

Bylaws

OF

BRUSH ROAD CORPORATION

A California Mutual Benefit Nonprofit Corporation

[As Amended by the Members as of December 28, 2011]

BYLAWS OF BRUSH ROAD CORPORATION

[Approved by the Members on December 28th, 2011]

TABLE OF CONTENTS

ARTICLE I. OFFICES AND PURPOSES.....	3	§4.4. Notice of Meetings.	7
§1.1. Principal Office.	3	§4.5. Voting of Membership.	8
§1.2. Change of Address	3	ARTICLE V. DIRECTORS	8
§1.3. Prior Agreement.	3	§5.1. Number, Titles and Qualifications.	8
§1.4. Purpose.	3	§5.2. Term of Office.	8
§1.5. "Brush Road" Defined.	4	§5.3. Election	8
§1.6. Private Nature of Brush Road.	4	§5.4. Compensation.	8
ARTICLE II. MEMBERS	4	§5.5. Meetings.	8
§2.1. Qualification and Admission to Membership.	4	§5.6. Powers and Duties.	8
§2.2. Membership List.	5	ARTICLE VI. OFFICERS	8
§2.3. Certificates of Membership.	5	§6.1. Number, Titles and Qualifications.	8
§2.4. Non Liability of Members	5	§6.2. Appointment.	8
§2.5. Transferability of Membership.	5	§6.3. Term of Office.	9
§2.6. Termination of Membership-Cause	5	§6.4. Resignation.	9
§2.7. Notice of Sale of Parcel	5	§6.5. President's Powers and Duties	9
§2.8. Certain Other Responsibilities of Members.	6	§6.6. Secretary's Powers and Duties.	9
ARTICLE III. ASSESSMENTS.....	6	§6.7. Treasurers Powers and Duties.	9
§3.1. Regular Annual Assessments	6	ARTICLE VII. CORPORATE RECORDS, REPORTS AND SEAL	9
§3.2. Excess Road Traffic	6	§7.1. Keeping Records.	9
§3.3. Certain Members Additional Amounts.	6	§7.2. Annual Report.	9
§3.4. Special Assessments.	7	§7.3. Corporate Seal.	9
§3.5. Members in Arrears.	7	Exhibit A - REGULAR ANNUAL ASSESSMENTS	11
§3.6. No Exemption	7	Exhibit B - QUALIFIED PARCELS.....	12
§3.7. Handling of Assessments Collected.	7	Exhibit C -QUALIFICATION FEE FOR NEW PARCELS	13
ARTICLE IV. MEETINGS OF MEMBERS	7	Exhibit D - EXCESS TRAFFIC FEE	14
§4.1. Place.	7		
§4.2. Regular Meetings	7		
§4.3. Quorum; Voting Requirements.	7		

BYLAWS OF BRUSH ROAD CORPORATION

[Approved as of December 28th, 2011]

ARTICLE I. OFFICES AND PURPOSES

§1.1. Principal Office. The principal office 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 and Access Rights of Members

- (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.
- a. Each Brush Road Member, as defined in §2.1., below, grants to all other Brush Road Members, and each of them, the full right of access over and across such right of way referred to as Brush Road, including the section referred to herein as Lower Brush Road. The same is expressly granted and reserved as to each parcel and Brush Road Member hereunder.
 - b. Each Ridge Road Member, as defined in §2.1., below, is hereby granted by the Brush Road Members, the right of access over and across such right of way referred to as Lower Brush Road, as defined in §1.5., below, and the same is expressly granted and reserved to each parcel and Ridge Road Member hereunder. Ridge Road Members to do not have access to or rights in any portion of Brush Road other than Lower Brush Road.
- (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," "Lower Brush Road" and "Ridge Road" Defined.

- (a) *Brush Road.* For all purposes of these Bylaws "*Brush Road*" shall mean and include:
- i. That private road or roadway popularly known as 'Brush Road' in the Township of Los Gatos, County of Santa Clara, California, which commences at the northern property line of the parcel numbered 544-35-011 and terminates at parcel numbered 544-33-031; and
 - ii. 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; and
 - iii. All drainage areas abutting said private roadways, including those water drainage facilities constructed on the parcel numbered 544-35-002, as described on Exhibit E, and as shown on Exhibit F.
- (b) *Lower Brush Road.* For all purposes of these Bylaws, "Lower Brush Road" shall mean only that section of Brush Road in the Township of Los Gatos, County of Santa Clara, California, which commences at the point on Brush Road located at the northern property line of the parcel numbered 544-35-011 (presently owned by the State of California) and that terminates at the northern point on Brush Road where Ridge Road connects to Brush Road as shown on Exhibit F.
- (c) *Ridge Road.* For all purposes of these Bylaws, "Ridge Road" shall mean only the road or roadway popularly known as "Ridge Road" in the Township of Los Gatos, County of Santa Clara, California, which commences at the intersection with Brush Road on parcel 544-34-076 and terminates at the end of Ridge Road at the entrance to parcel number 544-34-074. The Brush Road Corporation has no rights or responsibility over Ridge Road, except for maintaining Lower Brush Road so that Ridge Road may have access to the State Property Line at parcel 544-53-011.

§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.

- (a) *Classes of Members.* The Corporation shall have two classes of members, Brush Road Members and Ridge Road Members. Except as expressly stated otherwise in these Bylaws, a Brush Road Member shall have the same rights and obligations as a Ridge Road Member and are collectively referred to in these Bylaws as "Member(s)".
- (b) *Brush Road Member.* Any person who owns any parcel of real property located on or abutting, or accessed by Brush Road, where such parcel is not located on or abutting Ridge Road, is eligible to be a member of the Corporation. This class of members shall be referred to as "Brush Road Members."
- (c) *Ridge Road Member.* Any person who owns any parcel of real property located on or abutting Ridge Road is eligible to be a member of the Corporation. This class of members shall be referred to as "Ridge Road Members". Note that at this time the Post Office delivers all mail for Ridge Road residents to mailboxes physically located on Brush Road and hence assigns to these parcels Brush Road addresses.
- (d) *Qualified Parcel.* The owner of a Qualified Parcel is automatically admitted to the appropriate class of membership in the Corporation based on the location of the Qualified Parcel as defined in

§2.1.(b) and §2.1.(c). 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 in a particular class shall be treated as one member of that class. As used herein, "Qualified Parcel" is any Existing Parcel or any New Parcel as to which the Qualification Fee (defined below) has been duly paid.

- (e) *Existing Parcel.* As used herein, an "Existing Parcel" is a parcel of real property described in EXHIBIT B hereof.
- (f) *New Parcel.* As used herein, a "New Parcel" is any parcel of real property located on, abutting or accessed by Brush Road or on or abutting Ridge 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.
- (g) *Qualifying a New Parcel.* A New Parcel may become a Qualified Parcel and the owner thereof may become a member of the appropriate class 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:

- (a) Major construction or remodeling,
- (b) Repeated trips of heavy equipment
- (c) 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 Road	\$51.17
544-33-032	21099 Brush Road	\$51.16
544-22-027	21101 Brush Road	\$51.16
544-33-026	21103 Brush Road	\$51.16
544-33-031	21111 Brush Road	\$51.16
544-33-034	21119 Brush Road	\$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 communication, 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. Treasurers 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 member's 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.

EXHIBIT A - REGULAR ANNUAL ASSESSMENTS

[as of December 28th, 2011]

(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 re-declare 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

	Schedule 1 Rates (1982 -1991)	Schedule 2 Rates (from and after 1992)	Schedule 3 Rates (from and after 2011)
Cost Factor (CF in Formula) is:	\$0.02 per foot	\$0.0325 per foot	\$0.0325 per foot
Fixed Fee (F in Formula) is:	\$25.00	\$140.00	\$280.00 (Brush) \$200.00 (Ridge)

A sample calculation of Schedule 3 Rates for John Doe and Jane Smith follows:

John Doe's furthest driveway is on Old Well Road, 2635 feet from the start of the road. There are 2 licensed drivers living on his property. Jane Smith's parcel is on Ridge Road, which begins 250 feet up Brush Road. There are 2 licensed drivers living on her property:

John Doe, Brush Road Member:

$$\begin{aligned} \text{Assessment} &= (2 \times 2635 \times .0325) + 280 \\ &= 171.28 + 280 \\ &= 451.28 \text{ Dollars per year} \end{aligned}$$

Jane Smith, Ridge Road Member:

$$\begin{aligned} \text{Assessment} &= (2 \times 250 \times .0325) + 200 \\ &= 16.25 + 200 \\ &= 216.25 \text{ dollars per year} \end{aligned}$$

EXHIBIT B - QUALIFIED PARCELS

[as amended through December 28, 2011]

The following parcels of real property are located on Ridge Road, or 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 Brush Road, Old Well Road, or Ridge Road. The County may from time to time change the Parcel Number of a given parcel; and the Post Office may assign a street address to undeveloped parcels (indicated as (lot)) when the parcel is developed, but they will remain Qualified Parcels.

Brush Road Members

Code No.	Parcel No.	Road Address	Date Qualified
1	544-33-018	21117 Brush	11/20/1990
2	544-33-026	21103 Brush	11/20/1990
3	544-33-031	21111 Brush	11/20/1990
4	544-33-032	21099 Brush	11/20/1990
5	544-33-033	21113 Brush (lot)	11/20/1990
6	544-33-034	21119 Brush	11/20/1990
7	544-33-037	21101 Brush	11/20/1990
8	544-34-061	21100 Brush	11/20/1990
9	544-34-062	21104 Brush	11/20/1990
10	544-34-066	21108 Brush	11/20/1990
11	544-34-067	21106 Brush	11/20/1990
12	544-34-068	21102 Brush	11/20/1990
13	544-35-002	20730 Brush	11/20/1990
14	544-35-034	21121 Brush	11/20/1990
15	544-35-010	----- Brush (lot)	11/11/1991
16	544-35-036	20732 Brush	11/20/1990
17	544-56-001	21110 Brush	11/20/1990
18	544-56-032	21097 Brush (lot)	11/20/1990
19	544-56-033	21097 Brush	11/20/1990
20	544-56-037	21112 Brush	11/20/1990
21	544-56-026	21103 Old Well	11/20/1990
22	544-56-007	21105 Old Well	11/20/1990
23	544-56-009	21109 Brush	11/20/1990
24	544-56-035	21123 Brush	11/20/1990
25	544-56-036	21111 Old Well	11/20/1990
26	544-56-013	21107 Brush	11/20/1990
27	544-56-020	----- Old Well (lot)	11/20/1990
28	544-56-024	21095 Old Well	11/20/1990
29	544-56-025	21105 Brush	11/20/1990

Ridge Road Members

Code No.	Parcel No.	Road Address	Date Qualified
A	544-34-074	20715 Brush	12/11/2011
B	544-34-075	20780 Brush	12/11/2011
C	544-34-076	20720 Brush	12/11/2011

Exhibit C -QUALIFICATION FEE FOR NEW PARCELS

[as of December 28th, 2011]

(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 \$15,000.

(C-4) The Qualification Fee shall be subject to the provisions of §3.5 of these Bylaws.

EXHIBIT D - EXCESS TRAFFIC FEE

[as of December 28th, 2011]

(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 Traffic Fee shall be subject to the provisions of §3.5 of these Bylaws.

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

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

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:

$$\begin{aligned} \text{Excess Traffic Fee} &= (\text{AT} + 30) \times \text{CD} \times \text{CF} \times (\text{M} / 12) \\ &= (150 + 30) \times (2635 \times .0325) \times (9 / 12) \\ &= 5 \times 85.64 \times 0.75 \\ &= 428.19 \times 0.75 \\ \text{Excess Traffic Fee} &= \$321.14 \end{aligned}$$

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 December 28th, 2011.

Witness my Hand and Seal this ___th day of _____, 20__

_____ *Secretary*

[Corporate Seal]