date, time and places of such meeting and the general nature of the business to be transacted. The meeting must be held not less than thirty-five (35) nor more than ninety (90) days after adoption of such resolution or receipt of such request or petition. No business may be transacted at a meeting except as stated in the notice.

4.15.2 Notice. The Secretary shall send a notice of each meeting delivered personally, by first class mail or by any other written means of communication, including by a system of technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, stating the purpose of the meeting and hour and place(s) where the meeting is to be held, to each Member of record in the Designated Services Area, at least ten (10) but not more than ninety (90) days prior to such meeting. The notice may set forth time limits for speakers and other procedures for running the meeting. The notice must specify those matters the Board intends to present for action by the Members. Once a notice is sent, it shall be considered received forty-eight (48) hours after being sent.

4.15.3 Record Dates. The Board may fix a date as a record date for determining which Members are entitled to notice of any meeting of a Designated Services Area. The record date so fixed must be not less than ten (10) nor more than sixty (60) days prior to the date of the meeting. If the Board does not fix a record date for notice, the record date is the close of business on the business day preceding the day on which notice is given. In addition, the Board may fix a date in the future as a record date for determining the Members entitled to vote at any meeting of a Designated Services Area or by written ballot. The

record date so fixed must be not more than sixty (60) days prior to the date of the meeting or cut off date for receipt of the ballot. If the Board does not fix a record date for determining Members entitled to vote, Members on the day of the meeting or the date the written ballot is distributed who are otherwise eligible to vote are entitled to vote at the meeting.

4.15.4 Action By Written Ballot. Any action which may be taken at a meeting of the Members in a Designated Services Area may be taken without a meeting by written ballot. Ballots must be solicited and returned in the same manner as provided for the giving of notice of meetings. Such solicitations must specify (a) the number of responses needed to meet the quorum requirements, (b) the percentage of approvals necessary to approve the action, and (c) the time by which ballots must be received in order to be counted. The ballot must afford an opportunity to specify a choice between approval and disapproval of each matter and must provide that, where the Member specifies a choice, the vote shall be recorded in accordance therewith. Receipt within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting, and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast, constitutes approval by written ballot. For each issue submitted to the Members in a Designated Services Area for vote by written ballot, the Board will prepare and distribute (i) a statement describing the proposal and potential arguments for and against the proposal, (ii) a form of written ballot, and (iii) any other information required by law.

4.15.5 Consent of Absentees. The transactions of any meeting of Members in a Designated Services Area, however called and noticed, are as valid as though had at a meeting duly held after regular call and notice, if (a) a quorum is present either in person or by proxy, and (b) either before or after the meeting, each of the Members not present in person or by proxy signs (i) a written waiver of notice, (ii) a consent to the holding of such meeting, or (iii) an approval of the minutes thereof. The Secretary shall file all such waivers, consents or approvals with the corporate records or make them a part of the minutes of the meeting.

4.15.6 Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members in a Designated Services Area, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the Minutes executed by the Secretary that notice of the meeting was properly given constitutes prima facie evidence that such notice was given.

ARTICLE 5: AMENDMENTS TO BYLAWS

5.1 Board Approval. These Bylaws may be amended by a majority of the Board, (i) at any time prior to the Close of Escrow for the sale of the first Lot or Condominium, or (ii) if the proposed amendment conforms the Bylaws to the requirements of VA, FHA, DRE, FNIVIA, GNMA or FFILMC and is within the Board's power to adopt without Member approval pursuant to the California Corporations Code. My other amendment to these Bylaws requires approval by a majority of the Board and any other approvals required by Sections 5.2 and 5.3.

5.2 Member Approval. Sections 4.1, 5.2, 5.3, 5.4, 6.2, and 6.3 and Articles II and IV and this Section 5.2 may not be amended without the approval of a majority of the voting power of the Association.

5.3 Declarant Approval. These Bylaws may not be amended without the written consent of Declarant until the date on which neither Declarant nor Guest Builders own or has a Mortgage interest in any portion of the Properties or the Annexable Territory.

ARTICLE 6: MISCELLANEOUS

6.1 Conflicting Provisions. In case of any conflict between the Articles and these Bylaws, the Articles shall control; and in case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

6.2 Checks, Drafts and Documents. All checks, drafts, orders for payment of money, notes and other evidences of indebtedness issued in the name of or payable to the Association must be signed or endorsed in the manner and by the Person or Persons the Board designates by resolution, subject to the requirements hereof for withdrawing money from the Association's reserve accounts.

6.3 Execution of Documents. The Board may authorize any Persons, agent or agents to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or specific. Unless so authorized by the Board, no Person may bind the Association by any contract or engagement or pledge its credit or render it liable for any purpose or in any amount.

6.4 Use of Technology. Where allowed by law, any information the Association, its Board of Directors, officers or other representatives is required to distribute pursuant to these Bylaws can be distributed by any system of technology designed to record and communicate messages, facsimile, electronic mail, or other electronic means.

6.5 Availability of Association Documents.

6.5.1 Records To Be Maintained. The Association shall maintain at its principal office (or at such other place within or near the Properties as the Board may prescribe) the Restrictions, books of account; minutes of meetings of Members, Delegates, the Board and Board committees; and the Membership Register and any other documents required by law to be maintained by the Association (collectively, the "Association Documents"), each of which shall be made available for inspection and copying by any Member or the Member's duly appointed representative for a purpose reasonably related to the Member's interest as a Member in accordance with the law.

6.5.2 Limits on Availability. The Board may establish reasonable rules regarding (a) notice to be given to the custodian of the Association Documents by the Member desiring to make the inspection, (b) hours and days of the week when such an inspection may be made, and (c) payment of the cost of copying any of the Association Documents requested by a Member; however, every Director may at any reasonable time inspect all Association Documents and the physical properties owned or controlled by the Association, and make extracts and copies of documents.

6.5.3 Time of Availability. The minutes, minutes that are proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board (other than an executive session) and any meeting of Members must be available to Members within thirty (30) days of the meeting. No later than ten (10) days after the Association receives written request from any Member, the Association shall provide to that Member a copy of any one or more of the documents listed in California Civil Code Section 1368(a) requested by the Member for purposes of providing the documents to a prospective purchaser of the Member's Residence. The Association may charge a fee for this service not exceeding the Association's reasonable cost to prepare and reproduce the requested documents.

6.5.4 Distribution to Members. The minutes, proposed minutes or summary minutes must be distributed to any Member upon request and upon reimbursement of the Association's cost in making

that distribution. Members must be notified in writing at the time that the Budget is distributed or at the time of any general mailing to the entire Association Membership of their right to have copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

6.6 Fiscal Year. The Board shall establish the Association's Fiscal Year.

ARTICLE 7: NOTICE AND HEARING PROCEDURE

7.1 Initial Complaint. Persons who believe a violation of the Restrictions has occurred may file a violation complaint in a form authorized by the Board with a Person designated by the Board. The Board will commence the enforcement process. In its discretion, the Board can issue one or two violation letters to the Person alleged to have committed the violation ("respondent") or set a hearing described in Section 7.2. The Board may direct the Manager to assist in any of the steps the Board chooses to take in enforcing the Restrictions except that decisions made at hearings must be made by the Board itself

7.2 Scheduling Hearings. A hearing before the Board to determine whether a sanction should be imposed may be initiated by the Board after receipt of at least one violation complaint. To initiate a hearing, the Board must deliver to the respondent a notice which includes a written statement setting forth in ordinary and concise language the acts or omissions with which the respondent is charged, a reference to the specific provisions of the Restrictions which the respondent is alleged to have violated, the date, time and place of the scheduled hearing, and a list of sanctions which may be imposed at the hearing. The date for the hearing may be no less than fifteen (15) days after the date the notice of hearing is mailed or delivered to the respondent. The respondent is entitled to attend the hearing, submit a statement of defense to the Board in advance of the hearing, or present a statement of defense and supporting witnesses at the hearing. If the respondent does not attend the hearing, the respondent waives these rights.

7.3 Conduct of Hearing. The Board shall conduct the hearing in executive session, affording the respondent a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard must be placed in the minutes of the meeting. Such proof is adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the Association officer or Board member who mailed or delivered such notice. The minutes of the meeting must contain a written statement of the results of the hearing and the sanction, if any, imposed.

7.4 Imposition of Sanctions. After affording the respondent an opportunity for a hearing, the Board may impose any one or more of the following sanctions: (a) levy a Special Assessment or fine as authorized in the Declaration; (b) suspend or condition the respondent's right to use any recreational facilities the Association owns, operates or maintains commencing on a date in the future selected by the Board; (c) suspend the respondent's voting privileges established under the Declaration; (d) enter upon a Lot to make necessary repairs or perform maintenance which, according to the Declaration, is the responsibility of the respondent; or (e) record a notice of noncompliance if not prohibited by law. Any suspension of Membership privileges may not exceed thirty (30) days for any noncontinuing infraction. Suspensions of Membership privileges for continuing infractions (including nonpayment of delinquent assessments) may continue for as long as the violation continues. Written notice of any sanctions to be imposed must be delivered to the respondent personally, by any system of technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, via first class mail or certified mail return receipt requested, or any combination of the foregoing. No action against the respondent arising from the alleged violation may take effect prior to five (5) days after the hearing.

7.5 Limits on Remedies. The Board's failure to enforce the Restrictions does not waive the right to enforce them thereafter. The remedies set forth above and otherwise provided by the Restrictions are cumulative and not exclusive. However, any individual Member must exhaust all available internal Association remedies prescribed by the Restrictions before that Member may resort to a court of law for relief with respect to any alleged violation of the Restrictions by another Member.