

Bylaws
OF
BRUSH ROAD CORPORATION

A California Mutual Benefit Nonprofit Corporation

[Approved by the Members as of September 12, 1991]

BYLAWS OF BRUSH ROAD CORPORATION

[Approved by the Members on September 12, 1991]

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BYLAWS
OF
BRUSH ROAD CORPORATION

[Approved as of September 12, 1991]

ARTICLE I.
OFFICES AND PURPOSES

§1.1. Principal Office. The principal offices of the Corporation for its transaction of business is located in the Township of Los Gatos, County of Santa Clara, California.

§1.2. Change of Address. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in the Township of Los Gatos, California. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment of these Bylaws.

§1.3. Prior Agreement. These Bylaws amend, modify and replace that certain Brush Road Agreement and Right of Way Easement previously executed by all then owners of real property having access to Brush Road (the term 'Brush Road' is defined in §1.5, below) and recorded on May 18, 1988. Pending approval of this document said prior Agreement shall remain in effect.

§1.4. Purpose.

(a) The purpose of the Corporation is to improve and maintain Brush Road. The members of this Corporation grant the Corporation such access as is necessary for the installation, maintenance and improvement of Brush Road, gate and appurtenant fences and utilities thereto. Each member grants to all other members, and each of them, the full right of access over and across such right of way, and the same is expressly granted and reserved as to each parcel and member hereunder.

(b) Should Brush Road move, or need to be moved, or adjusted in its location, due to necessity and/or emergency, the Corporation shall have the right to make such movement or adjustment, as long as it is not unreasonable and generally follows the existing road and roadway. The Corporation may do all acts along and upon Brush Road, including but not limited to (1) the trimming of trees, removal of vegetation; (2) the removal or placement of earth and rock; (3) the creation of paved areas; (4) the construction, operation and maintenance of gutters, culverts, sewers, drains, water pipes, telephone lines, utilities and/or conduits under said reservation.

(c) Tree removal, drainage, re-routing or significant alteration of property along Brush Road will be accomplished only after prior approval of the owner of the particular adjacent property. The clearing of vision-obscuring brush, the removal of leaves, and the clearing/repairing of roadside drainage ditches will not require adjacent owner approval.

(d) The Corporation shall maintain the gate and brick pillars at, or near, the junction of Brush Road and the State maintained road off of State Route 17 heretofore established and maintained by the predecessor of the Corporation (hereinafter called the "Entrance Gate").

§1.5. "*Brush Road*" Defined. For all purposes of these Bylaws "*Brush Road*" shall mean and include (a) that private road or roadway popularly known as 'Brush Road' in the Township of Los Gatos, County of Santa Clara, California, which commences 22 feet before, and toward State Route 17 from, the Entrance Gate and terminates at parcel numbered 544-33-031, and (b) that private road or roadway branching off therefrom popularly known as 'Old Well Road', which terminates at the cul-de-sac adjacent to parcels numbered 544-56-006, 544-56-007, and 544-56-019.

§1.6. *Private Nature of Brush Road.* The members agree that Brush Road is, and shall be, a private road, open to the public only upon invitation. The Entrance Gate shall be closed and secured at least one full day each year. Until changed by majority vote of the members, the Entrance Gate shall be closed on the Fourth of July each year.

ARTICLE II.

MEMBERS

§2.1. *Qualification and Admission to Membership.* The Corporation shall have one class of members. Any person who owns any parcel of real property located on, abutting, or accessed by Brush Road is eligible to be a member of the Corporation. The owner of a Qualified Parcel is automatically admitted to membership in the Corporation, except that in the case of multiple ownership of such a parcel, all such owners of that parcel shall be treated as one member and, further, owners of multiple parcels shall be treated as one owner. As used herein, a "*Qualified Parcel*" is any Existing Parcel or any New Parcel as to which the Qualification Fee (defined below) has been duly paid.

(a) "*Existing Parcel*" and "*New Parcel*" Defined. As used herein, an "*Existing Parcel*" is a parcel of real property described in EXHIBIT B hereof; and a "*New Parcel*" is any parcel of real property located on, abutting, or accessed by Brush Road that is *not* an Existing Parcel, including, but not limited to, any such parcel created by subdivision of an Existing Parcel or merger of any Existing Parcels.

(b) *Qualifying a New Parcel.* A New Parcel may become a Qualified Parcel and the owner thereof may become a member of this Corporation (if not already one) by the following actions having been duly taken, whereupon said parcel and said member shall be subject to the rights and obligations of these Bylaws:

(i) the person who creates a New Parcel shall so notify the Corporation within a reasonable time after its creation, together with the basis of the eligibility of the parcel to be a New Parcel, and

(ii) such person shall pay the Corporation a fee ("*Qualification Fee*") in accordance with the provisions of EXHIBIT C hereto, and

(iii) after payment of said fee, these Bylaws shall be amended by adding the description of such New Parcel to EXHIBIT B and a true and correct copy of these Bylaws, as so amended, shall be recorded with the Santa Clara County Recorder's Office with respect to such New Parcel.

§2.2. *Membership List.* The Corporation shall keep in written form a membership book containing the name, address, and parcel number of each member. The book shall also contain the fact of termination and the date on which such membership ceased. Such book shall be kept at the principal office of the Corporation and shall be subject to the rights of inspection upon reasonable demand by any member, said inspection to take place at the principal office of the Corporation.

§2.3. *Certificates of Membership.* The Corporation shall not be required to issue membership certificates; however, the Corporation reserves the right to issue identity cards or similar devices to members which serve to identify members qualifying to use the facilities or services of the Corporation.

§2.4. *Non Liability of Members.* A member of the Corporation shall not, solely because of such membership, be personally liable for the debts, obligations, or liabilities of the Corporation.

§2.5. *Transferability of Membership.* The membership in the Corporation shall be attached to the title of the real property described in §2.1 and shall be transferred only upon and with the transfer of title to said realty. The membership shall not be assigned, transferred, pledged, conveyed or alienated in any way except on the transfer of title to said parcel and then only to the transferee of title to said property. Any attempt to make a prohibited transfer shall be void.

§2.6. *Termination of Membership—Cause.* The membership and all rights of membership shall automatically terminate upon the sale of the realty described in §2.1. Any transfer of title to a parcel shall operate automatically to transfer membership in the Corporation to the new owner thereof. Should any parcel be divided, each of the new parcels created thereby and any new owner thereafter shall be a member of this Corporation.

§2.7. *Notice of Sale of Parcel.* Concurrently with the consummation of the sale or transfer of any parcel, the transferee shall notify the Corporation in writing of such sale. Such notification shall set forth: (i) the names of the transferee and the member; (ii) the street address and Assessor's parcel number of the parcel sold or transferred; (iii) the transferee's mailing address; and (iv) the date of the sale or transfer. Prior to the receipt of such notice, any and all communications required to be given by the Corporation and/or its officers, shall be deemed to be duly given to the transferee if duly and timely given to the transferor.

§2.8. *Certain Other Responsibilities of Members.*

(a) Each member shall be liable to the Corporation for any damage to the road or roadway, or to any equipment or improvements thereon, which may be sustained by reason of any accident, and/or the negligence and/or willful misconduct of such member, or of his family members, relatives, guests or invitees, both minor and adult. Said member shall be assessed by the Corporation for the cost of repair or replacement thereof, together with costs, expenses and attorneys' fees, if any. Such assessments shall be due and payable within thirty (30) days after written notice thereof to such member.

(b) In the event that personal injury or property damage is sustained by any person while physically upon a parcel, and in the further event the Corporation is sued or a claim made against it for said injury or damage, the owner(s) of the parcel on which said injury or damage occurred shall fully defend, indemnify and hold the Corporation harmless from any cost, expense, fee or loss as a result, direct or indirect, of such injury or damage.

ARTICLE III.
ASSESSMENTS

§3.1. *Regular Annual Assessments.* Each member of the Corporation will be assessed for road maintenance in accordance with the formula and provisions set forth in EXHIBIT A attached hereto and made a part of these Bylaws.

§3.2. *Excess Road Traffic.* Any member of the Corporation who causes or initiates Excess Road Traffic shall pay to the Corporation a fee in accordance with the provisions of EXHIBIT D. "Excess Road Traffic" is defined as any significant and non-incident activity which generates traffic on Brush Road substantially in excess of the amount declared by such member in such member's annual Declaration of Number of Drivers form referred to in paragraph (A-6) of EXHIBIT A. Activities which may create Excess Road Traffic include, but are not limited to:

- (i) Major construction/ remodeling,
- (ii) Repeated trips of heavy equipment,

- (iii) Commercial/business use greater than 250 round trips per year or more than 30 in any 30-day period of time;

provided, however, that the provisions of this §3.2 shall not apply to any such activity resulting from the repair or replacement of any item of property lost due to the occurrence of a natural disaster.

§3.3. Certain Members Additional Amounts.

(a) In addition to the assessment set forth herein, the following represent specific parcels abutting or accessing Brush Road the owners of which will pay to the Corporation, annually, those amounts set forth below, representing previous improvements made to Brush Road which directly benefited these parcels and enhanced their value.

<u>Parcel No.</u>	<u>Address</u>	<u>Amount</u>
544-33-018	21117 Brush Rd.	\$51.17
544-33-032	21099 Brush Rd.	\$51.16
544-33-027	21101 Brush Rd.	\$51.16
544-33-026	21103 Brush Rd.	\$51.16
544-33-031	21111 Brush Rd.	\$51.16
544-33-034	21119 Brush Rd.	\$26.39

(b) The covenant to pay these additional sums set forth above shall be covenants and obligations running with the land, and transferees of said parcels shall be bound by said covenant to pay the additional sums specified. The obligation shall terminate when the Small Business Administration Loan No. 9354231004 has been paid in full.

§3.4. Special Assessments. In the event that the regular annual assessments described above are insufficient for any reason, the Corporation shall have authority to levy one or more special assessments, which special assessments, shall be made on the same basis as the regular assessment, or may describe such elements as (1) the purpose; (2) the amount; (3) the due date; (4) special enforcement procedures for non-payment; (5) late charges; or any combination thereof. For such special assessment, work bids shall be obtained and presented to the Corporation at a special meeting for this purpose for the approval of the Corporation membership.

§3.5. Members in Arrears. Members who are in arrears in their assessment payment will lose voting privileges in the Corporation until their assessment is paid-up. Once an owner becomes a member of the Corporation, he will remain a member until he no longer owns any property which requires ingress or egress on Brush Road. The Corporation may require any delinquent member to pay a late charge of \$10.00 or 10% of the delinquent charge, whichever is greater. Any unpaid assessment shall be a lien against that parcel. All legal costs and

attorney fees incurred to collect the delinquent assessment shall be paid by the member.

§3.6. *No Exemption.* No member may exempt himself from liability for any assessments by waiver of the use or enjoyment of the road or by abandonment of his parcel.

§3.7. *Handling of Assessments Collected.* Assessment charges and other fees so collected shall be promptly deposited in a commercial account (which account shall be clearly designated in the name of the Corporation or be an attorney trust account) in a bank or savings and loan association to be selected by the Treasurer who shall be responsible to the members for the maintenance of accurate records thereof at all times. No withdrawal shall be made from the account, except for payments, charges and expenses agreed upon by the Corporation.

ARTICLE IV.

MEETINGS OF MEMBERS

§4.1. *Place.* Meetings of members shall be held at the principal office of the Corporation or at an alternative location to be decided by the President and pursuant to notice.

§4.2. *Regular Meetings.* The Corporation shall meet not less than twice per year, once in the spring following the rainy season ("*Spring Meeting*"), and once in the fall before the rainy season begins ("*Fall Meeting*"). The primary purpose of these meetings shall be to establish maintenance requirements and to effectuate repairs and improvements as needed.

§4.3. *Quorum; Voting Requirements.* A quorum at any meeting of members shall be a majority of members, in person or by proxy, who are current in paid assessments. General business agreements by the members will require a simple majority vote of the members represented, in person or by proxy, at the members' meeting who are current in paid assessments. Major road improvements, which will require the expenditure of \$1,000.00 or more will require a two-thirds vote of the paid-up membership. A two-thirds vote of the paid-up membership is also required for any changes to the basic formula by which members are assessed.

§4.4. *Notice of Meetings.*

(a) Notice of every meeting of members shall be in writing and shall be either personally delivered or mailed by first-class United States mail, postage prepaid, to each member seven (7) days before the date of the meeting.

(b) In the event notice is given by mail or other means of written com-

munication, the notice shall be addressed to the member at the address of such member appearing on the membership list of the Corporation or at the address given by the member to the Corporation for the purpose of notice. Where no such address appears or is given, notice shall be given at the principal office of the Corporation.

§4.5. Voting of Membership.

(a) *Entitlement.* The member is entitled to one vote on each matter submitted to a vote of the members.

(b) *Membership in Two or More Names.* Where a membership stands of record in the names of two or more persons, they collectively shall execute one vote only. Where members own more than one parcel of real property, but own only one residence thereon, such members shall execute one vote only.

(c) *Proxy Voting.* Members entitled to vote shall have the right to vote either in person or by a written proxy. Such written proxy must be executed by the member or his or her duly authorized agent and filed with the Secretary of the Corporation. Such proxy shall expire eleven (11) months from the date of the execution of the proxy, unless otherwise provided in the proxy. The maximum term of any proxy shall be no more than three (3) years from the date of its execution. Personal voting by a member shall take priority and precedence over any proxy and shall exclude the use of a proxy executed by said member.

ARTICLE V.

DIRECTORS

§5.1. Number, Titles and Qualifications. The Corporation shall have three Directors. Collectively the Directors shall be known as the Board of Directors. The Directors of the Corporation shall be residents of the State of California and shall also be members of the Corporation.

§5.2. Term of Office. Each Director shall hold office for a term of one year from the date of the Director's election commencing with the election held at the Spring Meeting, 1992. The term of Directors elected in the fall of 1990 shall end when their successors are duly elected at said Spring Meeting, 1992.

§5.3. Election. The Directors shall be elected as follows: The candidate duly nominated receiving the highest number of votes is elected. Directors shall not be eligible for reelection to more than three consecutive terms.

§5.4. Compensation. The Directors shall serve without compensation and without bond.

§5.5. Meetings. Meetings of the Board may be called by any two (2)

Directors. All meetings of the Board shall be held at the principal office of the Corporation or at a convenient place designated by the Directors for such meeting.

§5.6. *Powers and Duties.* The Board shall act as figurative heads of the Corporation only. They shall not have the power to bind the Corporation without the consent of the members. The Board shall appoint the Corporate Officers, which positions may include themselves.

ARTICLE VI.

OFFICERS

§6.1. *Number, Titles and Qualifications.* The officers of the Corporation shall be a President, a Secretary, a Treasurer and, if the Directors deem it desirable, one or more Vice Presidents. The President is and shall be the general manager and chief executive officer of the Corporation. An officer may be, but is not required to be, a Director, but each officer shall be a member of the Corporation.

§6.2. *Appointment.* The officers shall be appointed by the Board of Directors immediately following the Directors' election, or when it is necessary to fill vacancies or desirable to create additional positions. In order to provide continuity of leadership and experience, it is the intention, but not the requirement, of these Bylaws that an officer serve a term (but not more than one consecutive term) in each of the offices of Treasurer, Secretary and President; *provided, however,* that officers shall not be eligible for reappointment to more than three consecutive terms irrespective of position.

§6.3. *Term of Office.* Each officer shall hold office for a term of one year from the date of the Directors' election commencing with the election held at the Spring Meeting, 1992. The term of officers appointed in the fall of 1990 shall end when their successors are duly appointed at said Spring Meeting, 1992.

§6.4. *Resignation.* Any officer may resign at any time on written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

§6.5. *President's Powers and Duties.* The President shall have the following powers and duties:

- (1) Assure that Brush Road is maintained and arrange/schedule Corporation road work "parties";
- (2) Preside over Corporation meetings in accordance with acceptable parliamentary practices; and
- (3) In the absence of the Treasurer, sign and pay by check, for materials and/or labor as required.

§6.6. *Secretary's Powers and Duties.* The Secretary shall have the following powers and duties:

- (1) Maintain the list of members referred to in §2.2;
- (2) Give all members written notice of meeting dates and places;
- (3) Record minutes of each meeting listing attendees, and mail copies to Corporation members;
- (4) Maintain any Corporation papers and records in an orderly/chronological manner; and
- (5) Maintain the Corporate Seal, and issue certificates, *etc.*, if any, referred to in §2.3.

§6.7. *Treasurer's Powers and Duties.* The Treasurer shall have the following powers and duties:

- (1) Maintain a simple accounting of Corporation funds, and prepare the annual report and other reports referred to in §7.2;
- (2) Sign and pay by check for materials and/or labor; and
- (3) Collect from each member at the bi-annual meeting money due the Corporation in accordance with the individual members assessment.
- (4) Conduct Corporation meetings if the President is unavailable; and
- (5) Perform the duties of the Secretary, if he or she is unavailable.

ARTICLE VII.

CORPORATE RECORDS, REPORTS AND SEAL

§7.1. *Keeping Records.* The Corporation shall keep adequate records of account and minutes of the meetings of its members. The Corporation shall also keep a record of its members giving their names and addresses and the parcel number of each. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

§7.2. *Annual Report.* The Corporation shall provide a financial report which shall be prepared not later than one hundred twenty (120) days after the close of each calendar year. The annual report shall contain in appropriate detail the

following: (1) a balance sheet as of the end of such year and a combined income statement and statement of changes in financial position for such year, and (2) any information concerning certain transactions and payments made by the Corporation.

§7.3. *Corporate Seal.* The Board of Directors shall adopt a corporate seal. The Secretary of the Corporation shall have the custody of the seal and affix it in all appropriate cases to all corporate documents. Failure to affix the seal shall not, however, affect the validity of any instrument.

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BYLAWS OF BRUSH ROAD CORPORATION
EXHIBIT A — REGULAR ANNUAL ASSESSMENTS
 [as of September 12, 1991]

(A-1) Each member of the Corporation will be assessed for road maintenance in accordance with a basic formula which is made up from the number of licensed drivers residing on the member's property, a cost factor for each linear foot of road maintained by the Corporation to the member's access or furthest driveway from the Entrance Gate. The formula for annual member assessment is as follows:

$$\text{Assessment} = (\text{LD's} \times \text{D} \times \text{CF}) + \text{F}$$

where:

LD's= number of licensed drivers residing on member's property

D = distance in feet up Brush Road and Old Well Road (if applicable) to the furthest drive or access to Members property from the State Property line

CF = cost factor per foot of road used

F = fixed fee charge, including absentee land owners
 If commercial activities are conducted on the members' property, and these activities result in added traffic up and down the member maintained roads, that member will be assessed for one additional licensed driver (LD) for each 250 round trips incurred by Member's customers (estimated).

(A-2) The distance from the Entrance Gate to the

individual member's access or furthest driveway off Brush Road, and has been measured and is shown in feet.

(A-3) Trips up and down Brush Road by commercial service vehicles and guests of the resident owners are not included in the assessment formula on the basis that these trips are considered to be equal for all residents.

(A-4) Owners of unimproved (no residency) property will be charged the fixed fee (F in the formula) only until such time as residential construction is started on the property, at which time the standard assessment in accordance with the basic formula shall apply. The standard assessment shall be prorated for the year in which construction is commenced.

(A-5) Assessments will be paid annually, on or before the Spring Meeting. Members who are in arrears in their assessment payment will lose voting privileges in the Corporation until their assessment is paid-up and will be subject to the provisions of §3.5 of these Bylaws.

(A-6) On or before the Spring Meeting members will redeclare the number of licensed drivers residing on their property and execute a Declaration of Number of Drivers form. At that time, a new assessment will be calculated if there has been a change since the previous declaration. The assessment due at that meeting will reflect any change in the calculation.

SCHEDULE OF RATES AND EXAMPLES

	<u>Schedule 1 Rates</u> (1982 -1991, inclusive)	<u>Schedule 2 Rates</u> (from and after 1992)
Cost Factor (CF in the Formula) is:	\$0.02 per foot	\$0.0325 per foot
Fixed Fee (F in the Formula) is:	\$25.00	\$140.00

A sample calculation of John Doe follows:

John Doe's furthest driveway is on Old Well Road. The distance up Brush Road and Old Well Road to this driveway is 2635 feet. There are 2 licensed drivers living on the property. There are no commercial operations involved. Therefore John Doe's annual maintenance assessment—

under Schedule 1 Rate is:

$$\begin{aligned} \text{Assessment} &= (2 \times 2635 \times .02) + 25 \\ &= 105.40 + 25 \\ &= 130.40 \text{ dollars per year.} \end{aligned}$$

and under Schedule 2 Rate is

$$\begin{aligned} \text{Assessment} &= (2 \times 2635 \times .0325) + 140 \\ &= 171.28 + 140 \\ &= 311.28 \text{ dollars per year.} \end{aligned}$$

BYLAWS OF BRUSH ROAD CORPORATION
EXHIBIT B — QUALIFIED PARCELS

[approved as of November 20, 1990 and
amended through November 11, 1991]

The following parcels of real property are located on, abut or have access to Brush Road, and are those parcels referred to as "*Qualified Parcels*" in these Bylaws. They are identified by this Corporation's internal code number, the county tax identification parcel number and the road address on either Brush Road or Old Well Road. The road address of undeveloped parcels (shown as lots) may change if developed, but they will remain Qualified Parcels.

<u>Code No.</u>	<u>Parcel No.</u>	<u>Road Address</u>	<u>Date in Existence or Later Qualified</u>
1	544-33-018	21117 Brush	11/20/90
2	544-33-026	21103 Brush	
3	544-33-027	21101 Brush	
4	544-33-028	21103 Brush (lot)	
5	544-33-031	21111 Brush	
6	544-33-032	21099 Brush	
7	544-33-033	21113 Brush (lot)	
8	544-33-034	21119 Brush	
9	544-33-035	21097 Brush	
10	544-33-036	21097 Brush (lot)	
11	544-34-061	21100 Brush	
12	544-34-062	21104 Brush	
13	544-34-066	21108 Brush	
14	544-34-067	21106 Brush	
15	544-34-068	21102 Brush	
16	544-35-001	20731 Brush (lot)	
17	544-35-002	20730 Brush	
18	544-56-001	21110 Brush	
19	544-56-002	21112 Brush	
20	544-56-006	21103 Old Well	
21	544-56-007	21105 Old Well	
22	544-56-009	21109 Brush	
23	544-56-011	21111 Old Well (lot)	
24	544-56-012	21111 Old Well	
25	544-56-013	21107 Old Well	
26	544-56-016	21095 Old Well	
27	544-56-018	21105 Brush	11/20/90
28	544-35-18	----- Brush (lot)	11/11/91

BYLAWS OF BRUSH ROAD CORPORATION
EXHIBIT C — QUALIFICATION FEE FOR NEW PARCELS
[as of September 12, 1991]

(C-1) The Qualification Fee provided for in §2.1(b) of these Bylaws shall be paid within 30 days after the notification of the creation of such New Parcel is made or a determination is otherwise made that it is a New Parcel (“*Notice Date*”).

(C-2) As soon as practicable after the Notice Date, there shall be measured the distance in feet up Brush Road and Old Well Road (if applicable) to the furthest drive or access to the New Parcel from the State Property line.

(C-3) The amount of the fee shall be equal to the sum of the amounts that would have been assessed as annual dues had such New Parcel been subject to these Bylaws for the ten (10) year period prior to the Notice Date of such New Parcel. The fee for the year in which the Notice Date is made shall *not* be prorated and shall be governed by the most current annual assessment formula as set forth in EXHIBIT A. To the extent applicable for the purposes of this fee calculation for prior years the *Schedule 1 Rate* of EXHIBIT A shall be deemed to have been in effect from January 1, 1982 until December 31, 1991.

(C-4) For the purposes of the formula in each of said prior 10-year period, there shall be deemed to have been (a) two drivers residing at such New Parcel during each of the 10 years (whether or not the New Parcel was in fact undeveloped) and (b) no commercial activities during said period.

(C-5) The Qualification Fee shall be subject to the provisions of §3.5 of these Bylaws.

Bylaws of Brush Road Corporation

EXHIBIT D — EXCESS ROAD TRAFFIC FEE

[as of September 12, 1991]

(D-1) The member causing or initiating Excess Road Traffic shall report to the Corporation the estimated number of additional trips generated in each month during which any Excess Road Traffic occurs. This report will be given promptly following each month such activity occurs.

(D-2) The fee provided for in §3.2 of these Bylaws ("*Excess Traffic Fee*") shall be paid within no later than the date the next annual assessment fees are to be paid.

(D-2) The Excess Road Traffic Fee shall be subject to the provisions of §3.5 of these Bylaws.

(D-3) The Excess Road Traffic Fee shall be calculated in accordance with the following formula:

$$\text{Excess Road Traffic Fee} = (\text{AT} + 30) \times (\text{D} \times \text{CF}) \times (\text{M} + 12)$$

where:

AT = number of additional round trips
generated during any (average) 30-day period

D = distance in feet up Brush Road
(same as used for Annual Assessment)

CF = cost factor per foot of road used
(same as used for Annual Assessment)

M = number of months

A sample calculation of John Doe's Excess Road Traffic Fee follows:

John Doe's furthest driveway is on Old Well Road. The distance up Brush Road and Old Well Road to this driveway is 2635 feet. After John Doe filled in his Drivers Declaration form he generated Excess Road Traffic activity that resulted in 150 round trips during each of the first 9 months of the year.

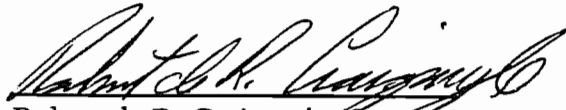
Therefore John Doe's Excess Traffic Fee for the 9-month period is:

$$\begin{aligned} \text{Excess Traffic Fee} &= (\text{AT} + 30) \times (\text{D} \times \text{CF}) \times (\text{M} + 12) \\ &= (150 + 30) \times (2635 \times .0325) \times (9 + 12) \\ &= 5 \times 85.64 \times .75 \\ &= 428.19 \times .75 \\ \text{Excess Traffic Fee} &= \$321.14 \end{aligned}$$

Certificate of Secretary
of
BRUSH ROAD CORPORATION
a California Nonprofit Corporation

I Hereby Certify that I am acting Secretary of said Corporation and that the foregoing Bylaws, comprising 14 pages, constitute the Bylaws of said Corporation as duly adopted at a meeting of the members held on September 12, 1991.

Witness my Hand and Seal this 18th day of January, 1993


Robert de R. Craigmyle, Secretary

