

RUDGEAR MEADOWS

BYLAWS

ARTICLE I
Definitions

Section 1. "Association" shall mean and refer to RUDGEAR MEADOWS, a non-profit corporation organized and existing under the laws of the State of California and hereinafter sometimes referred to as "Association" and sometimes hereinafter referred to as "Corporation".

Section 2. "The Properties" shall mean and refer to all such existing properties and additions thereto as are subject to the Declaration of Covenants and Restrictions recorded in Volume 7840 at Page 219, in the Recorder's Office of Contra Costa County, California, as well as any additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Developer" shall mean and refer to Paul C. Petersen, the present owner of the properties or his nominee.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 6. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to

any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the Office of the Contra Costa County Recorder on

Section 9. "Declarant" shall mean and refer to PAUL C. PETERSEN, or his nominee.

ARTICLE II Offices

The principal office of the corporation shall be located within the Subdivision or as near thereto as possible, in the City of Walnut Creek, County of Contra Costa, State of California. The corporation may have such other offices, either within or without the County of Contra Costa, State of California, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

ARTICLE III Members

Section 1. The Association shall have two (2) classes of membership, namely, Class "A" Members and Class "B" Members. The Class "A" members shall be all owners with the exception of Declarant and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members of the Association and the vote for such lot shall be exercised as they among themselves determine, but in no event, shall more than one vote be cast with respect to any lot. A person or entity who holds an interest merely as a security for the performance of an obligation shall

not be a member. A member who has sold his property to a contract purchaser under an agreement to purchase shall be entitled to delegate such contract purchaser his membership rights in the Association although the contract seller shall remain liable for the charges and assessments until title to the property so sold shall be transferred.

Section 2. Class "B" member shall be Declarant and he shall be entitled to three (3) votes for each lot owned by him. The Class "B" Membership shall cease and be converted to Class "A" membership on the happening of either of the following events, whichever occurs earlier: (1) when the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership; or (2) two (2) years from the date of the issuance of the most recent Public Subdivision Report affecting any of the lots within the properties; or (3) by April 1, 1981.

Section 3. The rights of membership are subject to the payment of annual and special assessments (dues) levied by the Association through its Board of Directors, and the obligation of these assessments shall become a lien upon the property against which the assessments are made as provided for in the "Declaration". A copy of the "Declaration" is attached to these Bylaws and by reference incorporated herein as though fully set forth herein.

Section 4. The membership rights of any member shall automatically be suspended for failure to pay the dues within the time as set forth in the recorded "Declaration" and shall remain suspended so long as such dues and assessments remain unpaid; but

upon payment of such dues and assessments with the interest thereon the rights and privileges shall automatically be restored. In addition, if the Directors have adopted and published rules and regulations governing the use of the common properties and facilities and the personal conduct of any person thereon, they may, in their discretion, suspend the membership rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days, provided, however, that any person may, by written application, petition the Board of Directors of this corporation for a hearing on such suspension and why the same should not be vacated. The hearing by the Board of Directors shall be not less than three (3) nor more than seven (7) days following such suspended member's written request for a hearing. A majority of the Board of Directors shall determine whether to vacate or to continue to enforce the suspension.

ARTICLE IV
Property Rights and Rights of Enjoyment

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities subject to the Declaration of Covenants and Restrictions, the Articles of Incorporation, and these Bylaws.

Section 2. Any member may delegate his rights of enjoyment of the common area and facilities to the members of his family, his tenants, or contract purchasers, who reside on the property. Such members shall notify the Secretary in writing of the name of any such delegee. Rights and privileges of such delegee are subject to suspension to the same extent as those of a member.

ARTICLE V
Association Purposes and Powers

Section 1. The Association has been organized for the following purposes: To own and maintain real estate and provide recreational facilities within the Hill and Dale Unit 4 Subdivision and any additions thereto to its members and generally to engage in all activities set forth in subsections (b) and (c) of ARTICLE SECOND of its Articles of Incorporation.

Section 2. Subject to the requirements of the Articles of Incorporation, as well as the Declaration of Covenants and Restrictions, the corporation may at any time annex additional residential and common properties to the properties owned by it and thereby add to its membership.

Section 3. Subject to the requirements of the Articles of Incorporation, as well as the Declaration of Covenants and Restrictions, the corporation may, to the extent permitted by law, participate in mergers and consolidations with other non-profit corporations organized for the same purposes as this corporation.

Section 4. Subject to the requirements of the Articles of Incorporation, as well as the Declaration of Covenants and Restrictions, the corporation shall have the power to mortgage its real estate for the purpose of making improvements thereon.

Section 5. Subject to the requirements of the Articles of Incorporation, as well as the Declaration of Covenants and Restrictions, the corporation shall have the power to dedicate any of its property to an appropriate public authority, for public use.

ARTICLE VI
Board of Directors

Section 1. The affairs of the corporation shall be managed by its Board of Directors. Directors shall be members of the corporation other than the original incorporators.

Section 2 The number of Directors shall be five (5). Each director shall hold office until the next annual meeting of members and until successors have been elected and qualified. Voting for directors shall be cumulative. Once elected, a Director shall hold office for the entire term, unless at a meeting duly called for the removal of such a member the total number of votes cast against the party's removal is greater than the quotient arrived at by dividing the total number of votes that may be cast under cumulative voting procedures by divided equal to one plus five being the number of authorized directors.

Section 3. Regular meeting of the Board of Directors shall be held within the Subdivision on the first Monday of each month, unless a holiday, at which time, the meeting will be held on the following business day.

Section 4. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place within The Properties as the place for holding any special meeting of the Board called by them.

Section 5. Notice of the time and place of the regular meetings of the Board and any special meeting of the Board shall be posted in the common area, stating the date, time and place of such meeting. Meetings, whether regular or special of the

Board, shall be open to all members of the Association, however, only members of the Board of Directors shall participate in any discussion or deliberation at such meetings.

Section 6. Notice of any special meeting of the Board of Directors shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, the postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be

delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section 7. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 8. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 9. Any vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected to fill a vacancy for the unexpired term of his predecessor. Should the directorship be increased, then, in such event, the vacancy or vacancies shall be filled by a vote of the members voting at a meeting duly called for such purpose.

Section 10. The Board of Directors shall have the power:

- (a) To call special meetings of the members whenever

it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership.

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any members, officer or Director of the Association in any capacity whatsoever.

(c) To establish, levy and assess and collect the assessments or charges (dues) of the Corporation.

(d) To adopt and publish rules and regulations governing the use of the Common Properties and facilities and the personal conduct of the members and their guests thereon.

(e) To exercise for the Association all powers, duties and authorities vested in or delegated to this Association, provided, however, that the Board of Directors shall be without the authority or power to enter into contracts which bind the Association or future Boards of Directors for a period of more than one (1) year unless the Board shall first obtain the written assent of a majority of each class of membership to enter into such contracts and in the absence of such written assent of a majority of each class of membership to enter into such contracts the Board of Directors shall be without power to enter into such contracts and/or agreements.

(f) In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by

action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

(g) To pay for the reconstruction of any portion or portions of the common properties and facilities which are damaged or destroyed and which are to be rebuilt.

Section 11. It shall be the duty of the Board of Directors:

(a) To fix the amount of the assessment at least thirty (30) days in advance of such date or period and, at the same time;

(b) To prepare a roster of the members and also of the properties subject to assessments and which shall be kept in the office of the Association and shall be open to inspection by any member, and, at the same time;

(c) To send written notice of each assessment (dues) to every owner subject thereto;

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE VII Meetings of Members

Section 1. The first annual meeting of the membership shall be held within forty-five (45) days after the closing of the sale of the lot representing fifty-one (51%) percent of the Subdivision, or within six (6) months after the closing of the sale of the first lot, whichever first occurs, and thereafter the annual meeting of the membership shall be held at the office of the Corporation on the second Monday in the month of March, of each year, beginning with the year following the first annual meeting as herein provided for. All meetings shall be held within the Subdivision or as near

thereto as possible and shall be at the hour of 8:00 p.m. and shall be for the purpose of electing directors and the transaction of such other business as may come before the meeting. Until the first meeting of the members, as above provided, the Directors shall be designated by Declarant but at the first meeting of the members, regardless of the percentage of ownership by members, other than Declarant, there shall be at least one member of the Board from owners of Lots within the Subdivision other than Declarant.

Section 2. Special meetings of the members may be called by the President, by a majority of the Board of Directors, or not less than one-fourth (1/4) of the Members having voting rights.

Section 3. The Board of Directors may designate any place, within the Properties, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.

Section 4. At least ten (10) days prior to the scheduled meeting of the Members, written or printed notice stating the place, day and hour of any meeting of Members and if for a special meeting, then the nature of any business to be undertaken at such special meeting shall be delivered either personally or by mail, to each member entitled to vote at such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail.

addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Section 5. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 6. The presence at the meeting of members entitled to cast or of proxies entitled to cast, fifty percent (50%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration of Covenants and Restrictions or these Bylaws. If any meeting cannot be held because a quorum is not present, the owners present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours or more than thirty (30) days thereafter at which meeting the quorum requirement shall be at least twenty-five percent (25%) of the votes of each class of membership.

Section 7. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary.

ARTICLE VIII Officers

Section 1. The officers of the corporation shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected. The Board of Directors shall have the authority to approve such other officers,

including one or more assistant secretaries, and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice-President.

Section 2. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors.

He may sign, with the Secretary or any other proper officer of the Corporation, authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the corporation; and in general he shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. In the absence of the President or in the event of his inability or refusal to act, the Vice-President, or if there be more than one Vice-President, then the Vice-President designated by the Board of Directors shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. If required by the Board of Directors, 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 of Directors may determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation 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. The Treasurer shall prepare an annual budget sheet and a statement of income and expense to be presented to the membership at its regular annual meeting, and he shall deliver a copy to each member within ninety (90) days after the end of the fiscal year.

Section 8. The secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by Law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; 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 incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9. 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 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 or the Board of Directors.

ARTICLE IX
Assessments

Section 1. By the Declaration, a copy of which is attached hereto, each Class "A" and Class "B" member is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements. These assessments, together with such interest thereon, and costs of collection thereof, are a charge on the land and shall be a continuing lien on the property against which each such assessment is made.

Section 2. The purposes of the assessments, the basis of the assessments, the date of commencement of the assessments, the effect of non-payment of said assessments as well as what property is exempt is as set forth in the Declaration and all of the terms and provisions of said Declaration are referred to and incorporated in these Bylaws.

ARTICLE X
Books and Records

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent for any proper purpose at any reasonable time, and as to a Board Member, he shall have an absolute right at any reasonable time, to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by Director, includes the right to make extracts and copies of the documents. The Board of Directors shall establish reasonable rules relating to

the notice to be given to the Custodian of Records by any Member desiring to make an inspection as well as the hours and days of the week when such inspection may be made and the charge to be imposed for reproducing copies of documents requested by Members. An annual independent audit of all accounts of the corporation shall be made within thirty (30) days after the close of the corporate fiscal year, and a copy of such audit shall be made available to each Member

(continued Page 16)

within thirty (30) days after its completion.

ARTICLE XI
Contracts, Checks, Deposits and Funds

Section 1. The Board of Directors may authorize any officer or officers, agent, or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. All checks, drafts, or orders for the payment of money, notes, or other evidence or indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or the assistant treasurer and countersigned by the President or a Vice-President of the corporation.

Section 3. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

ARTICLE XII
Fiscal Year

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XIII
Waiver of Notice

Whenever any notice is required to be given under the provisions of the General Non-profit Corporation Law of California or under the provisions of the Articles of Incorporation or the Bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV
Proxies

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in the properties.

ARTICLE XV
Dissolution and Amendments

Section 1. The corporation may be dissolved only with the assent given in writing and signed by two-thirds (2/3) of each class of the membership.

Section 2. Upon dissolution of the corporation, the assets, both real and personal, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable as those of the corporation.

Section 3. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of the

voting power of each class of the membership PROVIDED THAT the provisions of these Bylaws which are governed by the terms and provisions of the Declaration may not be amended except as provided in such Declaration.

ARTICLE XVI
Cumulative Voting

Section 1. At any election for directors, the voting shall be cumulative, that is a member shall be entitled to cumulate his votes and give one candidate a number of votes equal to the votes to which his membership entitles him, or, in the alternative, to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall constitute the Board of Directors.

IN WITNESS WHEREOF, we, being all of the Directors of Oakcreek Homeowners Association, have hereunto set our hands this 29th day of April, 1976.



Paul C. Petersen



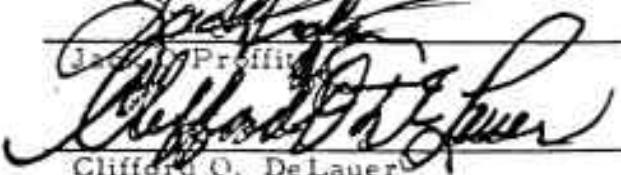
Kenneth G. Hooper



James W. Power



James W. Proffitt



Clifford O. DeLauer

AMENDMENT OF BYLAWS

WHEREAS, on March 6, 1978, RUDGEAR MEADOWS (Association), a non-profit corporation organized and existing under the laws of the State of California, held its regular annual meeting, at which existed sufficient votes (in person or by proxy) to constitute a quorum: and

WHEREAS, at such meeting certain bylaw amendments were duly moved, seconded and voted upon by the members of the Association entitled to vote thereupon.

NOW, THEREFORE, the aforesaid bylaws are amended as follows:

I

ARTICLE VI, Section 2 is amended to read as follows:

Section 2, The number of Directors shall be five (5) with three (3) Directors to be elected at the Annual Meeting of Members in even-numbered calendar years, and two (2) Directors to be elected at the Annual Meeting of Members in odd-numbered calendar years. Each Director shall hold office for a term of two (2) years and until successors have been elected and qualified, except that in as much as five (5) Directors are to be elected at the Annual Meeting of Members in 1978, the two (2) Directors receiving the least number of votes at the aforesaid meeting shall hold office for a term of one (1) year. Voting for directors shall be cumulative. Once elected, a Director shall hold office for the entire term, unless at a meeting duly called for the removal of such a member, the total number of votes cast against the party's removal is greater than the quotient arrived at by dividing the total number of votes that may be cast under cumulative voting procedures by the sum equal to one plus five being the number of authorized directors.

II

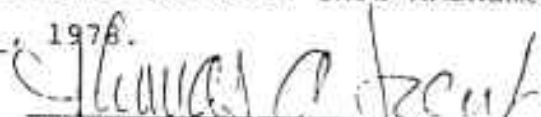
ARTICLE VI, Section 3, is amended to read as follows:

Section 3. Regular meeting of the Board of Directors shall be held within the Subdivision on the first Wednesday of each month, unless a holiday, at which time, the meeting will be held on the following business day.

III

Save, and except as herein amended, the aforesaid Rudgear Meadows Bylaws are to remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary of the Association, have herunto executed this Amendment of Bylaws this 8th day of November, 1978.


Thomas A. Trent, President


Gary Bowers, Secretary

(Affix Seal)

INSTRUMENT OF SE-LAND

WHEREAS, on March 3, 1980, Ridgear Meadows (the Association), a non-profit corporation organized and existing under the laws of the State of California, held its regular annual meeting, at which existed sufficient votes (in person or by proxy) to constitute a quorum; and

WHEREAS, at such meeting a by-law amendment was duly moved, seconded, and voted upon by the members of the Association entitled to vote thereupon.

NOW, THEREFORE, the aforesaid by-laws are amended as follows:

I

ARTICLE VI, Section 3, is amended to read as follows:

Section 3. The regular meeting of the Board of Directors shall be held within the Subdivision once each month at such time and place as is mutually acceptable to the Board members. Notice of such meeting shall be communicated to the members of the Association.

II

Save, and except as herein amended, the aforesaid By-laws of Ridgear Meadows Homeowners Association are to remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary of the Association, have executed this Amendment of By-laws this 30th day of April, 1980.

Philip W. Dender
Philip W. Dender, President
Betty Clyde
Betty Clyde, Secretary

STATE OF CALIFORNIA
 County of Contra Costa
 On April 30, 1980 before me, the undersigned a Notary Public, in and for said County and State, personally appeared Philip E. Dender and Betty Clyde known to me to be President and Secretary of the corporation that executed the within instrument and who known to me to be the person 5 who executed it on behalf of such corporation and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

NOTARY PUBLIC
 LUCY ESTRADA
 My Comm. expires April 15, 1981

Lucy Estrada
 Notary Public

** If notary is commissioned in another county, strike "and State" and name County.


R E S O L U T I O N

WHEREAS on July 18, 1978 the Board of Directors of RUDGEAR MEADOWS HOMEOWNERS ASSOCIATION held a duly called constituted special meeting, at which existed a quorum; and,

WHEREAS, at such meeting upon a duly moved, seconded and unanimous vote the Board passed a motion to obtain Directors and Officers Errors and Omissions insurance coverage in the amount of \$250,000 for each loss with a \$1,000,000 aggregate loss; such coverage to have a \$5,000 loss deductible for each loss; and,

WHEREAS, on September 6, 1978 the Board of Directors of RUDGEAR MEADOWS HOMEOWNERS ASSOCIATION held its regular monthly meeting; at which time upon a duly moved, seconded and unanimous vote, the Board passed a resolution regarding the aforementioned insurance coverage.

NOW THEREFORE, be it resolved that any financial responsibility of any Board Member arising as a result of or under the aforementioned insurance coverage including, but not limited to any loss deductible, shall be the responsibility of and borne by the Rudgear Meadows Homeowners Association.



Thomas A. Trent, President



Gary Bowers, Secretary