

or provision. Notwithstanding the foregoing, these Bylaws may be amended by a majority of the entire Board, at any time prior to the first Close of Escrow for the sale of a Lot or Condominium to a purchaser from Declarant or a Merchant Builder pursuant to a transaction requiring issuance of a Final Subdivision Public Report by the DRE. If Declarant or a Merchant Builder have obtained a VA or FHA "project approval" (as defined in Section 2.3.6 of the Declaration), then so long as Declarant and any Merchant Builders have effective voting control of the Maintenance Association any amendment to these Bylaws must also be approved by VA, FHA or both, as applicable.

7.2. Additional Consents.

Article II, Sections 3.1, 4.1, 4.2, 4.3, 4.4, 4.6, 4.7, 4.8 and Article VII of these Bylaws may not be amended without the written consent of Declarant until the later to occur of (i) the expiration of Declarant's right to add Annexable Area to the Properties without the vote of the Delegates pursuant to Article II of the Declaration, or (ii) the date on which neither Declarant nor Merchant Builders own a Lot or Condominium in the Properties. Before any material amendment to these Bylaws affecting matters delineated in Sections 9.2, 9.3, 12.2.3 or 12.3 of the Declaration is effective, such amendment must be approved by the same percentage of Beneficiaries of first Mortgages as specified in the Declaration section which would be affected by such amendment, and this sentence may not be amended without such prior written approval. Notwithstanding the foregoing, if a first Mortgagee who receives a written request from the Board to approve a proposed amendment or amendments to the Bylaws does not deliver a negative response to the Board within thirty (30) days of the mailing of such request by the Board, such first Mortgagee shall be deemed to have approved the proposed amendment or amendments.

## ARTICLE VIII

8. Mortgagees.

8.1. Notice to Maintenance Association.

Upon request, every Member who Mortgages a Lot or Condominium shall notify the Maintenance Association through the Manager, or through the Secretary if there is no Manager, of the name and address of the Member's Mortgagee. Upon request, Members shall notify the Maintenance Association of the release or discharge of any such Mortgage.

8.2. Notice of Unpaid Assessments.

The Maintenance Association shall, at the request of a Mortgagee, report any unpaid assessments due from the Owner of such Lot or Condominium in accordance with the provisions of the Declaration.

ARTICLE IX

9. Conflicting Provisions.

If any of these Bylaws conflict with any laws of the State of California, such conflicting Bylaws shall be void upon final court determination to such effect, but all other Bylaws shall remain in full force. In case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE X

10. Indemnification of Directors and Officers.

The Board may authorize the Maintenance Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, any present or former Maintenance Association Director, officer, committee member, employee or agent as provided in the Declaration.

ARTICLE XI

11. Miscellaneous.

11.1. Checks, Drafts and Documents.

All checks, drafts or other orders for payments of money, notes or other evidences of indebtedness, issued in the name of or payable to the Maintenance Association, must be signed or endorsed by the President and Treasurer of the Maintenance Association, or by such person or persons and in such manner as the Board designates by resolution, subject to the provisions of Section 6.3 of the Declaration.

11.2. Execution of Documents.

The Board may authorize any officer or agent to enter into any contract or execute any instrument in the name and on behalf of the Maintenance Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent, committee member or employee may bind the Maintenance Association by any contract or engagement or pledge its credit or render it liable for any purpose or in any amount.