

BYLAWS  
OF  
SANTA MONICA BAY TOWERS HOMEOWNERS ASSOCIATION

ARTICLE I

OFFICES

The principal office for the transaction of the business of the corporation shall be established and maintained at 101 California Avenue, in the City of Santa Monica, County of Los Angeles, State of California.

ARTICLE II

DEFINITIONS

Section 1 - Developer

"Developer" as used herein shall mean ENVIRONMENTAL HOUSING, INC., a California corporation.

Section 2 - Plan

"Plan" as used herein shall mean the Condominium Plan recorded or to be recorded with the County Recorder of Los Angeles County, California, with respect to the Project.

Section 3 - Project.

"Project" as used herein shall mean the 91 Unit Condominium Project which is a project as defined in Section 1350 of the California Civil Code, the Plan for which was or will be recorded pursuant to Section 2 hereof.

Section 4 - Common Areas.

"Common Areas" as used herein means the entire Project, together with any real or personal property now or heretofore acquired by the Association, excepting only the Units defined in Section 5 hereof.

Section 5 - Unit.

"Unit" or "Units" as used herein shall mean the element or elements of the Project which are not owned in common by the owners of the Condominiums in the Project.

Section 6 - Declaration.

"Declaration" as used herein shall refer to that certain Declaration of Restrictions, Covenants and Conditions executed or to be executed, acknowledged and recorded by the Developer with respect to the Project.

Section 7 - Condominium.

"Condominium" as used herein shall mean a condominium as defined in Section 783 of the California Civil Code and shall

refer herein to a Unit together with the corresponding, undivided interest in the Common Areas and all nonexclusive easements appurtenant thereto.

Section 8 - Member.

"Member" as used herein shall mean the record owner of a Condominium.

ARTICLE III

MEMBERS

Section 1 - Class of Membership.

The corporation shall have one class of members. No member shall hold more than one membership in the corporation although he shall be entitled to one vote for each Condominium he owns of record. Each record owner of a Condominium shall automatically be a member of the corporation.

Section 2 - Qualification.

There shall be not more than ninety-one (91) memberships in the corporation. If any of the Units is owned by more than one person, the membership relating to such Unit shall be held jointly by the owners of the Unit and the rights of membership, including the voting power arising therefrom, shall be exercised solely by the joint action of a majority of the owners of such Unit.

Section 3 - Termination of Membership

A member's membership in this corporation shall terminate on his death or on his ceasing to be a record owner of a Condominium.

Section 4 - Fees, Assessments

4.1 Neither application fees nor transfer fees shall be imposed or required.

4.2 Annual assessment against each (a) Condominium described in Exhibit "A" attached hereto shall be \$1,486.60 (b) Condominium described in Exhibit "B" attached hereto shall be \$1,298.44 (c) Condominium described in Exhibit "C" attached hereto shall be \$1,902.34 (d) Condominium described in Exhibit "D" attached hereto shall be \$924.50 (e) Condominium described in Exhibit "E" attached hereto shall be \$910.55 (f) Condominium described in Exhibit "F" attached hereto shall be \$864.10 (g) Condominium described in Exhibit "G" attached hereto shall be \$975.60 (h) Condominium described in Exhibit "H" attached hereto shall be \$3,315.50

One-twelfth (1/12th) of such annual assessment shall be payable in advance on the first day of each calendar month commencing with the first day of the calendar month immediately following the first sale of a Condominium by the Developer and continuing for each and every calendar month until the Board of Directors (pursuant to Section 7 of the Declaration) shall estimate and assess the net costs required to be paid by the Board. Following such event, there shall be no liability for further assessments under this Section 4.2.

4.3 The Developer shall be liable to pay assessments on Condominiums which it owns.

4.4 One-twelfth (1/12th) of the annual assessment provided for in Section 7 of the Declaration shall be payable in advance on the first day of each calendar month, commencing with January 1 of each calendar year. The Board of Directors shall have the power to change by resolution from time to time the installments or frequency of payment of the assessments. In such event, notice shall be given to the members pursuant to Sections 4.6, and 4.7 hereof, and such change shall not become effective until at least twenty (20) days following the giving of such notice.

4.5 Annual and special assessments shall be made by a duly adopted resolution of the Board of Directors. Every resolution levying the annual assessment or providing for a special assessment shall specify the total amount of the assessment; to whom and where payable; and fix a day on which the unpaid assessment (or installments thereof) becomes delinquent, not less than ten (10) nor more than sixty (60) days after the date the resolution levying the assessment is adopted. The delinquent dates for installments may be set at later dates.

4.6 On adoption of such a resolution of the Board of Directors, the Secretary of the corporation shall forthwith give notice thereof in writing to each of the members of the corporation. The notice shall set forth the name of the corporation, the location of its principal office, the fact and date of the resolution, the amount of the assessment, the portion of the assessment which the member is liable to pay, to whom the assessment

is payable and where, the date on which the assessment, if unpaid, shall become delinquent, the fact that if not paid the assessment shall become a lien on the member's Condominium and that the assessment (and any installment thereof, if applicable) shall be collectible either by an action of law to recover the amount thereof or by an action to foreclose the lien. The notice shall further state that "in the event it is necessary for the corporation to commence an action, whether at law or by foreclosure, the corporation shall be entitled to recover reasonable attorneys' fees and court costs in addition to the amount of the assessment and interest thereon." In the event two or more persons own a Condominium, the notice provided for in this Section 4.6 shall specify a total amount due with respect to such Condominium and a separate notice shall be sent to each such person.

4.7 The notice of assessment shall be either served on each member personally not less than ten (10) days prior to the delinquent date or, in lieu of personal service, sent by registered or certified mail not less than ten (10) days prior to the delinquent date, addressed to the member at his address as it appears on the books of the corporation.

4.8 In the event any assessment (or any installment thereof) is not paid on or before the delinquent date, the Board of Directors may cause a notice of lien to be recorded in the office of the County Recorder of Los Angeles County. Such notice shall specify:

- (a) the amount of the assessment,
- (b) a description of the Condominium assessed, and
- (c) the name of the record owner or owners of the Condominium assessed.

On and after the date of recording such notice, such unpaid assessment, together with interest thereon at the maximum rate permitted by law from the due date until paid and all reasonable costs and attorneys' fees incurred in connection therewith, shall be and become a lien upon the Condominium so assessed. Such lien may be enforced by an action at law to recover the amount due or by foreclosure in accordance with Section 1356 of the California Civil Code.

4.9 Assessments may be made by the Board of Directors to carry out any of its powers or obligations set forth herein or in the Declaration and to enforce the provisions of the Articles, these Bylaws, the Declaration and any rules or regulations made thereunder.

4.10 Each member shall be assessed based on his undivided interest in the Common Areas, provided that in the event a Condominium is owned by two or more persons, each person shall be jointly and severally liable for any assessment made with respect to such Condominium.

4.11 Notwithstanding any other provision of these Bylaws, this Section 4 may be amended or repealed only by the vote or written assent of members in good standing representing seventy-five percent (75%) or more of the voting power of this corporation.

For purposes of this vote, a member who has not paid any assessment or any installment thereof within thirty (30) days following the delinquent date thereof shall not be considered in good standing.

Section 5 - Suspension of Membership.

During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for any single infraction of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

Section 6 - Enforcement.

The Association, or any owner, shall have the right to enforce, by any proceedings at law or in equity all of the restrictions, conditions, covenants, reservations, liens, charges, or rules now or hereafter imposed by the provisions of the Declaration of Covenants, Conditions and Restrictions or any amendments thereto, and these bylaws or any amendments thereto and any other rules of the Association; provided, however, that with respect to assessment liens, the Association shall have the exclusive right to the enforcement thereof. Failure by the

Association or by any owner to enforce any covenant or restriction, reservation, lien charge or rule shall in no event be deemed a waiver of the right to do so thereafter.

Section 7 - Membership Book.

The corporation shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the book together with the date on which such membership ceased. Such book shall be kept at the corporation's principal office and shall be available for inspection by any director or member of the corporation during regular business hours.

Section 8 - Mortgages.

Any member who mortgages or otherwise encumbers his Condominium shall notify the Board of Directors in writing thereof, specifying the name and address of the mortgagee or other holder of the encumbrance. The corporation shall maintain a record of such mortgages and other encumbrances and shall, upon the request of such a mortgagee or holder, notify him of any unpaid assessments due the corporation from any such member.

Section 9 - Non-liability of Members.

No member of this corporation shall be personally liable for the debts, liabilities, or obligations of the corporation.

ARTICLE IV  
MEETINGS OF MEMBERS

Section 1 - Place of Meetings.

All meetings of members, whether annual or special, shall be held either at the principal office of the corporation or at any other place within the City of Santa Monica which may be designated either by the Board of Directors pursuant to authority hereinafter granted to said Board or by the written consent of all the members entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the corporation.

Section 2 - Annual Meetings.

The annual meetings of members shall be held on the second Tuesday in March of each year, at 8:00 o'clock P.M. At such meetings, directors shall be elected, reports of the affairs of the corporation shall be considered, and any other business may be transacted which is within the powers of the members.

Written notice of each annual meeting shall be given to each member of record entitled to vote thereat, either personally or by mail or telegraph, charges prepaid, addressed to such member at his addresses appearing on the books of the corporation for the purpose of notice.

Notice of any such annual meeting of the members shall be sent to each member entitled thereto not less than 10 (ten) days before each such meeting, and shall specify the place, the day, and the hour of such meeting. Unless such notice shall

describe the general nature of the business or proposals to be acted upon at any such annual meeting, no action shall be taken at such meeting on any of the following matters:

(a) A proposal to sell, lease, convey, exchange, transfer, or otherwise dispose of all or substantially all of the property or assets of the corporation or of the Project except under Section 3900 of the California Corporations Code;

(b) A proposal to merge or consolidate with another corporation, domestic or foreign;

(c) A proposal to amend the Articles of Incorporation or the Declaration;

(d) A proposal to wind up and dissolve the corporation;

(e) A proposal to adopt a plan of distribution of shares, securities, or any consideration other than money in the process of winding up; or

(f) A proposal to increase the assessments of the memberships of the corporation by action of the members.

Any other business or proposal may be acted upon at any such annual meeting even though the general nature of such other business or such other proposal shall not have been described or referred to in such notice.

Section 3 - Special Meetings.

Special meetings of the members, for any purpose whatsoever, may be called at any time by the President or by the Board of Directors or by members holding not less than one-

fifth (1/5th) of the voting power of the corporation. Notice of such special meetings shall be sent to each member entitled thereto not less than 10 (ten) days before set special meeting, and shall specify the place, the day and the hour of such special meeting, and shall also specify the matter of the business to be undertaken.

Section 4 - Adjourned Meetings and Notice Thereof.

Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned by the vote of a majority of the voting power of the members present in person or by proxy to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the meeting was originally scheduled. In the absence of a quorum, no business may be transacted other than the adjournment and rescheduling of the meeting as provided herein.

When any members' meeting, either annual or special, is adjourned, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement at the meeting at which such adjournment is taken. The quorum necessary for the transaction of business at any meeting adjourned as provided herein shall be twenty-five (25) per cent of the voting power of the corporation.

Section 5 - Voting Rights.

(a) Each member in good standing shall be entitled to vote on each matter submitted to a vote of the members. Each member shall be entitled to one vote for each Condominium which

he owns of record; provided, however, that no single vote may be split into fractional votes; and provided, further, that if a Condominium is owned by two or more persons, the vote attributable to that Condominium may be made by one of such persons designated by all of such persons in writing to the Secretary of the Corporation prior to the meeting at which such vote is cast.

(b) Unless a record date for voting purposes be fixed, only those members in whose names memberships entitled to vote stand in the membership book of the corporation on the day ten (10) days prior to any meeting of members shall be entitled to vote at such meeting, subject, however, to the provisions of Section 2219 and 2221 of the California Corporations Code. Such vote may be by voice vote or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a member before the voting begins. Every member entitled to vote at any election for director or for the removal of any director shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected or removed multiplied by the number of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he shall see fit; provided, however, that no single vote may be split into fractional shares. In elections, the candidates receiving the highest number of votes up to the number of directors to be elected are elected.

(c) Except as otherwise provided by law, by the Declaration, by the Articles of Incorporation or by these Bylaws, every act or decision done or made by the vote of the members entitled to exercise the majority of the voting power present in person or by proxy at a members' meeting shall be regarded as an act or decision done or made with the approval of the members.

Section 6 - Quorum.

The presence in person or by proxy of members entitled to vote a majority of the voting power at any meeting shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 7 - Consent of Absentees.

The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, or if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the 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.

Section 8 - Action Without Meeting.

Any action which, under any provision of the California Corporations Code may be taken at a meeting of the members, may also be taken without a meeting if authorized by a writing signed by all of the members, who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the corporation.

Section 9 - Proxies.

Except as otherwise provided herein, every member entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such member or his duly authorized agent and filed with the Secretary of the corporation; provided, that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution. Any proxy duly executed shall be deemed not to have been revoked and to be in full force and effect, unless and until an instrument revoking said proxy, or a duly executed proxy bearing a later date, is filed with the Secretary of the corporation. Notwithstanding that a valid proxy may be outstanding, the powers of the proxy holder or holders shall be suspended if the member or members executing such proxy shall be present at the meeting and elect to vote in person.

Section 10 - Organizational Meeting.

The Board of Directors shall duly call and hold the first annual meeting of the members of the corporation not later than

(a) the date of the sale of fifty-one percent (51%) of the Condominiums by the Developer, and (b) the expiration of six (6) months from the date the first Condominium is sold by the Developer, whichever first occurs.

ARTICLE V

BOARD OF DIRECTORS

Section 1 - Power.

The Board of Directors shall, subject to the limitations set forth in the Declaration, the Articles of Incorporation and these Bylaws, exercise the powers of the corporation, control its property, conduct its affairs, and do any other act specified in the Declaration, the Articles of Incorporation or these Bylaws not inconsistent with law. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers:

(a) to enforce applicable provisions of the Articles of Incorporation, these Bylaws, and the Declaration along with any of the rules and regulations duly adopted relating to the control and management of the Project;

(b) to contract and pay for maintenance, gardening, utilities, materials and supplies relating to the Common Areas and to employ personnel reasonably necessary to carry out its duties, including attorneys and accountants and a Project Manager where appropriate;

(c) when appropriate, to pay for the cost of reconstruction of any portion or portions of the Common Areas damaged or destroyed which are to be rebuilt or repaired;

(d) to enter into any Unit or the Common Areas when necessary in connection with maintenance or construction for which the Board is responsible;

(e) generally, to exercise all those powers granted to the Board by the Articles of Incorporation and the Declaration.

Section 2 - Number of Directors.

The authorized number of directors of the corporation shall be five (5) until changed by amendment of the Articles of Incorporation, or by a Bylaw amending this Section 2 of Article V of these Bylaws duly adopted by the vote or written consent of the members entitled to exercise a majority of the voting power of the corporation; provided, however, that the vote or written consent of members holding more than eighty percent (80%) of the voting power shall be necessary to reduce the authorized number of directors below five.

Section 3 - Qualifications.

Each director shall be a member of the corporation, except in the case of a representative or representatives of the Developer. Directors shall be eligible for re-election without limitation on the number of terms they may serve, provided that they continue to meet qualifications therefor.

Section 4 - Election and Term of Office.

The directors shall be elected at each annual meeting of the members but if any such annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose. If the election is to be held other than at the annual meeting, however, at least ten (10), but no more than sixty (60) days, written notice thereof must be delivered to each member either personally or by certified or registered mail, postage prepaid, addressed to him at his address as it appears on the books of the corporation. All directors shall hold office until their respective successors are elected provided that they continue to meet qualifications therefor.

Section 5 - Vacancies.

A vacancy in the Board of Directors shall be deemed to exist in case of the death, disqualification, resignation, or removal of any director, or if the authorized number of directors be increased, or if at any annual or special meeting of members at which any director is elected, the members fail to elect the number of directors to be voted for at that meeting.

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or special meeting of the members. The members may elect a director at any time to fill any vacancy not filled by the directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 6 - Place of Meetings.

Regular meetings of the Board of Directors shall be held at a place which has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.

Section 7 - Organization Meeting.

Immediately following each annual meeting of members or any special meeting of members held for the purpose of electing directors, the Board of Directors shall hold a regular meeting for the purpose or organization, election of officers and the transaction of other business. Notice of such meetings is hereby dispensed with.

Section 8 - Special Meetings.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President or by any two directors.

Written notice of the time and place of special meetings of the Board of Directors shall be delivered personally to the directors, or sent to each director by mail, postage prepaid,

addressed to him at his address as it is shown upon the records of the corporation, not less than three (3) days prior to the meeting. In case such notice is delivered personally, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting.

Section 9 - Waiver of Notice.

The transactions of any meeting of the Board of Directors, however called or noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the 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.

In addition to the waiver of notice provisions hereinabove set forth in this Section 9, any action required or permitted to be taken by the Board of Directors under the California Corporations Code may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

Section 10 - Quorum.

Except to adjourn the meeting as hereinafter provided, a majority of the Board of Directors without regard to the authorized number of directors shall be necessary to constitute a quorum for the transaction of business; provided, however, such quorum shall in no case be less than one-third (1/3rd) of the authorized number of directors, nor fewer than two (2) directors. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law, these Bylaws, the Articles of Incorporation, or the Declaration.

Section 11 - Adjournment.

A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 12 - Fees and Compensation.

Directors shall receive no salary or fee for their services as directors, nor shall they receive reimbursement for expenses of attendance. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other

capacity as an agent, employee, or otherwise, and receiving compensation therefor.

Section 13 - Miscellaneous.

The Developer shall manage and operate the affairs of the corporation, commencing with the first sale of a Condominium and continuing until the organizational meeting of the members referred to in Section 10 of Article IV.

The Board of Directors, officers and members shall at all times fully comply with section 9.7 (a) of the Declaration of Covenants, Conditions and Restrictions.

ARTICLE VI

OFFICERS

Section 1 - Officers.

The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer. One person may hold two or more offices, except the same person shall not act as President and as Secretary. All Officers shall be directors and shall be chosen annually by the Board of Directors. Each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or until his successor shall be elected and qualified. An Officer may be removed at any time by a resolution adopted by the Board.

Section 2 - President.

The President shall be the chief executive officer of the corporation, shall preside over all meetings of the Board and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and affairs of the corporation.

Section 3 - Vice President.

In the absence or disability of the President, the Vice President shall perform all of the duties of and shall be subjected to all the restrictions upon the President. He shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors.

Section 4 - Secretary.

The Secretary shall cause to be kept at the principal office a book of the minutes of all meetings of directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present or represented at members' meetings, and the proceedings thereof.

The Secretary shall give, or cause to be given, notice of all the meetings of the members and of the directors required by these Bylaws or by law to be given, and the Secretary shall keep the seal of the corporation in safe custody, and shall have such other powers and shall perform such other duties as may be prescribed by the Board of Directors.

Section 5 - Treasurer.

The Treasurer shall cause to be kept and maintained adequate and correct accounts of the properties and transactions of the corporation, including accounts of its assets, liabilities, receipts, and disbursements. The books of account shall be open at all reasonable times to inspection by any director.

Section 6 - Compensation.

Officers of the corporation shall serve without compensation.

ARTICLE VII

COMMITTEES

(a) The Board of Directors may from time to time establish committees where necessary or appropriate in the conduct of the business of the corporation. The members of such committees shall be members of the corporation (except in the case of the Developer or its representatives) appointed by the Board and shall serve without compensation, but otherwise, the Board of Directors shall by resolution establish the duties and terms of office of the committee members and shall provide whatever other rules and regulations with respect to such committee as the Board deems appropriate.

(b) The Board of Directors shall appoint an Architectural Control Committee as provided in the Declaration.

ARTICLE VIIIMISCELLANEOUSSection 1 - Record Date.

The Board of Directors may fix a time in the future as a record date for the determination of the members entitled to notice of and to vote at any meeting of members or entitled to receive any allotment of rights. The record date so fixed shall be not more than sixty (60) nor less than ten (10) days prior to the date of the meeting or event for the purposes of which it is fixed. When a record date is so fixed, only members of record on that date are entitled to notice of and to vote at the meeting or to receive the allotment of rights.

Section 2 - Inspection of Corporate Records.

The books of account and minutes of proceedings of the members and the Board of Directors and a certified copy of these Bylaws shall be open to inspection upon the written demand of any member at any reasonable time and shall be exhibited at any time when required by the demand at any members' meeting of ten percent (10%) of the voting power represented at the meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a members' meeting shall be made in writing upon the President or Secretary of the corporation.

Section 3 - Checks and Other Evidences of Indebtedness.

All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness, issued in the name of or payable to the corporation, 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 of Directors.

Section 4 - Annual Report and Audit.

An annual report to members as contemplated by Section 9402 of the California Corporations Code shall be prepared and sent to the members by the Board of Directors within ninety (90) days after the end of the corporation's taxable year. The Board of Directors shall cause to be prepared an annual independent examination or audit of the accounts of the Board and the Association and shall distribute a copy to each of the members within thirty (30) days after the completion thereof.

Section 5 - Authority to Contract for or Bind Corporation.

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or agent to enter into any contracts or execute any instruments in the name and on behalf of the corporation. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement,

to pledge its credit or to render it liable for any purpose whatsoever.

Neither the Developer, nor its successors or assigns (other than the members), may enter into any contracts which bind the Board of Directors of this corporation for a period in excess of one year unless reasonable cancellation provisions are included in such contracts.

Section 6 - Indemnification of Directors, Officers and Employees.

The Board of Directors may authorize the corporation to indemnify any person made, or threatened to be made, a party to any action or proceeding, civil or criminal (other than one by or in the right of the corporation), by reason of the fact that he is or was a director, officer, agent or employee of the corporation, against any and all liability, including but without limitation to, judgments, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, necessarily incurred in connection with such action or proceeding or any appeal relating thereto.

Such indemnification shall be made only after authorization by the Board of Directors and upon a finding by the Board of Directors that such director, officer, agent or employee acted in good faith within what he reasonably believed to be the scope of his employment or authority, for a purpose which he reasonably believed to be in the best interests of the corporation or its members. The termination of any such action or

proceeding by judgment, settlement, or conviction shall not create a presumption that such director, officer, agent or employee did not act in good faith within what he reasonably believed to be the scope of his employment or authority for a purpose which he reasonably believed to be in the best interests of the corporation or its members.

Expenses, including attorneys' fees, in connection with any such action or proceeding or threatened action or proceeding may be paid by the corporation upon authorization of the Board of Directors as hereinabove provided prior to final disposition of any such action or proceeding as such expenses are incurred.

The provisions of this Section 6 shall apply to the estate, executor, administrator, heirs, legatees or devisees of a director, officer, agent or employee and the term "person" as used in this Section 6 shall include the estate, executor, administrator, heirs, legatees or devisees of such person.

The foregoing rights of indemnification shall be in addition to any other rights to which any director, officer or employee may be entitled as a matter of law.

During any period in which the Developer is entitled to cast a majority of the votes on the Board of Directors, no director shall be indemnified by the corporation pursuant to this Section 6 without the prior vote or written consent of a majority of the voting power of the members of the corporation, other than the Developer.

ARTICLE IXAMENDMENTSSection 1 - Power of Members.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote of members entitled to exercise a majority of the voting power of the corporation or by the written assent of such members, except as otherwise provided herein, by law, by the Articles of Incorporation or by the Declaration. No Bylaw shall be amended and no new Bylaw shall be adopted which is contrary to or inconsistent with the Declaration. In case of inconsistency, the provisions of the Declaration shall control.

Section 2 - Power of Directors.

Subject to the right of the members to adopt, amend or repeal those Bylaws, bylaws other than a bylaw or amendment thereof changing the authorized number of directors may be adopted, amended or repealed by the Board of Directors; provided, however, that the Board of Directors shall not amend any bylaw which by its terms requires a vote of the members to implement, nor shall the Board -- while the Developer controls it -- change, alter or amend any bylaw without the prior vote or written consent of a majority of the voting power of the members of the corporation other than the Developer. No bylaw shall be amended and no new bylaw shall be adopted which is contrary to or inconsistent with the Declaration. In case of inconsistency, the provisions of the Declaration shall control.

EXHIBIT "A"

<u>Units</u>	<u>Annual Assessment</u>
101, 201, 301, 401, 501	\$1,506.90
601, 701, 801, 901,	<u>Monthly Assessment</u>
1001, 1101, 1201, 1401	\$ 125.60
102, 202, 302, 402, 502,	
602, 702, 802, 902,	
1002, 1102, 1202, 1402	

EXHIBIT "B"

<u>Units</u>	<u>Annual Assessment</u>
206, 306, 406, 506,	\$1,316.00
606, 706, 806, 906	<u>Monthly Assessment</u>
1006, 1106, 1206,	\$ 109.65
1406	
107, 207, 307, 407,	
507, 807, 907, 1007,	
1107, 1207, 1407	

EXHIBIT "C"

<u>Units</u>	<u>Annual Assessment</u>
204, 304, 404, 504,	\$1,928.25
604, 704, 804, 904,	<u>Monthly Assessment</u>
1004, 1104, 1204,	\$ 160.70
1404	

EXHIBIT "D"

<u>Units</u>	<u>Annual Assessment</u>
203, 303, 403, 503,	\$937.05
603, 703, 803, 903,	<u>Monthly Assessment</u>
1003, 1103, 1203,	\$ 78.10
1403	

EXHIBIT "E"

<u>Units</u>	<u>Annual Assessment</u>
205, 305, 405, 505,	\$923.00
605, 705, 805, 905,	<u>Monthly Assessment</u>
1005, 1105, 1205,	\$ 76.95
1405	

EXHIBIT "F"

<u>Units</u>	<u>Annual Assessment</u>
103 and 105	\$876.85
	<u>Monthly Assessment</u>
	\$ 73.00

EXHIBIT "G"

<u>Units</u>	<u>Annual Assessment</u>
106	\$988.85
	<u>Monthly Assessment</u>
	\$ 82.40

EXHIBIT "H"

<u>Units</u>	<u>Annual Assessment</u>
Penthouse	\$3,360.65
	<u>Monthly Assessment</u>
	\$ 280.05