

AMENDED BYLAWS OF PACIFIC POINT  
HOMEOWNERS ASSOCIATION

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BYLAWS  
OF  
PACIFIC POINT HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Pacific Point Homeowners Association. The principle office of the corporation shall be located in the City of Pacifica, County of San Mateo, California.

ARTICLE II

DEFINITIONS

Section 1. “Act” means Title 6, Chapter 1, Sections 1350, through 1360, inclusive, of the Civil Code of California, entitled “Condominium”, as the same may be amended from time to time.

Section 2. “Articles” means the Articles of Incorporation of the Association, including any amendments thereto.

Section 3. “Association” means Pacific Point Homeowners Association, a California nonprofit mutual benefit corporation, its successors and assigns.

Section 4. “Board” means the Board of directors of the Association.

Section 5. “Common Area” means the entire Condominium Development, except the Units.

Section 6. “Condominium” means an estate in real property, as defined in California Civil Code § 783, consisting of an undivided interest in common in the Common Area together with a separate interest in a unit. Ownership of each condominium shall include an entire unit, all assessments appurtenant thereto and the respective undivided interest in the Common area as set forth in the Declaration.

Section 7. “Condominium Development” means all the real property subject to the Declaration, including all structures thereon.

Section 8. “County” means the county in the State of California in which the Condominium Development is located.

Section 9. “Declaration” means the Declaration of the covenants, Conditions, and Restrictions for Pacific Point, recorded on March 26, 1973, in book 6350 at page 124 of the official records of the County.

Section 10. “Member” means a member of the Association.

Section 11. “Mortgage” means any mortgage or deed of trust which constitutes which constitutes a first lien upon a Condominium given to a bank or savings and loan associations for the purposes of securing indebtedness incurred to purchase or improve a Unit.

Section 12. “Mortgagee” means the holder of the beneficial interest in any Mortgage.

Section 13. “Notice and opportunity for Hearing” means giving at least fifteen (15) days prior notice of a proposed action and the reasons therefore, and an opportunity to be heard by the Board, orally or in writing, not less than five (5) days before the effective date before the proposed action.

Section 14. “Owner” means the record fee title owner whether one or more persons or entities, of a fee simple title to any Condominium and shall include Declarant as to any Condominium owned by declarant and contract vendee (buyer) under a recorded contract for sale. “Owner” shall not include any person or entity who holds an interest in a Condominium merely as security for the performance of an obligation or as a tenant.

Section 15. “Person” shall mean an individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

Section 16. “Property” means that certain real property in the City of Pacifica, County of San Mateo, State of California, which is particularly described on the subdivision map entitled Subdivision of portions of Blocks 24, 25, a portion of Malden Way, a portion of walk 10.00 feet in width, on the map, filed February, 1972; in volume 79 of Maps at pages 26-33, official records of the County.

Section 17. "Rules and Regulations" means reasonable and nondiscriminatory rules and regulations as may be adopted from time to time by the Association, provided notice of such rules and regulations has been given to Owners in accordance with requirements of the Declaration.

Section 18. "Unit" means the elements of a Condominium which are not owned in common with the other Owners.

Section 19. "Voting Power" means the total number of votes of Members ( in a class of Members or of the Association, as the case may be ) whose membership at the time the determination of voting power is made has not been suspended in accordance with the provisions of the Declaration and these By-Laws. Voting Power shall be computed by including all such members, whether or not members are present in person or by proxy at a meeting.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each Owner shall automatically be a Member of the Association. No person or entity who is not an Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a condominium. Upon termination of ownership, an Owner's membership shall automatically terminate and be automatically transferred to the new Owner of the Condominium.

Section 2. Voting. The proportionate representation for voting purposes in the Association of Owners is based on the proportionate square footage that each of the units bears to the total square feet of all of the units. The square footage of the respective units, and their respective undivided interests for voting purposes, are as follows:

Units 1 and 2 (2) =	1.1052 %
Units 10, 11, 13, 14, 22, 23, 25, 25, 26, 34, 35, 37, 38, 46, 47, 49, 50, 58, 59, 61, 62, 70, 71, 73, 79, 81, 82, 96 and 97 (28) =	1.1051 %
Units 3, 12, 15, 24, 27, 36, 39, 48, 51, 60, 63, 72, 74, 80, 83 and 98 (16) =	1.1187 %
Units 4-9, 16-21, 28-33, 40-45, 52-57, 64-69 75-78 and 84-95 (52) =	0.9413 %

Section 3. Majority of Owners. As used in these Bylaws, the term “Majority of Owners” shall mean those owners who hold fifty-one percent (51%) of the votes in accordance with the percentages assigned in Section 2 of this Article.

## ARTICLE IV

### MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within forty-five (45) days after the recordation of a deed closing the sale of that unit which represents the 51<sup>st</sup> percentile of the Units authorized for sale, but in no event shall the meeting be held later than six (6) months after the closing of the first sale of the first Unit. Subsequent regular annual meetings of the Members shall be held not less frequently than once each calendar year, at a date and time selected by the Board. Meetings of the Association shall be held within the Condominium Development or as close thereto as possible. If the day for the annual meeting of the Members is a legal or religious holiday, or a Saturday or a Sunday, the meeting shall be held at the same hour on the first working day thereafter.

Section 2. Special Meetings. Special meetings of the Members shall be promptly scheduled in response to a majority vote of a quorum of the Board, or upon receipt of a written request signed by Members representing not less than twenty percent (20%) of the total Voting Power of the Association.

Section 3. Notice of Meetings. Written notice of annual and special meetings of Members shall be given by, or at the direction of, the secretary of the Association or other person authorized to call a meeting, by mailing a copy of such notice, first-class postage prepaid, not less than ten (10) days **nor more than ninety (90) days** before such meeting, to each Member entitled to vote, addresses to the Members address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Notice of a meeting shall specify the place, date and hour of the meeting, and (i) in the case of a special meeting, the general nature of the business to be undertaken; and (ii) in the case of a regular meeting, those matters which the Board, at the time the notice is given, intends to present for action by the Members. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any regular or special meeting of the Members upon the affirmative vote of a majority of the Members present at the meeting. The notice of any meeting at which directors are to be elected shall include the names of all those who are

nominees at the time the notice is given to the Members. Notice shall also be given to the holders of the Mortgages or equivalent liens on the Condominiums at the address supplied to the holder to the Association and each such holder shall have the right to designate a representative to attend the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxy holders entitled to cast, one-third of the total Voting Power of the Association shall constitute a quorum for any action, except as may otherwise be provided in the Articles, the Declaration or these Bylaws. The Members present at any duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. In the absence of a Quorum, the Members entitled to vote at such meeting shall have the power to adjourn the meeting to another time without notice (other than the announcement at the meeting). Any adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The Quorum required for voting at such rescheduled meeting shall be twenty percent (20%) of the total Voting Power of the Association. If the time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to the Members in the manner prescribed herein for the regular meetings.

Section 5. Proxies.

- (A) 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 of the Association or other person designated at the meeting. Every proxy shall be revocable and shall automatically cease upon reconveyance by the Member of his Condominium or upon receipt by the Association of written notice of the death or incapacity of the Member who executed the proxy. Any proxy shall be invalid after expiration of eleven (11) months from the date it is executed.
- (B) Any form of proxy or written ballot distributed to ten (10) or more Members may afford an opportunity on the proxy or form of written ballot to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot or proxy is distributed, to be acted upon at the meeting for which the proxy is solicited or by such written ballot, and shall provide, subject to reasonable specific conditions, that where



the Member solicited specifies a choice with respect to any such matters, the vote shall be cast in accordance therewith.

- (C) Every form of proxy or written ballot which provides an opportunity to specify approval or disapproval with respect to any proposal shall also contain an appropriate space marked “abstain”, whereby a Member may indicate a desire to abstain from voting on the proposal. A proxy marked “abstain” by the Member with respect to the particular proposal shall not be voted either for or against such proposal.
- (D) In any election of directors, any form of proxy or written ballot in which the directors to be voted upon are named therein as candidates and which is marked by a Member “withhold” or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director.
- (E) Failure to comply with this section shall not invalidate any corporate action taken, but may be the basis for challenging any proxy at a meeting and the Superior Court may compel compliance therewith at the suit of any Member.

Section 6. Location. Meetings of Members shall be held within the Condominium Development or as close thereto as possible.

Section 7. Action Taken Without a Meeting. Any action which may be taken by the vote of the Members at a regular or special meeting, except the election of the Board, may be taken in the absence of a meeting by written consent pursuant to section 7513 of the California Corporations Code.

Section 8. Parliamentary Procedure. All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

## ARTICLE V

### BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed and governed by the Board of Directors composed of not less than three (3) and not more than five (5) directors, who shall be Members of the Association, except that a partner, employee, officer or director of any partnership, corporation or association that is an Owner shall be eligible to serve as a director.

Section 2. Term of Office. The term of office for each director shall be two (2) years. A director can run for successive terms.

Section 3. Removal. Any director may resign from the Board at any time by delivering a notice of resignation to the Board. Directors may be removed from the Board, with or without cause at any regular or special meeting of the members called for such purpose by a majority of the votes of the members cast at such meeting, except no individual director shall be removed if the number of votes cast against his removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast and the entire authorized Board were then being elected. In the event of death, resignation or removal of a director, his successor shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for general services he may render to the Association. A director may receive reasonable compensation for special services, e.g., professional services which go beyond that which is typically expected of a director. Before a director may receive such compensation, the amount of said compensation must be approved by the Board and disclosed to the members either at a meeting or through mail. A director may also be reimbursed for his actual reasonable expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which it could take at a meeting by obtaining the written consent of a majority of the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board. All such written consents shall be filed with the minutes of the proceedings of the Board and an explanation of the action taken shall be posted at a prominent place within the Common Area within three (3) days after the consent of all Board members has been obtained.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election of the Board may be made by a nominating committee appointed by the Board prior to an annual meeting at which directors are to be elected. The nominating committee shall consist of a chairman, who shall be a member of the Board and two or more members. The nominating committee shall make as many nominations for election to the Board as it shall in its

discretion determine, but not less than the number of vacancies to be filled. Nominations may also be made from the floor at the annual meeting.

Section 2. Election. The first election of the Board shall be conducted at the first meeting of the Association and the initial authorized number of the directors shall be elected at that meeting. Election to the Board shall be by secret written ballot. Election of directors shall be by cumulative voting in all elections in which more than two directors are to be selected. The persons receiving the largest number of votes shall be elected. A member shall be entitled to cumulate his or her votes for one or more candidates for the Board if the candidate's name has been placed in nomination prior to voting, and if the member has given notice at the meeting prior to the voting of his or her intention to cumulate votes. If any one member has given such notice, all members may cumulate their votes for candidates in nomination.

Section 3. Vacancies. Any vacancy on the Board caused by death, disability, resignation or increase in the number of directors may be filled by appointment by a majority of the remaining directors or by the sole remaining director. Any vacancy on the Board caused by removal of a director shall be filled by election pursuant to Sections 1 and 2 of this Article.

Section 4. Maintenance and Repair.

- (A) Every member must perform promptly all maintenance and repair work within his own unit which, if omitted would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender. If a member fails to properly perform said maintenance and repair, the Association is authorized through its Board to bring an action in the Superior Court seeking an order directing compliance with these Bylaws and the Declaration and will be entitled to attorney's fees and costs for bringing said action.
- (B) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall be at the owner's expense.
- (C) An owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common area and facility damaged through his fault. An owner shall reimburse the Association for improper maintenance of garage doors and other such common area facilities.

## Section 5. Use of Family Units – Internal Changes.

- (A) All units shall be utilized for residential purposes only. If it is alleged by any member that another member's unit is being used for a non-residential purpose, the Board shall make reasonable inquiries into the basis for such allegations. The owner of the unit in question shall comply with any written demand by the Board to show adequate proof that said unit is being used for residential purposes only. If adequate proof of residential use is not forthcoming, the Association may bring an action in Superior Court seeking an order directing compliance with these By-laws. The Association shall be entitled to attorney's fees and costs in seeking such an order.
- (B) An owner shall make no structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing and by certified mail, through the management agent, if any or through the President of the Board of Directors if no management agent is employed. The Association shall have the obligation to answer within thirty (30) days; failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration, otherwise an objection to the proposed modification by the Board will be controlling. However, a member can challenge a Board objection by calling a special meeting for that purpose.

## ARTICLE VII

### Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board shall be held at such intervals as the Board considers necessary and desirable, but not less often than once every three (3) months. Regular meetings shall be held at such place within the condominium development and at such hour as may be fixed from time to time by resolution of the Board. Notice of the time and place of regular meetings shall be posted at a prominent place or places in the condominium development or provided by mail to all members and shall be communicated to all directors not less than four (4) days prior to the meeting; provided, however, that notice of a meeting need not be given to any director who has signed a waiver of notice or has consented to holding of the meeting.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president of the Association or by any two (2) directors other than the president. The notice shall specify the time and place of the meeting and the nature of any special business to

be considered. The notice shall be sent to all directors and posted in the manner prescribed for notice of regular meetings not less than seventy-two (72) hours before the scheduled time of the meeting; provided, however, that the notice need not be consented to holding the meeting. Notice of meeting need not be given to any director who attends the meeting and does not protest before the commencement of the meeting the lack of notice to him or her.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done of made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Open Meetings. Regular and special meetings of the Board shall be open to all members of the Association: provided, however, that members who are not directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

Section 5. Executive Meetings. The Board may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in closed executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6. Adjourned Meetings. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned more than 24 hours. If the original meeting is adjourned more than 24 hours, notice of any adjournment to another time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

## ARTICLE VIII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have power to:

- (A) Adopt, publish and enforce Rules and Regulations governing the condominium development, the use of the Common

Area and any facilities thereon, and the personal conduct thereon of the members, their guests, invitees, members of their families or households and lessees; provided (i) such Rules and Regulations shall be reasonable, shall not discriminate against race, color, religion or sex and must be consistent with the Declaration, the Articles and the Bylaws;

- (B) After Notice and Opportunity for Hearing by the Board, (i) suspend an owner's rights as a member of the Association including his voting rights and right to use of any facilities of the common area: (a) for any period during which any assessment against such member's condominium or any fine against such member remains unpaid; and (b) for a period not to exceed thirty (30) days for any infraction of the Rules and Regulations or any Declaration or violation of or failure to comply with the provisions of the Declaration or these Bylaws; and (ii) impose monetary penalties as provided below for any infraction of the Rules and Regulations or any violation of or failure to comply with the provisions of the Declaration or these Bylaws, provided the member shall have been warned in writing of a previous infraction within the preceding one (1) year; (iii) before the Board imposes any monetary penalties or suspensions of voting or membership rights or common area use privileges against any member for failure to comply with the Declaration, these Bylaws or Association Rules, the Board must act in good faith and must satisfy each of the following requirements: (a) The member is given 15 days prior notice of the discipline the notice may be given by any method reasonably calculated to give actual notice. If the notice is given by mail, it must be sent by first-class registered mail to the last address of the member as shown on the Association's records; (b) The Member is given an opportunity to be heard, orally or in writing, by the Board, not less than five days before the effective date of the imposition of the discipline;
- (C) Pursuant to notice and hearing as described herein and to such other procedures as it may establish, assess fines against any member who violates, or whose guest or guests violate, the Declaration, these Bylaws or the Rules and Regulations then in effect, fines may be levied for each such offense. For the first offense, such fine shall not exceed \$50.00. For repeated offenses, fines shall not exceed \$250.00. Each fine or fines so assessed by the Board shall be added to the assessment charges of the member and be a lien as provided for in Article XI, paragraph 5 of these Bylaws;
- (D) Enforce and carry out provisions of the Declaration, these Bylaws and the Articles, and exercise all rights of the Association and the Board set forth in the Declaration, these Bylaws and the Articles;

- (E) Pay any taxes or assessments which are or could become a lien on the Common Area or any portion thereof;
- (F) Contract for causality, liability and other insurance;
- (G) Incur and pay any expenses on behalf of the Association and contract for goods and services for the Common Area and any other real or personal property for which the Association may have duties and obligations; provided, however, that: (i) no contract with a third person wherein the third person will furnish goods or services for the Common Area of the Association shall exceed a term of one year (except for a contract with a public utility regulated by the Public Utilities Commission, in which case the contract shall be limited to the shortest term allowable by such public utility at the regulated rate, or prepaid causality or liability insurance policies which shall not exceed three (3) years duration, provided the policy permits short rate cancellation by the insured); (ii) expenditures in the aggregate exceeding ten percent (10%) of the budgeted gross expenses of the Association for any fiscal year of the Association shall not be incurred for capital improvements to the Common Area in any fiscal year; (iii) any management agreement for the Condominium Development shall be terminable without cause upon ninety (90) days written notice, without payment of a termination fee; and (iv) lease agreements for recreation room fixture and equipment shall not exceed five years in duration and the lessor under such agreement shall not be an entity in which the subdivider has a direct or indirect ownership interest of ten percent (10%) or more. The restrictions contained in (i), (ii) and (iv) hereinabove shall not apply if the contract or expenditures are approved by the vote or written consent of a majority of the members;
- (H) Delegate to the committees, officers, employees and other agents of the Association reasonable powers to carry out the powers of the Board; provided, however, that the Board shall not delegate the powers to impose discipline against Members to levy fines against Members;
- (I) Prepare and distribute budgets and financial statements of the Association;
- (J) Enter any Unit, at reasonable hours, after forty-eight (48) hours notice and with as little inconvenience to the Member Owners as possible, in connection with any work or thing required or permitted to be performed or done by the Association by these Bylaws, the Declaration or the Rules and Regulations. In the event of emergency threatening injury to persons or property, or reasonable cause to believe there is

Such an emergency, the right of entry shall be immediate and may be exercised without notice, whether or not the Member Owner is present. The Association shall repair any damage caused by such entry;

- (K) Employ maintenance help and other individuals as it deems necessary to carry out the powers and duties of the Association;
- (L) Sell, transfer and convey the property of the Association, except that: (1) the approval by vote or written consent of the majority of the total Voting Power of the Association residing in Members other than Declarant shall be required when the sale, transfer or conveyance of any property exceeds in value five percent (5%) of the budgeted gross expenses of the Association for the fiscal year, or when the aggregate of all property sold in any fiscal year of the Association exceeds in value five percent (5%) of the budgeted gross expense of the Association for the fiscal year; and (2) any sale, transfer or conveyance of real property shall require the approvals of Members and Mortgagees as set forth in the Declaration;
- (M) Exercise all the powers set forth in the California Nonprofit Mutual Benefit Corporation Law, except those reserved to the Members by the provisions of these Bylaws, the Articles or the Declaration; and
- (N) Compromise, settle, release and otherwise adjust claims, demands, causes of action and liabilities on behalf of the Association and Owners, as the case may be, provided any such claim, demand cause of action or liability arises out of or relates to a condition or defect common to all or a majority of the Units or to the Condominium Development, design, construction, condition, repair or maintenance of or damage or injury to or defect in the Common Area or part thereof, and make and receive all payment or other consideration necessary therefore or in connection therewith. For such purposes, the Board shall be, and hereby is, irrevocably appointed attorney-in-fact to act on behalf of all Members upon such terms and conditions and for such consideration as may be approved by a majority of the Board.
- (O) Enforcement. The remedies provided herein shall be in addition to, and not in lieu of, any other remedies which may be provided by the Declaration, these Bylaws or under California Law.
- (P) Attorney Fees. In any action brought for enforcement, damages or declaratory relief with respect to the provisions of these Bylaws or the Declaration, the prevailing



party shall be entitled to attorney fees in such amount as may be ordered by the Court.

Section 2. Non-Liability. A director of the Board shall not be liable to the Members if he performs the duties of a director, including the duties as a Member of any committee of the Board upon which the director may serve, in good faith, in a manner such director believes to be in the best interest of the Association and with such care, including reasonable inquiry, as an ordinary prudent in a like position would use under similar circumstances. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared and presented by:

- (A) One or more officers or employees of the Association whom the director believes to be reliable and competent in the matters presented:
- (B) Counsel, independent accountants or other persons as to matters which the director believes to be within such persons professional or expert competence; or
- (C) A committee of the Board on which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence: so long as, in any such case, the director acts in good faith, after reasonable inquiry, when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 3. Duties. The Board shall;

- (A) Cause to be kept a complete record of all its acts and corporate affairs and to present to the Members, and any Mortgage making written requests therefore, the following:
  - (1) A budget for each fiscal year, which shall be distributed not less than forty-five (45) days before the beginning of the fiscal year, and which shall include all of the following information: (i) estimated revenue and expenses on an accrual basis; (ii) the amount of the total cash reserves of the Association currently available for replacement of major repair of common facilities and for contingencies; as well as the estimated cash reserves available at the end of the prospective fiscal year; (iii) an itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the Common Area and facilities for which the Association is responsible; and (iv) a general statement setting forth the procedures used by

the governing body in the in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common area and facilities for which the Association is responsible.

- (2) A monthly financial statement. A monthly operating (income) statement shall include a schedule of assessments received plus any additional income less operating expenses resulting in net income or loss.
- (3) A monthly balance sheet. The monthly balance sheet shall disclose the financial monthly position of the Association at the end of each month.
- (4) An annual report, which shall be distributed within one hundred twenty (120) days after the closing of the fiscal year, consisting of the following:
  - (a) A balance sheet as of end of the fiscal year;
  - (b) An operational (income) statement for the fiscal year;
  - (c) A statement of changes in financial position for the fiscal year; and
  - (d) Any information required to be reported under Section 8322 of the California Corporation Code
  - (e) For any fiscal year in which the gross income to the Association exceeds \$75,000, a copy of the review or audit report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. If the report is not prepared by an independent accountant, (where gross income does not exceed \$75,000) it shall be accompanied by the statement certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

(5) Tax return (s) for both State and Federal.

- (B) Annually distribute within sixty (60) days prior to beginning of the fiscal year a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against Members' Condominiums.
- (C) Supervise the officers, agents and employees of the Association in the proper performance of their duties.

- (D) As more fully provided in the Declaration and subject to and limitations contained therein.
- (1) Revise the amount of the annual assessment against each Condominium at least sixty (60) days in advance of each annual assessment period and, if necessary, revise such annual assessment;
  - (2) Send written notice of each assessment to every Owner in advance of each annual assessment period, provided that failure to comply with the provisions of this subparagraph shall not invalidate any assessment, lien or obligation to pay such assessment; and
  - (3) Take appropriate action against any Owner who is delinquent in the payment of any assessment to the Association, which action may include, but is not limited to, commencement of an action against the Owner for payment thereof and/or foreclosure of the Lien against Condominium of such owner.
- (E) Issue, or cause an appropriate officer to issue upon demand by any person having a legitimate interest, a certificate setting forth whether or not any assessment has been paid, for which certificate a reasonable charge may be made by the Board;
- (F) Procure and maintain liability insurance and causality insurance, as required by the Declaration, Workers Compensation insurance and such additional insurance and endorsements as the Board may deem desirable;
- (G) Procure and maintain adequate fidelity bonds for all officers and/or employees who are handling or responsible for Association funds. The premium on such bonds shall be paid by the Association.
- (H) Cause the Common Area and other real and personal property for which the Association may have duties and obligations to be kept in a good state of maintenance and repair;
- (I) Pay proper expenses of the Association; and
- (J) Establish and maintain reserve funds for Common Area replacements and maintenance in accordance with the budget of the Association adopted from time to time by the Board Funds deposited in reserve for a particular purpose shall be held for that purpose and shall not be expended for any other purpose without (i) the vote or written consent of a majority of the Voting Power of the Association, except that if the

Board determines that the funds held in reserve for that particular purpose exceed an amount reasonably required as a prudent reserve for that purpose, then, without the vote or written consent of Members, the excess may be allocated to any other reserve fund established by the Board and expended for the purpose for which such other reserve fund has been established.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be members of the Board, a secretary and a treasurer and such other officers as the Board may, from time to time, by resolution create. The number of officers shall comply with Section One of Article V.

Section 2. Election of the Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 3. Term. The Officers of the Association shall hold office for one (1) year unless such person sooner resigns, or is removed or is otherwise disqualified to serve.

Section 4. 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 determine from time to time.

Section 5. Resignation and Removal. Any officer may be removed from office, 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 on 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 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one of any of the offices, except in the case of special offices created pursuant to Section 4 of

this Article IX; provided, however, that notwithstanding the foregoing, the offices of secretary and treasurer may be held by the same person.

Section 8. Duties. Officers shall have the same duty of care as Directors as set forth in Article VIII, Section 2 of the By-Laws. The duties of the officers shall be those usually vested in their respective offices, including the following;

- (A) President: The president shall preside at all meetings of the Board and shall see that orders and resolutions of the Board are carried out; the president is the chief executive officer of the Association; including but not limited is his power to appoint committees from among the owners from time to time; he may assist in the conduct of the affairs of the Association.
- (B) Vice President: The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such duties as may be required of him by the Board;
- (C) Secretary: The secretary, or an assistant secretary elected and authorized by the Board, shall keep minutes of all meetings of the Board and of the Members and shall have custody and charge of the Association's corporate seal, minute books, membership transfer books and such other books, papers and documents as the board may prescribe; and
- (D) Treasurer: The treasurer or an assistant treasurer elected and authorized by the Board, shall be responsible for Association funds and securities and shall keep or supervise the keeping by persons designated by such resolution of the Board of books of account of Association receipts and disbursements. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The treasurer shall cause an annual audit or review of the Association to be made by a certified public accountant at the completion of each fiscal year. A copy of said annual report to be distributed to each homeowner within one hundred twenty (120) days after the end of the fiscal year; and shall prepare a monthly financial statement as defined in Section 3 (a) (2) to be presented to the membership or upon written request at any time during the year. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 9. Checks and Drafts. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable by the Association shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 10. Joint Signatures. Unless the Board authorizes otherwise, any check or other negotiable instrument issued by the Association shall require the joint signatures of any of the officers as defined in Article IX.

Section 11. Execution of Contracts and Other Documents. The Board by resolution may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or agreement or to pledge its credit to render it liable for any purpose or for any amount.

## ARTICLE X

### BOOKS AND RECORDS

The membership register, books of account and minutes of meetings of Members, Board and committees of the Board shall be made available for inspection and copying by any Member, any Member's duly appointed representative and any mortgagee during normal business hours for a legitimate purpose, at such place or places within the Condominium Development as the Board may prescribe. The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records by the Member or Mortgagee desiring to make the inspection; [hours and days of the week when such an inspection may be made](#); and payment of the cost of reproducing documents requested by Member or Mortgagee.

The Declaration, the Articles and these Bylaws shall be available for the inspection by any Member at the principal office of the Association, where copies may be obtained at reasonable costs. Every director shall have the absolute right at any reasonable time and convenient to all parties to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association, including the right to make extracts and copies of the documents.

All pertinent financial records, contracts, tax returns, minutes, etc. shall be retained for a minimum period of six (6) years.

## ARTICLE XI

### ASSESSMENTS

All owners are obligated to pay monthly (and any special) assessments imposed by the Association to meet all project communal expenses, which may include restoration or repair of common areas. The assessments shall be made pro rata according to the proportionate shares of each condominium owner, as stipulated in Paragraph G of the Declaration. Such assessments shall include, but are not limited to, payments to a replacement reserve account.

Not later than thirty (30) days prior to the beginning of each calendar year, the Association shall estimate the total charges to be assessed against each condominium. Each owner thereof shall thereafter pay to the Association his assessment in twelve (12) equal monthly installments, each installment to be paid on or before the 10<sup>th</sup> day of each month.

In the event the Association shall determine that the estimate of the total charges for the current year is, or will become, inadequate to meet all expenses of the project for any reason, including nonpayment of any owner's assessment on a current basis, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total charges to be assessed against each condominium. If the special assessments are for capitol improvements and the improvements are in excess of \$10,000.00, a majority of the voting power of the owners shall be required. The Association may at its discretion, prorate any such supplemental assessments between the remaining months of the calendar year, or immediately levy a special assessment against each condominium.

Each monthly installment shall become delinquent if not paid on or before the 20<sup>th</sup> day of each month. Each special assessment shall become delinquent if not paid within 20 days after the levy thereof. There shall accrue with each delinquent monthly installment and with each such delinquent special assessment, a late charge of \$10.00, together with interest at ten percent (10%) per annum on such delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association.

The Association may bring an action at law against the Owner personally obligated to pay a delinquent assessment, or

foreclose the lien against his Condominium and, Notice and (not or) Opportunity to be Heard, the Association may suspend a delinquent Owner's membership in the Association while the assessment remains unpaid. In any action to enforce payment of an assessment, the Association shall be entitled to recover interest, costs and reasonable attorney's fees. No Owner may exempt himself from payment or assessments by waiver of the use of enjoyment of all or any portion of the Common Area or abandonment of his Condominium.

## ARTICLE XII

### AMENDMENTS AND INTERPRETATION OF DOCUMENTS

Section 1. Amendment. Any amendment of these Bylaws shall require (i) the vote or written consent of a majority of the Voting Power of the Association; provided, however, that no such amendment shall change any provision hereof where such provision is contained in or governed by the Articles or the Declaration, unless the applicable provisions of the Articles and/or Declaration are likewise amended as therein required, and provided further that the percentage of the Voting Power of the Association necessary to amend a specific provision of these Bylaws shall not be less than 50%.

Section 2. Interpretation. In the case of any conflict between Articles and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between Articles and Declaration, the Declaration shall control.

I WITNESS WHEREOF, we, being all of the directors of the Pacific Point Homeowners Association, have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

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22 (note: Page 22 appears to be a duplicate of Page 21 but probably is legally significant on the signed original - vc)