

7/14/1966

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EXHIBIT E

Mr. & Mrs. George W. Zurilgen
8 San Benito Court 94598
Walnut Creek, CA

BY-LAWS

Mike W. E. Cowd. COM

OF

916-362 3313

GALLEN CREEK ASSOCIATION

ARTICLE I

DEFINITIONS

Section 1. "Restrictions" shall mean that certain Declaration of the Establishment of Covenants, Conditions and Restrictions With respect to Land in Butte County, California, filed in the Office of the Recorder of the County of Butte on July 14, 1966 in Book 1435 at Page 314 and following, as the same may be amended from time to time in accordance with the terms hereof.

Section 2. Other terms used herein shall have the meaning given to them in the Restrictions and the Articles of Incorporation.

ARTICLE II

QUALIFICATIONS FOR MEMBERSHIP

Section 1. Proof of Membership. No person or persons shall exercise the rights of membership until satisfactory proof has been furnished to the secretary of the Association of qualification as a member or nominee of a member pursuant to the terms of the Restrictions and the Articles of Incorporation. Such proof may consist of a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person nominating him qualified in accordance therewith, which said deed or policy shall be deemed conclusive in the absence of a conflicting claim based upon a later deed or policy.

Section 2. No Additional Qualifications. No initiation fees, costs or dues shall be assessed against any person as a condition upon his exercise of the rights of membership except such assessments, levies and charges as are specifically authorized under the Articles of Incorporation or the Restrictions.

ARTICLE III

VOTING RIGHTS

Section 1. Exercise of Voting Rights.

- (a) At any meeting of the members, each member shall be entitled to cast one vote for each lot owned by such member.
- (b) Any member entitled to vote may attend and vote at meetings in person, or by a proxy holder duly appointed by a written proxy signed by the member and filed with the secretary. Any proxy shall be for a term of not to exceed eleven (11) months unless otherwise expressly provided therein and may be revoked at any time by written notice to the secretary. It shall be deemed revoked when the secretary shall receive actual notice of the death or judicially declared incompetence of such member, or upon termination of such member's status as an Owner. Where two or more persons constitute a member, any proxy with respect to such member shall be signed by all such persons. All such persons may attend meetings, but no vote of such member shall be cast without the unanimous consent of all such persons present at a given meeting. All ballots cast in the election of the Board of Governors shall be in writing.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Quorum. The presence, either in person or by proxy, at any meeting of the members having at least 50% of the total vote shall constitute a quorum. Unless otherwise expressly

provided herein, any action may be taken at any meeting of the members upon the affirmative vote of a majority of the total votes present at such meeting in person or by proxy. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirements shall be at least twenty-five per cent (25%)

Section 2. Annual Meeting. There shall be a meeting of the members on the second Tuesday of July of each year at 7:30 P. M. at the Lake Madrone Tradin' Post or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice of the Board delivered to the members not more than sixty (60) days nor less than ten (10) days prior to the date fixed for said meeting.

Section 3. Special Meetings. Special meetings of the members may be called at any time for the purpose of considering matters which, by the terms of the Articles of Incorporation, these By-Laws or the Restrictions, require the approval of all or some of the members, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by the President, or by the members having one-third (1/3) of the total votes and delivered not more than sixty (60) days nor less than fifteen (15) days prior to the date fixed for said meeting. Said notice shall specify a reasonable date, time and place of the meeting and the matters to be considered thereat.

ARTICLE V

NOTICES

Section 1. Method for Giving Notice. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the secretary for the purpose of service of such notice or to the lot of such person if no address has been given to the secretary. Such address may be changed from time to time by notice in writing to the secretary.

ARTICLE VI

POWERS

Section 1. Exercise of Powers. The corporate powers of the Association shall be vested in, exercised by and under the authority of, and the affairs of the Association shall be controlled by a Board of Governors consisting of seven (7) persons. The Board members other than those named in the Articles of Incorporation shall be Owners.

ARTICLE VII

ELECTION, TENURE AND PROCEEDINGS
OF BOARD OF GOVERNORS

Section 1. Election. At each annual meeting, the members shall elect a Board of Governors for the forthcoming year, consisting of seven (7) members. Every member entitled to vote

at any election may accumulate his votes and give one candidate a number of votes equal to the number of governors to be elected, multiplied by the number of votes to which such members are otherwise entitled, or distribute his votes on the same principle among as many candidates as he thinks fit. The candidates receiving the highest number of votes up to the number of governors to be elected shall be deemed elected.

Section 2. Term and Removal. Board members shall serve for a term of one (1) year or until their respective successors are elected, or until their death, resignation or removal, whichever is the earlier; and provided further that if any Board member (other than a member named in the Articles of Incorporation) ceases to be a member of the Association his Board membership shall thereupon terminate. Any Board member may resign at any time by giving written notice to the President or Secretary, and any person may be removed from office by vote of the members; provided, that unless the entire Board is removed, an individual governor shall not be removed if the number of votes cast against his removal exceeds twelve and one-half percent (12½%) of the total vote.

Section 3. Vacancies. Vacancies on the Board shall be filled by a majority of the remaining Board members though less than a quorum, and each Board member so elected shall hold office until his successor is elected by the members. Upon tender of a resignation by a Board member, the Board shall have the power to elect his successor to take office at such time as the resignation becomes effective.

Section 4. Conduct of Business. Four (4) members of the Board shall constitute a quorum and, if a quorum is present, the decision of a majority of those present shall be the act of the

Board. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. The Board may also act without a meeting by unanimous written consent of the Board members.

Section 5. Tenure of Initial Board. The Board members named in the Articles of Incorporation shall serve until the first annual meeting or until thirty (30) days after fifty-one percent (51%) of the memberships have become the property of persons other than the owner of the tract at the time the Association is formed, whichever event first occurs. Within ten (10) days after the said fifty-one percent (51%) condition is met, the President shall call a special meeting for the purposes of electing a new Board pursuant to the terms hereof.

ARTICLE VIII

POWERS AND DUTIES OF BOARD OF GOVERNORS

Section 1. Powers and Duties Set Forth in Restrictions.

The Board of Governors shall have the exclusive right and responsibility to perform diligently all of the obligations and functions of the Association as set forth in the Restrictions and shall have all rights of the Association in connection therewith.

Section 2. Accounting for Maintenance Fund. At the annual meeting, the Board shall present to the members a written statement of the maintenance fund itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each member, and the estimated maintenance for the coming calendar year. Within ten (10) days after the annual meeting, said statement shall be mailed to each member in the manner provided for giving notices hereunder. The Board shall cause to be maintained a full set of books and records showing the

financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles.

Section 3. Other Books and Records. The Board shall cause to be maintained a complete record of all their minutes and acts and of the proceedings of the members. Such records and documents shall be kept and maintained in a manner consistent with reasonably prudent practice which would be applicable to a business for profit.

Section 4. Appointment and Removal of Officers. The Board shall appoint and remove at pleasure all officers, agents and employees of the Association, prescribing their duties, fixing their compensation and requiring from them security or a fidelity bond for faithful performance of the duties to be prescribed for them to the extent deemed reasonably necessary by the Board or required by the Restrictions.

Section 5. Supervision of Officers. The Board shall supervise all officers, agents and employees of the Association and see that their duties are properly performed.

ARTICLE IX.

OFFICERS

Section 1. ~~Enumeration of Officers~~ The officers of this Association shall be a President, and Vice President, who shall at all times be members of the Board of Governors, and a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Term. The officers of this Association, except such officers as may be appointed in accordance with Sections 3 or 5 of this Article, shall be chosen annually by the Board and each shall hold his office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 3. Special Appointments. The Board may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4. Resignation and Removal. Any officer may be removed from office either with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or other cause may be filled in the manner prescribed in the By-Laws for regular appointment to such office. The appointee to such vacated office shall serve the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. The offices of Secretary or Assistant Secretary and Treasurer may be held by the same person. No person shall be appointed to more than one of any of the other offices except in the case of special offices created pursuant to Section 3 of this Article.

ARTICLE X

PRESIDENT

Section 1. Election. At their first meeting, the Board shall elect one of their number to act as President.

Section 2. Duties. The President shall

- (a) preside over all meetings of the members and of the Board;
- (b) sign as President all deeds, contracts and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser officer;
- (c) call meetings of the Board whenever he deems it necessary in accordance with rules and upon notice agreed upon by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days;
- (d) have, subject to the advice of the Board, general supervision, direction and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

ARTICLE XI

VICE PRESIDENT

Section 1. Election. At its first meeting, the Board shall elect one of its number to act as Vice President.

Section 2. Duties. The Vice President shall

- (a) act in the place and stead of the President in the event of his absence, inability or refusal to act;
- (b) exercise and discharge such other duties as may be required of him by the Board. In connection with any such additional duties, the Vice President shall be responsible to the President.

ARTICLE XII.

SECRETARY AND ASSISTANT SECRETARY

Section 1. Election. At its first meeting, the Board shall

elect a Secretary.

Section 2. Duties. The Secretary shall

- (a) Keep a record of all meetings and proceedings of the Board and of the members;
- (b) keep the corporate seal of the Association and affix it on all papers requiring said seal;
- (c) serve such notices of meetings of the Board and the members required either by law or by these By-Laws;
- (d) keep appropriate current records showing the members of this association together with their addresses;
- (e) sign as Secretary all deeds, contracts and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature unless the Board has authorized another officer to sign in the place and stead of the Secretary by duly adopted resolution.

Section 3. Appointment and Duties of the Assistant Secretary.

The Board may, in its discretion, appoint an Assistant Secretary who, in the case of absence, inability or refusal to act on the part of the Secretary, shall perform the duties thereof. The Assistant Secretary shall also perform such other duties as may be required of him by the Board.

ARTICLE XIII

TREASURER

Section 1. Election. At its first meeting, the Board shall elect a Treasurer.

Section 2. Duties. The Treasurer shall

- (a) receive and deposit in such bank or banks as the Board may, from time to time direct all of the funds of the Association.

(b) be responsible for and shall supervise the maintenance of books and records to account for such funds and other Association assets;

(c) disburse and withdraw said funds as the Board may from time to time direct and in accordance with prescribed procedures.

ARTICLE XIV

SUBORDINATE OFFICERS

Section 1. Appointment. The Board may appoint such subordinate officers as it deems desirable from time to time.

Section 2. Duties. Such subordinate officers shall have the duties that the Board may, from time to time prescribe, including the right to act in the place and stead of such officers other than the President, as the Board may designate.

ARTICLE XV

CERTIFICATES OF MEMBERSHIP

Section 1. Issuance of Certificates. The Board of Governors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation maintained by the Secretary. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board may direct.

ARTICLE XVI

MISCELLANEOUS

Section 1. Inspection of Books and Records. The books,

records and such papers as may be placed on file by the members of the Board shall, at all times during reasonable business hours, be open to the inspection of any member.

Section 2. Corporate Seal. The Association shall have a seal in circular form having within its circumference the words "GALEN CREEK ASSOCIATION, Incorporated August 18, 1966, State of California".

Section 3. Amendment of these By-Laws. By-Laws may be adopted, amended or repealed by the vote or written assent of members holding seventy-five per cent (75%) or more of the total votes, and if otherwise required by law, the written consent of the Commissioner of Real Estate of the State of California.

Section 4. Consent to Waiver of Notice. The transactions at any meeting of the members, however called or noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present, in person or by proxy, if either before or after the meeting, each member entitled to vote but not present thereat signs a written waiver of notice, or a consent to the holding of such meeting or approval of the true and correct minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of the Association known as the GALEN CREEK ASSOCIATION, does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Governors of said Association on the 18th day of August, 1966, and that they now constitute said By-Laws.

Donald B. Gerardi
Secretary

STATE OF CALIFORNIA
COUNTY OF SAN MATEO

ss.

On this 1st day of July, 1966, before me, ALFREDA BELL, a Notary Public, State of California, duly commissioned and sworn, personally appeared PAUL H. GARDINER and GERALD B. FERRARI known to me to be the President and Secretary, respectively, of the corporation described in and that executed the within instrument, and also known to me to be the persons who executed the within instrument on behalf of the corporation there in named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of San Mateo the day and year in this certificate first above written.

(Seal)

/s/ Alfreda Bell

Notary Public

My Commission Expires: 3/11/70

The undersigned hereby certifies that this is a true and exact copy of Declaration of Restrictions, recorded July 14, 1966 in the office of the Recorder of the County of Butte, State of California, in Book 1435 of Butte County Official Records, at pages 314 through 344.

OROVILLE TITLE COMPANY

BY /s/ Ray Martin
Vice President

STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN MATEO)

On this 21st day of July, 1966, before me, THEEDA MARY ARMENTROUT, a Notary Public, State of California, duly commissioned and sworn, personally appeared PAUL H. GARDINER, SUSAN B.

GARDINER, ROY E. WOLNNE, NORMAN H. MOORE, CUTHBERT B. CURRIE, CHESTER W. LEBSACK and GERALD B. FERRARI, known to me to be the persons who executed the foregoing Articles of Incorporation, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of San Mateo, State of California, the day and year in this certificate first above written.

THEEDA MARY ARMENTROUT (SEAL)

THEEDA MARY ARMENTROUT, NOTARY PUBLIC

My commission expires August 16, 1969

Page 12 - missing

But 9 found in large green folder.

It speaks of - Miscellaneous articles =

Sec. 2 - Corporate Seal

Sec 3 Amendment of then Big-Laws

Sec. 4 Consent of Board of Officers - [formation.com](http://www.formation.com)

Certificate of Secretary -

Aug. 18, 1966