

Administration  
 16100 University Ct.  
 Houston, TX 77058

BYLAWS OF  
 VARSITY PARK HOMEOWNERS ASSOCIATION, INC.

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BYLAWS OF  
VARSITY PARK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

§ 1.01. The name of the corporation is Varsity Park Homeowners Association, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located at 10578 Fenmore Street, Moorpark, California 93021, but meetings of the Members and the Board of Directors shall be held at such places within Ventura County, California, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

§ 2.01. The definitions contained in the Declaration of Covenants, Conditions and Restrictions of Tract 2726-1, County of Ventura, State of California, are incorporated herein by reference.

ARTICLE III

MEETINGS OF THE MEMBERS

Regular Meetings

§ 3.01. The first annual meeting of the Members shall be held within six (6) months after the close of escrow for the sale of the first Lot by Declarant or within forty-five (45) days after close of escrow for the sale by Declarant of fifty-one percent (51%) of the Lots, whichever shall first occur. Subsequent annual meetings shall be held on the annual anniversary of the first annual meeting of the Members. Should any annual meeting fall upon a legal holiday, then such annual meeting of the Members shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday.

Special Meetings

§ 3.02. Special meetings of the Members of the Association may be called by the President, by a majority of the Board of Directors, upon written request of the Members entitled to vote not less than twenty-five (25) percent of the

total votes of the Association, or upon written request of the Members entitled to vote not less than fifteen percent (15%) of the Class A Membership votes. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of the Members. Notices of any special meeting shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

#### Place of Meetings

§ 3.03. Meetings of the Members of the Association shall be held within the subdivision, or at a meeting place as close thereto as possible.

#### Notice of Meeting

§ 3.04. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) but not more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting.

#### Quorum

§ 3.05. The presence at the meeting of Members entitled to cast, or proxies entitled to cast fifty-one percent (51%) of the total votes of the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these Bylaws. If, however, such a quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called. The quorum required for the subsequent meeting shall be twenty-five percent (25%) of the total votes of the Association.

#### Proxies

§ 3.06. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing on a form prescribed by the Board of Directors and shall be

filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Voting

§ 3.07. Voting shall be in accordance with Article VI of the Articles of Incorporation of the Association, except that cumulative voting shall be permitted for the election of Directors.

ARTICLE IV

BOARD OF DIRECTORS

Number and Qualifications

§ 4.01. The affairs of this Association shall be governed by a Board of five (5) Directors, who need not be Members of the Association until conversion of Class B Membership to Class A Membership, after which time all Directors must be Members of the Association; provided however, that from the first election of the Board of Directors and thereafter for so long as there are two outstanding classes of Membership in the Association, not less than one incumbent member of the Board of Directors shall have been elected solely by the votes of the Class A Members.

Term of Office

§ 4.02. At the first meeting of the Members, the Members shall elect three (3) Directors to serve until the next annual meeting of the Members and two (2) Directors to serve until the second annual meeting of the Members. At the expiration of the initial term of office for each respective Director, his successor shall be elected to serve for a term of two (2) years.

Removal

§ 4.03. (a) At any annual or special meeting of the Members, duly called, any Director may be removed from the Board with or without cause, by a vote of a simple majority of each class of Members and a successor may then and there be elected, pursuant to § 5.02 of these Bylaws, to fill the vacancy thus created; provided however, unless the entire Board is to be removed, an individual Director shall not be removed if the number of votes cast against his removal exceed the quotient of the total number of votes that may be cast under cumulative voting procedures divided by the

number of authorized Directors plus one (1); provided further, that a Director who has been elected solely by the vote of the Class A Members may be removed from office only by the vote of a simple majority of the Class A Members.

(b) In the event of the death or resignation of a Director, his successor shall be appointed by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

#### Indemnification

§ 4.04. Each Director and Officer shall be indemnified by the Association and the Members against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, except in cases of fraud, gross negligence or bad faith of the Director or Officer in the performance of his duties.

#### ARTICLE V

#### NOMINATION AND ELECTION OF DIRECTORS

##### Nomination

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

##### Election

§ 5.02. Election to the Board of Directors shall be by secret written ballot. Every Member entitled to vote at any election of Directors may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which

such members are otherwise entitled, or distribute his votes on the same principle among as many candidates as he thinks fit. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be deemed elected.

## ARTICLE VI

### MEETINGS OF DIRECTORS

#### Regular Meetings

§ 6.01. Regular meetings of the Board of Directors shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board; provided however, that such meetings shall be held within the subdivision. Notice of the time and place of such meetings shall be posted in a prominent place within the Common Area.

#### Special Meetings

§ 6.02. Special meetings of the Board of Directors shall be held anytime after three (3) days written notice, signed by the President or any two Directors, is given to all members of the Board of Directors. Such notice shall state the place and hour of the meeting and the nature of any special business to be considered, and shall be posted in the manner prescribed for notice of regular meetings not less than seventy-two (72) hours prior to the scheduled time of the meeting.

#### Meetings Open to Members

§ 6.03. Regular and special meetings of the Board of Directors shall be open to all Members of the Association; provided however, Members who are not members of the Board of Directors shall not participate in any deliberation or discussion unless expressly so authorized by a vote of a majority of a quorum of the Board of Directors.

#### Executive Sessions

§ 6.04. The Board of Directors may, by a vote of a majority of a quorum of the Board, adjourn any meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is, or may become, involved and orders of business of a similar nature; provided however, that the nature of any and all business to be discussed in executive session shall be first announced in open session.

Quorum

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Powers

§ 7.01. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and guests thereon and to establish penalties, including fines, for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of the Association's published rules and regulations;

(c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, and the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) Contract for materials and services for the Common Area and the facilities thereon; provided however, that the term of any such contract shall not exceed one (1) year without the approval of a majority of both classes of Members;

(f) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;



(g) Delegate to the manager the power to enforce the rules and regulations adopted pursuant to § 7.01(a) of these Bylaws; and,

(h) Enter upon any privately owned Lot where necessary in connection with the construction, maintenance or repair for the benefit of the Common Area, provided that, no one shall have the authority to enter the private dwelling of a Lot Owner, without first receiving the express consent of said Lot Owner, but such consent shall not be unreasonably withheld. Such entry shall be made with as little inconvenience to the Owner as reasonably possible and any damage caused thereby shall be repaired by the Association.

#### Duties

§ 7.02. It shall be the duty of the Board of Directors to:

(a) To provide for the enforcement of all applicable provisions of the Declaration, the Articles of Incorporation, these Bylaws and other instruments for the ownership, management and control of the subdivision;

(b) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by fifty-one (51) percent of the Class A Members who are entitled to vote;

(c) Supervise all Officers, agents, and employees of this Association, and to see that their duties are properly performed;

(d) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment; and,

(3) Foreclose, without exception, the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

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(e) Furnish, or cause an appropriate Officer to furnish, a certificate signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance. A reasonable charge may be made by the Board for the issuance of the certificates;

(f) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(g) Cause all Directors, Officers and Employees of the Association, whether compensated or not, and any management agent and his employees to bonded;

(h) Cause the Common Area to be maintained to an appropriate standard adopted by the Board of Directors;

(i) Pay all taxes or special assessments which are, or could become, a lien on the Common Area or any part thereof;

(j) Cause the exterior of the dwellings to be maintained to an appropriate standard adopted by the Board of Directors;

(k) Prepare or cause to be prepared budgets and financial statements of the Association copies of which shall be distributed to each Member as follows:

(1) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

(2) A balance sheet, as of an accounting date which is the last day of the month closest in time to six (6) months from the date of closing the first sale of a Lot, and an operating statement for the period from the date of the first closing to said accounting date, shall be distributed within sixty (60) days after said accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the Lot number and name of the entity assessed.

(3) A balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year shall be distributed within

ninety (90) days after the close of the fiscal year.

(4) An external audit by an independent public accountant shall be required for each fiscal year.

(1) Employ for the Association an independent professional management agent and accountant at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in this § 7.02. Any management agreement will be terminable by the Board for cause upon thirty (30) days written notice thereof, and the term of any such agreement may not exceed one (1) year.

Limitation of Powers

§ 7.03. The Board of Directors shall not, except with the vote or written assent of a simple majority of the Class A Members:

(a) Enter into a contract for materials or services for the Common Area or for the Association for a term longer than one (1) year, with the following exceptions:

(1) A management contract, the terms of which have been approved by FHA and VA;

(2) A public utility contract if the rates charged for materials and services are regulated by the Public Utilities Commission; provided however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(3) Prepaid casualty and liability insurance policies of not to exceed three (3) years duration; provided that the policy permits for short rate cancellation by the insured.

(b) Pay compensation to members of the Board of Directors or to Officers of the Association for services performed in the conduct of the Association's business; provided however, that the Board of Directors may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Enumeration of Officers

§ 8.01. The Officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other Officers as the Board may from time to time by resolution create.

Election of Officers

§ 8.02. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Term

§ 8.03. The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Special Appointments

§ 8.04. The Board may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Resignation and Removal

§ 8.05. Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Vacancies

§ 8.06. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Multiple Offices

§ 8.07. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to §-8.04 of this Article.

Duties

§ 8.08. The duties of the Officers are as follows:

President

(a) The President shall preside at all meetings of the Members of the Association and of the Board of Directors; shall see that the orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of the meetings of the Board and of the Members; keep appropriate notes of record showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the Members at their regular annual meeting. The duties may be delegated to a manager employed by the Board.

ARTICLE IX

COMMITTEES

§ 9.01. The association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may, from time to time, appoint and disband other committees as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

§ 10.01. The books, records, and papers of the Association shall be subject to inspection by any Member, or his duly appointed representative, within a reasonable time after written notice to the Secretary, for a purpose reasonably related to his interest as a Member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost. Every Director shall have the absolute right, at any reasonable time, to inspect all books, records and papers of the Association, and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents.

ARTICLE XI

ASSESSMENTS

§ 11.01. As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which each assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment, or any part thereof, provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

§ 12.01. The Association shall have a seal in a circular form having within its circumference the words: "Varsity Park Homeowners Association", and in the center of the circle the words: "Incorporated", "California", and the date of incorporation.

ARTICLE XIII

AMENDMENTS

§ 13.01. These Bylaws may be amended at a regular or special meeting of the Members, by a vote of fifty one percent (51%) of the Members except that the FHA and VA shall have the right to veto amendments while there is a Class B Membership. Notwithstanding the above, the percentage of the voting power of the Association, or of the Class A Members, necessary to amend a specific clause or provision in the Articles of Incorporation or Bylaws of the Association shall not be less than the prescribed percentage of the affirmative votes required for action to be taken under that clause or provision.

Conflicts

§ 13.02. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE IV

MISCELLANEOUS

§ 14.01. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

We, the undersigned, being all of the Directors of Varsity Park Homeowners Association, Inc. do hereby certify:

That we are entitled to exercise all of the voting power of said corporation; that we hereby assent to the

within and foregoing Bylaws and hereby adopt the same as the Bylaws of said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 16th day of January, 1979.

Alvin Dick  
Alvin Dick

Philip H. Vein  
Philip H. Vein

George R. Strause  
George R. Strause

Rosemary Dasnoit  
Rosemary Dasnoit

Herbert Soderberg  
Herbert Soderberg

CERTIFICATION

I, the undersigned, the duly elected and acting Secretary of the Varsity Park Homeowners Association, Inc., a California corporation, do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said corporation on the 16th day of January, 1979, and that the same do now constitute the Bylaws of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this 16th day of January, 1979.

Secretary  
Secretary

STATE OF CALIFORNIA )  
COUNTY OF Ventura ) SS.

On January 16, 1979, before me, the undersigned, a Notary Public in and for said State, personally appeared ALVIN DICK known to me to be the President, ROSEMARY DASNOIT, known to me to be the Secretary, and PHILIP H. VEIN, GEORGE R. STRAUS and HERBERT SODERBERG, known to me to be the Directors of the Corporation that executed the within Instrument, known to me to be the persons who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Francis T. Colford

