

BYLAWS

OF

OHIO PLACE CONDOMINIUM ASSOCIATION

(a California Non-Profit Mutual Benefit Corporation)

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ARTICLE I

Office

The office of this corporation shall be located in the County of San Diego, State of California.

ARTICLE II

Definitions

2.1 "CORPORATION" shall mean and refer to OHIO PLACE CONDOMINIUM ASSOCIATION, a California nonprofit mutual benefit corporation ("Corporation"), organized under the Nonprofit Mutual Benefit Corporation Law (California Corporations Code Sections 7110 et seq.), its successors and assigns.

2.2 "CONDOMINIUM PROPERTY" shall mean and refer to that certain real property located in San Diego County, California, described as such in the Declaration recorded in the office of the County Recorder of San Diego County, California, owners of Condominiums in which are required to be members of the Corporation, and such additions thereto as may hereafter be brought within the jurisdiction of the Corporation.

2.3 "OWNER" shall mean and refer to the record Owner, whether one (1) or more persons or entities, of any Condominium, including contract buyers but excluding those having such interest merely as security for the performance of an obligation.

2.4 "DECLARATION" shall mean and refer to the Declaration or Declarations of Restrictions recorded with the Office of the County Recorder of San Diego County, California, covering the Condominium Property, including such amendments thereto as may from time to time be recorded.

2.5 "CONDOMINIUM PLAN" shall mean and refer to the Condominium Plan or Condominium Plans recorded pursuant to California Civil Code Section 1351 covering all or any part of the Condominium Property, including such amendments thereto as may from time to time be recorded.

2.6 "CONDOMINIUM" shall mean and refer to a fee simple estate in the Condominium Property, or portions thereof, as defined in California Civil Section 783 and shall consist of a fee interest in a Living Unit and an undivided fractional interest as tenant in common in the Common Area, together with an Exclusive Use Area conveyed appurtenant thereto.

2.7 "UNIT" and/or "LIVING UNIT" [as defined in Section 1350(2) of the Civil Code] shall mean and refer to those portions of the Condominium Property shown and described as such on the Condominium Plan and as defined in the Declaration.

2.8 "COMMON AREA" shall mean and refer to all portions of the Condominium Property not located within a Living Unit.

2.9 "EXCLUSIVE USE AREA" shall mean and refer to those portions of the Common Area, if any, which an Owner has the exclusive right to use as set forth in the Declaration and as shown on the Condominium Plan.

2.10 "DECLARANT" shall mean and refer to 4565 Ohio Ltd., a California limited partnership, its successors and assigns, if such successors or assigns should acquire all of the Condominium Property from Declarant.

2.11 "MORTGAGE" shall mean and refer to a Deed of Trust as well as a mortgage encumbering a Condominium.

2.12 "MORTGAGEE" shall mean and refer to a Beneficiary or a holder of a Deed of Trust as well as a Mortgagee.

2.13 "MORTGAGOR" shall mean and refer to the trustor of a Deed of Trust as well as a Mortgagor.

2.14 "BOARD" shall mean and refer to the Board of Directors of the Corporation.

2.15 "FHLMC" shall mean and refer to Federal Home Loan Mortgage Corporation.

2.16 "FNMA" shall mean and refer to Federal National Mortgage Association.

2.17 "ARTICLES" shall mean and refer to the Articles of Incorporation as they may from time to time be amended.

2.18 "BYLAWS" shall mean and refer to the Bylaws of the Corporation as they may from time to time be amended.

2.19 "PROJECT" shall mean and refer to the entire real property, including all structures and improvements erected or to be erected thereon.

2.20 "MEMBER" shall mean and refer to a person entitled to membership in the Corporation as provided herein.

ARTICLE III

Members

This Corporation shall have two (2) classes of voting membership as set forth in the Declaration.

ARTICLE IV

Membership Assessments and Lien Rights

4.1 REGULAR ASSESSMENTS. The Board shall fix and determine from time to time regular assessments to be paid by each Owner for the purpose of operating, maintaining and repairing the Common Area, paying the necessary expenditures of the Corporation as provided in these Bylaws and the Declaration, and establishing an operating reserve fund and reserve for replacement all as set forth in the Declaration; provided, however, that the Board may not, without the vote or written assent of a majority of the voting power of each class of members, increase the regular assessments during any fiscal year of the Corporation more than twenty percent (20%) above the regular assessments established for the immediately preceding fiscal year. After conversion of the Class B membership to Class A membership, the Board may not increase the regular assessments during any fiscal year of the Corporation more than twenty percent (20%) above the regular assessments established for the immediately preceding fiscal year without the vote or written assent of (i) a majority of the voting power of the Corporation, and (ii) at least fifty-one percent (51%) of the voting power of members of the Corporation other than Declarant. Such assessments shall be assessed against and paid by each Owner monthly, or upon such other periodic basis as the Board may determine. Regular assessments shall be levied upon each Condominium as set forth in the Declaration and shall be in an amount sufficient to include an adequate reserve fund for maintenance, repairs and replacement of those portions of the Common Area which must be replaced on a periodic basis.

4.2 SPECIAL ASSESSMENTS. In addition to the regular assessments authorized above, the Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of any capital improvement to the Common Area or such other purpose as may be determined by the Board; provided however, that no special assessment shall exceed in the aggregate during any fiscal year of the Corporation an amount equal to five percent (5%) of the budgeted gross expenses of the Corporation for that fiscal year, without the vote or written assent of a majority of the voting power of each class of members of the Corporation. After conversion of the Class B membership to Class A membership, no special assessment shall exceed in aggregate during any fiscal year of the Corporation an amount equal to five percent (5%) of the budgeted gross expenses of the Corporation for that fiscal

year without the vote or written assent of (i) a majority of the voting power of the Corporation, and (ii) a majority of the voting power of members of the Corporation other than Declarant. Except as otherwise provided herein or in the Declaration, all special assessments shall be levied upon each Owner in the same proportion as regular assessments as set forth in the Declaration.

4.3 LIEN RIGHTS. As provided in the Declaration, the Corporation shall have a lien against the interest of each Owner in the Condominium Property to secure the full and prompt payment of all assessments levied by the Corporation in compliance with these Bylaws, and in the event of default of any Owner, said interest of such Owner may be foreclosed by the Corporation in the same manner as a realty mortgage or may be enforced by sale pursuant to Section 2924 et seq. of the California Civil Code, and to that end a power of sale is hereby conferred upon the Corporation; provided, however, that the lien created shall be subject to the subordination provisions stated in the Declaration.

Any assessments which are not paid when due shall be delinquent. If the assessments are not paid within thirty (30) days after the due date, the assessments shall bear interest from the due date at the maximum legal rate as defined in Section 1725, Part 4 of Division 3 of the Civil Code, as it may be amended from time to time:

(a) on so much of the outstanding balance as does not exceed one thousand dollars (\$1,000.00), 1.5% per month;

(b) if the outstanding balance is more than one thousand dollars (\$1,000.00), one percent (1%) on the excess over one thousand dollars (\$1,000.00) of the outstanding balance;

(c) if the late charge so computed is less than ten dollars (\$10.00) for any month, said late charge shall be ten dollars (\$10.00).

The Corporation may bring an action at law against the member personally obligated to pay the same and, in addition thereto or in lieu thereof, may foreclose the lien above provided, and interest, cost, penalties and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessments. No member may waive or otherwise escape liability for the assessments provided for hereby by nonuse or abandonment of his Condominium or any part thereof.

4.4 PAYMENT OF ASSESSMENTS BY DECLARANT. The Declarant shall pay all assessments levied by the Corporation against any Condominium owned by it at the same time, in the same manner and

in the same amounts as if such Condominium were owned by any other Owner.

4.5 COMMENCEMENT OF REGULAR ASSESSMENTS. The regular assessment shall commence as set forth in the Declaration.

4.6 MONETARY PENALTIES. The Board may levy monetary penalties against individual Owners to reimburse the Corporation for cost and expenses incurred in enforcing compliance by such Owner of his Condominium with the provisions of the Declaration, the Articles of Incorporation and Bylaws of the Corporation, and the rules and regulations adopted by the Board or as a means of reimbursing the Corporation for costs incurred by the Corporation in the repair of damage to common areas and facilities for which the Owner was allegedly responsible. Provided, however, that any such penalty may not be characterized nor treated as an assessment which may become a lien against the Owner's subdivision interest enforceable by a sale of the interest in accordance with the provisions of Section 2924, 2924(b) and 2924(c) of the Civil Code.

4.7 LATE PENALTIES. The provisions of the preceding Section 6 do not apply to charges imposed against an Owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Corporation for the loss of interest and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments as described in Section 3 of this Article hereinabove.

ARTICLE V

Membership Rights and Privileges

No member shall have the right without the prior approval of the Board to exercise any of the powers or to perform any of the acts by these Bylaws delegated to the Board as in Article VII of these Bylaws more fully provided. Unless otherwise provided in the Declaration and subject to the rules and regulations adopted by the Board, each member of the Corporation, his immediate family, guests and tenants shall have the right to use and enjoy the Common Area, excepting those portions to which an exclusive use right has been granted to others.

The membership rights and privileges, together with the voting rights of any member of the Corporation, may be suspended by the Board for any period of time during which such member is determined by the Board to be in breach of the Declaration or has not complied with his obligations imposed by these Bylaws or the rules and regulations adopted by the Board. The Board may adopt rules and regulations imposing reasonable monetary penalties for such breach or noncompliance; provided, however, that no such suspension or monetary penalty shall be effective until the Board

gives to such member the opportunity of a hearing before the Board, which satisfies the minimum requirements of Section 7341 of the California Corporations Code, and no suspension imposed by reason of a violation of the rules and regulations adopted by the Board shall exceed a period of thirty (30) days. No such suspension shall affect the rights of such member to access to his Living Unit nor his right to use of any Exclusive Use Area appurtenant to his Living Unit, except by judgment of a court or a decision arising out of arbitration or on account of foreclosure or sale under a power of sale for failure of the member to pay assessments duly levied by the Corporation.

ARTICLE VI

Meetings of Members

6.1 PLACE OF MEETING. All meetings of members shall be held at the Condominium Property or at such other location in San Diego County, California, in reasonable proximity to the Condominium Property, as may be designated in the notice of meeting.

6.2 ANNUAL MEETINGS OF MEMBERS. The first annual meeting of members shall be held within six (6) months after the close of escrow for the sale of the first Condominium by Declarant, or within forty-five (45) days after close of escrow for the sale by Declarant of fifty-one percent (51%) of the Condominiums covered by the first Final Subdivision Public Report issued by the California Department of Real Estate for the Condominium Property, whichever shall first occur. Subsequent annual meetings of members shall be held on the annual anniversary of the first annual meeting of members. Should any annual meeting day fall upon a legal holiday, then such annual meeting of members shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday. An election of directors shall be held at the first annual meeting of members and all positions of director shall be filled at that election.

Written notice of each such annual meeting shall be given to each member and, upon written request therefor, to all first Mortgagees either personally or by sending a copy of the notice through the mail or by telegraph, charges prepaid, to his address appearing on the books of the Corporation or supplied by him to the Corporation for the purpose of notice. If no address is supplied, notice shall be deemed to have been given him if mailed to the address of the Condominium owned by such member or encumbered by the first Mortgagee, or published at least once in some newspaper of general circulation in the county of said principal office. All such notices shall be sent not less than ten (10) days (except in emergency situation in which case as much advance notice shall be given as is reasonably possible) and more than sixty (60) days before each annual meeting, and shall specify the place, day and hour of such meeting.

6.3 SPECIAL MEETING. Special meetings of members, for any purpose or purposes whatsoever, may be called at any time by the president or by a majority of a quorum of the Board, and shall be called by the Board upon receipt of a written request signed by five percent (5%) or more of the voting power of the members. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of members. Notices of any special meeting shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

6.4 ADJOURNED MEETINGS AND NOTICE THEREOF. Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power present in person or represented by proxy, but in the absence of a quorum no other business may be transacted at any such meeting.

When any membership meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or to the business to be transacted at an adjourned meeting other than by an announcement at the meeting at which such adjournment is taken.

6.5 MORTGAGEE REPRESENTATION. First Mortgagees shall have the right to attend all membership meetings through a representative designated in writing and delivered to the Board.

6.6 VOTING. Voting of the members may be by viva voce or by ballot. All elections for directors shall be by secret written ballot. Cumulative voting is required for all elections in which more than two (2) directors are to be elected. No member shall be entitled to cumulate votes for a candidate or candidates unless such candidates' names have been placed in nomination prior to the voting and the member has given notice at the meeting prior to the voting of the member's intention to cumulate votes. If any one member has given such notice, all members at any election for directors, subject to the foregoing, shall have the right to cumulate votes and give one (1) candidate a number of votes equal to the number of directors to be elected 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 think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Unless the entire Board is removed from office by the vote of the members, an individual director shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal or not

consenting in writing to 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 number of directors authorized at the time of the most recent election of directors were then being elected. Any director elected to office solely by the votes of members other than Declarant as provided below may be removed from office prior to the expiration of his term only upon the vote of a simple majority of the voting power of members other than Declarant. Anything contained herein to the contrary notwithstanding, at the first election of directors by members and thereafter for so long as a majority of the voting power of members is held by Declarant, or so long as there are two (2) outstanding classes of membership, not fewer than twenty percent (20%) of the directors may be elected solely by the voting power of members other than Declarant. The election of directors may be held at any meeting of members and each member shall have the right to nominate from the floor candidates for the office of director.

6.7 QUORUM. Except as otherwise provided in the Articles of Incorporation or the Declaration, the presence in person or by proxy at any meeting of the owners of a majority of the voting power of the Corporation shall constitute a quorum for the transaction of business at such meeting. In the absence of a quorum at a meeting, a majority of the owners present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An 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, and the quorum for such resumed meeting shall be the presence in person or by proxy of twenty-five percent (25%) of the total voting power of the Corporation. If the time and place for the resumed meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the resumed meeting after adjournment, notice of the time and place of the resumed meeting shall be given to members in the manner prescribed for regular meetings.

Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power present in person or represented by proxy, but in the absence of a quorum no other business may be transacted at any such meeting.

When any membership meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting other than by an announcement at the meeting which such adjournment is taken.

6.8 CONSENT OF ABSENTEES. The transaction 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 and 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 or made a part of the minutes of the meeting.

6.9 ACTION WITHOUT MEETING. Any action that may be taken by the vote of members at a regular or special meeting, except the election of directors where cumulative voting is a requirement, may be taken without a meeting if done in compliance with Section 7513 of the California Corporations Code.

6.10 PROXIES. 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 before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Condominium, or upon receipt of notice by the Secretary or the Board of the death or judicially declared incompetence of a member, or upon the expiration of eleven (11) months from the date of the proxy. Every form of proxy or written ballot which provides an opportunity to specify approval or disapproval with respect to any proposal shall also contain a space marked "abstain."

ARTICLE VII

Directors

7.1 POWERS AND DUTIES. Subject to other provisions of the Declaration and to the limitations of the Articles of Incorporation, the Bylaws and the California Nonprofit Mutual Benefit Corporations Code as to action to be authorized or approved by the members, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board. Without prejudice to such general powers but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers and duties:

(a) To select and remove all the officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation, the Bylaws or the Declaration, and, subject to the provisions of Section 14 of Article VII of the Bylaws, to fix their compensation.

(b) To conduct, manage and control the affairs and business of the Corporation; and to make such rules and regulations therefor not inconsistent with law, the Articles of Incorporation, the Bylaws or the Declaration as they deem best, including rules and regulations for the operation of the Common Area and Facilities owned or controlled by the Corporation.

(c) To change the principal office for the transaction of the business of the Corporation from one location to another within the same county; to designate any place within the County of San Diego, State of California, for the holding of any membership meeting or meetings and to adopt, make and use a corporate seal, and to alter the form of such seal from time to time as in their judgment they may deem best, provided such seal shall at all times comply with the provisions of the law.

(d) To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor; provided, however, that the Board shall not have the power to borrow money for the Corporation during any fiscal year in excess of the aggregate sum of, nor to sell during any fiscal year property of the Corporation having an aggregate fair market value greater than, five percent (5%) of the budgeted gross expenses of the Corporation for that fiscal year without the vote or written assent of a majority of the voting power of each class of members of the Corporation. After conversion of the Class B membership to Class A membership, the Board shall not have the power to borrow money for the Corporation during any fiscal year in excess of the aggregate sum of, nor to sell during any fiscal year property of the Corporation having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Corporation for that fiscal year without the vote or written consent of (i) a majority of the voting power of the Corporation, and (ii) a majority of the voting power of members of the Corporation other than Declarant.

(e) To contract and pay for fire, casualty, liability, fidelity and other insurance adequately insuring the Corporation and Owners with respect to the Common Area and the affairs of the Corporation, which shall include bonding of the members of any management body. Notwithstanding any provisions to the contrary herein, so long as the Federal National Mortgage Association ("FNMA") holds a Mortgage on a Condominium or owns a Condominium, the Corporation shall continuously maintain in effect such casualty and liability insurance and fidelity bond, meeting all requirements and containing such coverage and endorsements as may be required from time to time by FNMA. Such casualty insurance shall include, but not be limited to, a condominium master or blanket policy with full replacement cost

coverage and an agreed value endorsement. Whether or not FNMA holds any Mortgage, fidelity insurance shall be in the form of a bond in an amount equal to one hundred fifty percent (150%) of the Corporation's annual assessment plus reserves, which names the Corporation as obligee and protects against misuse and misappropriation of Corporation property by members of the Board, officers and employees of the Corporation and any management agent and his employees whether or not any such persons are compensated for their services.

(f) To pay all charges for water, electricity, gas, CATV and other utility services for the Common Area and, to the extent not separately metered or charged, for each Living Unit.

(g) To manage, operate, maintain and repair the Common Area and all improvements located thereon, including the restoration and replacement of any or all of the buildings, structures or improvements which are part of the Common Area at any time and from time to time as the Board may determine desirable or necessary; and to make capital expenditures for and on behalf of the Corporation; provided, however, that, except as provided in the Declaration upon damage or destruction, no capital expenditure in the aggregate may be made during any fiscal year of the Corporation in excess of five percent (5%) of the budgeted gross expenses of the Corporation for that fiscal year without the vote or written assent of a majority of the voting power of each class of members of the Corporation. After conversion of the Class B membership to Class A membership, no such capital expenditure may be made during any fiscal year of the Corporation in excess of five percent (5%) of the budgeted gross expenses of the Corporation for that fiscal year without the vote or written assent of (i) a majority of the voting power of the Corporation, and (ii) a majority of the voting power of members of the Corporation other than Declarant.

(h) To enter onto any Living Unit and Exclusive Use Area as may be necessary for the purpose of carrying out any of the powers or duties of the Board as herein set forth and as set forth in the Declaration, including such entry as may be necessary in connection with the construction, maintenance or emergency repair of the Common Area, at any reasonable hour and, except in the case of emergency, after reasonable notice.

(i) To enforce the provisions of the Declaration, the Articles of Incorporation and Bylaws of the Corporation, the rules and regulations adopted by the Board and the provisions of any agreement to which the Corporation is a party.

(j) To contract and pay for goods and services relating to the Common Area, and to employ personnel necessary for the operation and maintenance of the same, including legal and accounting services; provided, however, that the term of any

contract with a third person for supplying goods or services to the Common Area or for the Corporation shall not exceed a term of one (1) year unless a longer term is approved by a majority of the voting power of each class of members of the Corporation, or after conversion of the Class B membership to Class A membership, unless such longer term is approved by (i) a majority of the voting power of the Corporation; and (ii) a majority of the voting power of members of the Corporation other than Declarant, except that a contract with a public utility company for materials or services the rates for which are regulated by the Public Utilities Commission may exceed a term of one (1) year so long as it does not exceed the shortest term for which the public utility contracts at the regulated rate, or a contract for prepaid casualty and/or liability insurance policies may be for a term of not to exceed three (3) years, provided that the policy permits short rate cancellation by the Corporation, or lease agreements for laundry room fixtures and equipment of not to exceed five years duration provided that the lessor under the agreement is not an entity in which the subdivider has a direct or indirect ownership interest of 10 percent or more. Anything contained herein to the contrary notwithstanding, the Board shall not terminate professional management of the Condominium Property and assume self-management without the prior written approval of Mortgagees holding seventy-five percent (75%) or more of the first Mortgages on Condominiums and any agreement for management of the Condominium Property and any other contract providing for services by the Declarant, shall be terminable for cause upon thirty (30) days written notice, and without cause or payment of a termination fee upon ninety (90) days, or fewer, written notice and shall have a maximum term of one (1) year.

(k) To pay any taxes and governmental special assessments which are or could become a lien on the Common Area or any portion thereof.

(l) To initiate and execute disciplinary proceedings against members of the Corporation for violation of the provisions of the Articles of Incorporation and Bylaws of the Corporation, the Declaration and the rules and regulations adopted by the Board.

(m) To prepare budgets and financial statements for the Corporation as provided in the Bylaws.

(n) Upon the written request of the holder of any first Mortgage encumbering any Condominium, to notify the same in writing of any default by the Owner of such Condominium in the performance of the Owner's obligations under the Bylaws or the Declaration which is not cured within thirty (30) days.

(o) To give notice in writing to the Federal Home Loan Mortgage Corporation ("FHLMC") in care of the servicers of

FHLMC loans on Condominiums of any loss to or taking of the Common Area if such loss or taking exceeds \$10,000.00, and of any damage to a Living Unit if such damage exceeds \$1,000.00; provided FHLMC funds are secured by any part of the Condominium Property.

(p) To give timely written notice to all first Mortgagees of any substantial damage to or destruction of any Living Unit or any part of the Common Area and, if any Living Unit, or any portion thereof, or the Common Area, or any portion thereof, is made the subject of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, to give timely written notice to all first Mortgagees of any such proceeding or proposed acquisition.

(g) To prosecute or defend, in the name of the Corporation, any action affecting or relating to the Common Area or the property owned by the Corporation, and any action in which all or substantially all of the Owners have an interest.

(r) As permitted in the Declaration, to sell the Condominium Property for the benefit of all of the Owners and their Mortgagees, as their interests may appear, at such price and upon such terms as the Board may determine reasonable.

(s) To delegate any of its powers hereunder to others including Committees, officers and employees, including the delegation of the functions of architectural control to an architectural committee appointed by the boards.

7.2 NUMBER AND QUALIFICATIONS OF DIRECTORS. The Board shall consist of three (3) directors until changed by amendment to this section of the Bylaws. Directors need not be members of the Corporation.

7.3 ELECTION AND TERM OF OFFICE. At the first annual meeting of members, three (3) directors shall be elected for a term of one (1) year. Thereafter, directors shall be elected at each annual meeting of members to fill the vacancies of those directors whose term then expires and the term of each such director so elected shall be one (1) year. If any 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. All directors shall hold office until their successors are elected. The election of directors may be conducted by mail in such manner as the Board may determine.

7.4 VACANCIES. Vacancies on the Board may be filled by a majority of the remaining directors, except as hereafter described, though less than a quorum, and each director so elected shall hold office until his successor is elected at an annual meeting of members or at a special meeting called for that

purpose. A vacancy created by the removal of a director may only be filled by a vote or written assent of a majority of the voting power of the Corporation, other than Declarant, as described in Article VI, Section 6 hereinbefore.

A vacancy or vacancies shall be deemed to exist in case of death, resignation or removal of any director, or if the members shall increase the authorized number of directors but shall fail at the meeting at which such increase is authorized, or at any adjournment thereof, to elect the additional directors so provided for, or in case the members fail at any time to elect the full number of authorized directors.

The members may at any time elect directors to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment by the Bylaws is voted authorizing an increase in the number of directors.

If any director tenders his resignation to the Board, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

7.5 PLACE OF MEETING. All meetings of the Board shall be held within the Condominium Property.

7.6 ORGANIZATIONAL MEETING. Immediately following each annual meeting of members, the Board shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

7.7 OTHER REGULAR MEETINGS. Other regular meetings of the Board shall be held without call bi-monthly at such time as the Board shall determine; provided, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board shall be posted at a prominent place within the Common Area and communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to the holding of the meeting.

7.8 SPECIAL MEETINGS. Special meetings of the Board for any purpose or purposes may be called at any time by the president, or, if he is absent or unable or refuses to act, by any vice president, or by any two (2) directors other than the president.

Written notice of the time and place of special meetings and the nature of any special business to be considered shall be delivered personally to the directors or sent to each director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the Corporation or, if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the Corporation is located at least seventy-two (72) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director. Written notice of all special meetings shall also be posted in a manner prescribed for notice of regular meetings not less than seventy-two (72) hours prior to the scheduled time of the meeting.

7.9 NOTICE OF ADJOURNMENT. Notice of adjournment of any directors' meeting, either regular or special, need not be given to absent directors if the time and place are fixed at the meeting adjourned.

7.10 ENTRY OF NOTICE. Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such director as required by law and these Bylaws.

7.11 WAIVER OF NOTICE. The transactions of any meeting of the Board, however called and 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 and approvals, shall be filed with the corporate records or made a part of the minutes of the meeting.

7.12 QUORUM. A majority of the directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. 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.

7.13 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 the directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

7.14 COMPENSATION AND FEES. Neither the directors nor the officers of the Corporation shall receive any monetary compensation for their services performed in the conduct of the business of the Corporation, except upon the vote or written consent of a majority of the voting power of each class of member of the Corporation. After conversion of the Class B membership to Class A membership, such decision shall require the vote or written assent of (i) a majority of the voting power of the Corporation, and (ii) a majority of the voting power of members of the Corporation other than Declarant. Nothing herein contained shall be construed or preclude any director or officer from serving the Corporation in any other capacity as an agent, employee or otherwise and receiving compensation therefor. Directors and officers of the Corporation may be reimbursed for expenses incurred in carrying on the business of the Corporation.

7.15 ATTENDANCE AT MEETINGS AND EXECUTIVE SESSIONS. Regular and special meeting of the Board shall be open to all members of the Corporation; provided, however, that members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board may, upon the vote of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Corporation is or may become involved and other matters of business of a similar nature. Only members of the Board shall be entitled to attend executive sessions. The nature of any and all business to be considered in executive session shall first be announced in open session.

7.16 BOARD ACTION WITHOUT MEETING. The Board may take action without a meeting if all of its Members consent in writing to the action to be taken. If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the common area within three (3) days after the written consents of all Board members have been obtained.

ARTICLE VIII

Officers

8.1 OFFICERS. The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer. The Corporation may also have, at the discretion of the Board, one (1) or more assistant secretaries, one (1) or more assistant treasurers and such other officers as may be appointed in

accordance with the provisions of Section 3 of this Article. Officers other than the president need not be directors. One (1) person may hold two (2) or more offices, except those of president and secretary.

8.2 ELECTION. The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article VIII, shall be chosen annually by the Board, and each shall hold his office until he shall resign, or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

8.3 SUBORDINATE OFFICERS. The Board may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have authority and perform such duties as are provided in the Bylaws or as the Board may from time to time determine.

8.4 REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board or, except in case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Board or the president, or to the secretary of the Corporation. Any such resignation shall take effect at the date of the 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.

8.5 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

8.6 PRESIDENT. The president shall be the chief executive officer of the Corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the members and at all meetings of the Board. He shall be ex-officio a member of all standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board or by the Bylaws.

8.7 VICE PRESIDENT. In the absence or disability of the president, the vice president shall perform all the duties of the

president, and when so acting shall have all powers of and be subject to all the restrictions upon the president. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board or by the Bylaws.

8.8 SECRETARY. The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board may order 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 at the directors' meetings, the number of memberships 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 Board required by the Bylaws or by law to be given, and he shall keep other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

8.9 TREASURER. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transaction of the Corporation, including account of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The books of account shall at all times be open to inspection by any director.

The treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. He shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the president and directors, whenever they request it, an account of all of his transaction as treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

ARTICLE IX

Miscellaneous

9.1 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidences 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.

9.2 CONTRACTS, ETC. HOW EXECUTED. The Board, except as in the Bylaws otherwise provided, may authorize any officer or officers or agent or agents to enter into any contract or execute

any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

9.3 INSPECTION OF BOOKS AND RECORDS. The Corporation shall keep in its principal office for the transaction of business or at such other place within the Condominium Property as the Board shall prescribe the original or a copy of the Bylaws as amended or otherwise altered to date, certified by the secretary, a membership register, books of account and copies of minutes of all Membership, Board and committee meetings, all of which shall be made available for inspection and copying by any member of the Corporation, or by any member's duly appointed representative and by all first Mortgagees, at any reasonable time and for a purpose reasonably related to his interest as a member or Mortgagee. The Board shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the member or Mortgagee desiring to make the inspection; and

(b) Hours and days of the week when such an inspection may be made; and

(c) Payment of the costs of reproducing copies of documents requested.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Corporation and the Common Area. The right of inspection by a director shall include the right at his expense to make extracts and copies of documents.

9.4 FISCAL YEAR. The fiscal year of the Corporation shall be determined by the Board, and having been so determined, subject to change from time to time as the Board shall determine.

9.5 FINANCIAL STATEMENTS. The Board shall cause a financial statement of the affairs of the Corporation to be made and distributed on a regular basis to Members pursuant to Section 1730 of California Civil Code, as it may be amended from time to time.

(a) A balance sheet as of an accounting date which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a Condominium in the Project, and an operating statement for the period from the date of the first closing to the said accounting date, shall be

distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the numbers of the Condominium Units and the name or names of the owners assessed.

(b) An annual report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet as of the end of the fiscal year; (ii) an operating (income) statement for the fiscal year; (iii) a statement of changes in financial position for the fiscal year; (iv) any information required to be reported under Section 8322 of the California Corporations Code.

(c) Ordinarily the annual report referred to in Section 5(b) above shall be prepared by an independent accountant for any fiscal year in which the gross income in the Corporation exceeds \$75,000.00. If said annual report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Corporation that the statements were prepared without audit from the books and records of the Corporation.

New Section

(d) In addition to financial statements, the governing body shall annually distribute within sixty (60) days prior to the 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.

9.6 BUDGET. The Board shall cause a pro-forma operating statement (budget) for the Corporation to be prepared for the second and each succeeding fiscal year of the Corporation, a copy of which shall be distributed personally or by mail to each of the members of the Corporation not fewer than forty-five (45) days prior to the beginning of the fiscal year to which the budget relates.

New Sections

(a) Said pro-forma budget shall contain an estimate of revenue and expenses on an accrual basis.

(b) The amount of the total cash reserves of the Corporation currently available for replacement or major repair of common facilities and for contingencies.

(c) 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 areas and facilities for which the Corporation is responsible.

(d) A general statement setting forth the procedures used by the governing body in the calculation and establishment

of reserves to defray the costs of repair, replacement or additions to major components of the common areas and facilities for which the Corporation is responsible.

ARTICLE X

Amendments

Except as may otherwise be stated in these Bylaws, during the period of time prior to conversion of the Class B membership in the Corporation to Class A membership, new Bylaws may be adopted or these Bylaws may be amended or repealed by the vote of the members entitled to exercise a majority or more of the voting power of each class of members of the Corporation or by the written assent of such members. After conversion of the Class B membership to Class A membership in the Corporation, these Bylaws may be amended or repealed by the vote of members entitled to exercise (i) a majority of the voting power of the Corporation, and (ii) at least a majority of the voting power of the members of the Corporation other than Declarant. Anything herein stated to the contrary notwithstanding, no material amendment to the Bylaws shall be made without the prior written approval of Mortgagees holding sixty-seven percent (67%) of the first Mortgages encumbering Condominiums. "Material change" shall mean, for purposes of this Article X, any amendments to provisions of these Bylaws governing any of the following subjects:

- (a) The fundamental purpose for which the project was created (such as a change from residential use to a different use).
- (b) Assessments, assessment liens and subordination thereof.
- (c) The reserve for repair and replacement of the Common Area.
- (d) Property maintenance obligations.
- (e) Casualty and liability insurance.
- (f) Reconstruction in the event of damage or destruction.
- (g) Rights to use the Common Area.
- (h) Annexation.
- (i) Any provision which, by its terms, is specifically for the benefit of first

Mortgagees, or specifically confers rights on first Mortgagees.

(j) Voting.

(k) The percentage interest of the Owners in the Common Area.

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Ohio Place Condominium Association, a California non-profit corporation; and

2. That the foregoing Bylaws, comprising 22 pages, constitute the Bylaws of said corporation duly adopted at the meeting of the Board of Directors thereof duly held on June 8, 1984.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 8th day of June, 1984.

Lowell A. Knapp

Lowell A. Knapp, Secretary
Ohio Place Condominium Association