

7.07 Treasurer. The Treasurer is the chief financial officer of the Association and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, and shall send or cause to be sent to the Members of the Association such financial statements and reports as are required by law or by these Bylaws or by the Declaration to be sent to them. He shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine.

7.08 Secretary. The Secretary shall keep or cause to be kept, in one or more books provided for that purpose, the minutes of the meetings of the Members and of the Board and committees of the Board, with the time and place of holding, whether regular or special (and if special, how authorized), the notice thereof given, the names of those present at Board and committee meetings, the number of members present or represented at Members' meetings, and the proceedings thereof; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Association's records; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties as from time to time may be assigned to him by the President or by the Board.

7.09 Assistant Vice President, Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The premiums of such bonds shall be paid by the Association. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President of the Board of Directors.

## ARTICLE VIII

### Committees

The Board shall appoint an Architectural Control Committee as provided for in the Declaration and a Nominating Committee, as

*Architectural  
Control Committee*

provided for in these Bylaws. The Board shall also have the power to appoint an Executive Committee, as provided for in these Bylaws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out the purposes of the Association. Except as otherwise specifically provided in the Restrictions, committee members shall serve at the pleasure of the Board.

The Architectural Committee shall consist of three (3) Members, who shall be from the membership of the Association, except for those Members appointed by the Declarant as defined in the Declaration.

## ARTICLE IX

### Disciplining Members for Breaches of Restrictions

There shall be no violation of the Restrictions, as defined in the Declaration. If any Owner, his family, servants, guests, licensee, lessee, or invitee violates the Restrictions, or any of them, in addition to recovery of those sums identified in Section 5.13 of the Declaration, the Board may impose an extraordinary charge upon such Owner of not more than FIFTY DOLLARS (\$50.00) for each violation and/or may suspend the right of such Owner to vote his membership in the Association, under such circumstances as the Board may specify, for a period of not to exceed thirty (30) days for each such violation; provided, however, that before invoking any such additional charge and/or suspension the Board shall give the Owner fifteen (15) days' prior written notice of the charge and/or suspension of voting rights and the reasons therefor, and shall provide an opportunity for the Member to be heard before the Board, in person, in writing, or by Counsel, at the Owners' expense, not less than five (5) days before the effective date of the charge and/or suspension. Any notice hereunder which is given by mail must be sent by first class or registered mail to the Owner at his most recent address as shown on the records of the Association.

## ARTICLE X

### Indemnification

10.01 Definitions. For the purposes of this Article X, "agent" means any person who is or was a Director, officer, employee, or other agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor of the Association or of

another enterprise at the request of such predecessor; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 10.04 or 10.05 (c) of this Article X.

10.02 Indemnification in Actions by Third Parties. The Association shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Association to procure a judgment in its favor) by reason of the fact that such person is or was an agent of the Association, against expenses, judgments, fines settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Association or that the person had reasonable cause to believe that the person's conduct was unlawful.

10.03 Indemnification in Actions by or in the Right of the Association. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Association, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 10.03:

(a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Association in the performance of such person's duty to the Association, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval.

10.04 Indemnification Against Expenses. To the extent that an agent of the Association has been successful on the merits in defense of any proceeding referred to in Section 10.02 or 10.03 of this Article X or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

10.05 Required Determinations. Except as provided in Section 10.04 of this Article X, any indemnification under this Article X shall be made by the Association only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in section 10.02 or 10.03 of this Article X, by :

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

(b) Approval by vote or written ballot of a majority of a quorum present at a duly held meeting of the Members with the persons to be indemnified not being entitled to vote thereon; or

(c) The court in which such proceeding is or was pending upon application made by the Association or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Association.

10.06 Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Association prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article X.

10.07 Other Indemnification. No provision made by the Association to indemnify its Directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of Members or Directors, an agreement, or otherwise, shall be valid unless consistent with California Corporation Code Section 7237 as amended from time to time, it