

**Bylaws
Of
Huntington Town Homes Homeowners Association**

**ARTICLE I
PLAN OF CONDOMINIUM OWNERSHIP**

SECTION 1. NAME. The name of the corporation is Huntington Town Homes Homeowners Association, hereinafter referred to as the “ASSOCIATION”. The principal office of the corporation shall be located in Orange County, California.

SECTION 2. CONDOMINIUM OWNERSHIP. The Project located on lots 1 to 8, Inclusive, and lots “X”, “Y”, and “Z” of tract 7352, in the city of Huntington Beach, County of Orange, State of California, as per map recorded in book 278, pages 8 – 24, inclusive, of maps, in the office of the county recorder of said county, and such additional lands adjacent to or in the vicinity of said tract as may hereafter be brought within the jurisdiction of this association, is submitted to the provisions of Title 6, part 4, division second, of the California Civil Code.

SECTION 3. BYLAWS APPLICABILITY. The provisions of these bylaws are applicable to the project. (The term “PROJECT” as used herein shall include the land and all structures and improvements thereon.)

SECTION 4. PERSONAL APPLICATION. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in the these bylaws and to the regulatory agreement, attached as Exhibit “C” to the recorded or to be recorded declaration of restrictions – (Enabling declaration establishing a plan for condominium ownership) applicable to the property or any portion thereof, and as the same may be amended from time to time as therein provided, (The “Declaration” herein).

The here acquisition or rental of any of the units of the project or the mere act of occupancy of any of the units will signify that these bylaws and the provisions of the regulatory agreement are accepted, ratified, and will be complied with.

**ARTICLE II
VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES**

SECTION 1. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the owner is entitled is the percentage assigned to his condominium or condominiums in paragraph E in the Declaration.

SECTION 2. MAJORITY OF OWNERS. As used in these bylaws, the term “Majority of Owners” shall mean those owners holding 51% of the vote in accordance with the percentage assigned in the Declaration.

SECTION 3. QUORUM. Except as otherwise provided in these bylaws, the presence in person or by proxy of a “Majority” of Owners” as defined in Section 2 of this Article shall constitute a quorum.

SECTION 4. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the secretary before the appointed time of each meeting.

SECTION 5. CUMULATIVE VOTING. Every condominium owner entitled to vote at any election for Directors of the Association may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which his percentage of interests, as set forth in paragraph E of the said Declaration, are entitled or distribute his votes on the same principle among as many candidates as he thinks fit.

ARTICLE III **ADMINISTRATION**

SECTION 1. ASSOCIATION RESPONSIBILITIES. The owners of the condominiums will constitute the Association of Owners which will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments, and arranging for the management of the project pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of a management agent, except as otherwise provided, decisions and resolutions of the Association shall require approval by a Majority of Owners.

SECTION 2. PLACE OF MEETINGS. Meetings of the Association shall be held at the principal office of the project or such other suitable place convenient to the owners as may be designated by the Board of Directors.

SECTION 3. ANNUAL MEETINGS. An organizational meeting shall be held as soon as practicable following the incorporation of the Association and the Directors elected thereat shall hold office until the first annual meeting. The first annual meeting of the Association shall be held on October 1, 1972, but in any event within one year following the sale of the first unit, or within 60 days following the sale of 51% of the units, whichever shall first occur. Thereafter, the annual meetings of the Association shall be held on the third Saturday of June of each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

SECTION 4. SPECIAL MEETING. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a Majority of the Owners and having been presented to the Secretary, or the request of the Federal Housing Commissioner or his duly authorized representative, the notice of any Special Meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a Special Meeting except as stated in the notice unless by consent of four-fifths of the owners present, either in person or by proxy.

SECTION 5. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each owner of record, at least seven (7) but not more than fifteen (15) days prior to such meeting. The mailing of a notice in the manner provided in this section shall be considered notice served. Notices of all meetings shall be mailed to the Director of the Local Insuring Office of the Federal Housing Administration.

SECTION 6. ADJOURNED MEETINGS. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than 30 days from the time of the original meeting was called.

SECTION 7. ORDER OF BUSINESS. The order of business at all meetings of the owners of units shall be as follows: (A) Roll Call; (B) Proof of notice of meeting or waiver of notice; (C) Reading of minutes of preceding meeting; (D) Reports of Officers; (E) Report of Federal Housing Representative, if present; (F) Report of committee; (G) Election of Inspectors of Election; (H) Election of Directors; (I) Unfinished business; and (J) New business.

SECTION 8. ACTION WITHOUT MEETING. Any action, which under the provisions of the California Corporations Code may be taken at a meeting of the owners, may be taken without a meeting if authorized by a writing signed by all of the owners who would be entitled to vote at a meeting for such purpose, and filed with the Secretary.

ARTICLE IV **BOARD OF DIRECTORS**

SECTION 1. NUMBER AND QUALIFICATIONS. The affairs of the Association shall be governed by a Board of Directors composed of five persons, all of whom must be owners of condominiums in the project, except the first Directors.

SECTION 2. POWERS AND DUTIES. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these bylaws directed to be exercised and done by the owners. The powers of the Board of Directors shall include, but not be limited to, the following:

- (A) Enforce the provisions of the Declaration of Restrictions, bylaws, or other agreement;
- (B) Contract for and pay fire, casualty, liability and other insurance insuring the condominium owners;
- (C) Contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the common areas and to employ personnel necessary for the operation of the project, including legal and accounting services;
- (D) Pay taxes and special assessments which are or would become a lien on the entire project or common areas;
- (E) Pay for reconstruction of any portion or portions of the project damaged or destroyed which are to be rebuilt;
- (F) Delegate its powers;
- (G) Enter into any unit when necessary in connection with the maintenance or construction for which the Association is responsible; and
- (H) Assign parking spaces of the project (other than covered carports) in such manner as it deems appropriate.

SECTION 3. OTHER DUTIES. In addition to duties imposed by these bylaws or by resolution of the Association, the Board of Directors shall be responsible for the following: (A) Care, upkeep and surveillance of the project and the common areas and facilities and the restricted common areas and facilities (being portions of the common areas subject to exclusive easements); (B) Collection of

monthly and special assessments from the owners; and (C) Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities and the restricted common areas and facilities.

SECTION 4. MANAGEMENT AGENT. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3 of this Article.

SECTION 5. ELECTION AND TERM OF OFFICE. At the first annual meetings of the Association the term of office of two Directors shall be fixed at three years. The term of office of two Directors shall be fixed at two years, and the term of office of one Director shall be fixed at one year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three years. The Directors shall hold office until their successors have been elected and hold their first meeting.

SECTION 6. VACANCIES. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors. Even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

SECTION 7. REMOVAL OF DIRECTORS. At any regular or special meeting of owners duly called, any one or more of the Directors may be removed (by cumulative voting as hereinafter described) with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created (by cumulative voting as provided in Article II, Section 5). Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting, provided, however, unless the entire Board is removed, an individual Director shall not be removed if the number of votes voted against the resolution for his removal exceeds the quotient arrived at when the total number of votes entitled to vote is divided by one plus the authorized number of Directors.

SECTION 8. ORGANIZATION MEETING. The first meeting of a newly elected Board of Directors shall be held within 10 days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a Majority of the whole Board shall be present.

SECTION 9. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a Majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting.

SECTION 10. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President on three days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

SECTION 11. WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to

the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 12. BOARD OF DIRECTORS' QUORUM. At all meetings of the Board of Directors, a Majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the Majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the Majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 13. ACTION WITHOUT MEETING. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

SECTION 14. FIDELITY BONDS. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

SECTION 15. INDEPENDENT AUDIT. Within thirty (30) days of the close of each fiscal year, the Board shall cause an independent audit of the accounts of the Association by certified public accountants, and upon completion of said audit cause to be prepared and delivered to each unit owner within thirty (30) days after completion a true and exact copy thereof.

ARTICLE V **OFFICERS**

SECTION 1. DESIGNATION. The principal officers of the Association shall be President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an Assistant Secretary, and such other officers as in their judgment may be necessary.

SECTION 2. ELECTION OF OFFICERS. The Officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

SECTION 3. REMOVAL OF OFFICERS. Upon an affirmative vote of the Majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors or any special meeting of the Board called for such purpose.

SECTION 4. PRESIDENT. The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the Office of the President of an Association, including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

SECTION 5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his Duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

SECTION 6. SECRETARY. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

SECTION 7. TREASURER. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositaries as may from time to time be designated by the Board of Directors.

ARTICLE VI **OBLIGATIONS OF THE OWNERS**

SECTION 1. ASSESSMENTS.

- (A) All owners are obligated to pay monthly (and any special) assessments imposed by the Association to meet all project communal expenses, which may include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake, or other hazard. The assessments shall be made pro rata according to the proportionate shares of each condominium owner, as stipulated in paragraph E of the Declaration. Such assessments shall include monthly payments to a general operation reserve and a reserve fund for replacements required in the regulatory agreement attached as Exhibit "C" to the Declaration. Not later than 30 days prior to the beginning of each calendar year, the Association shall estimate the total charges to be assessed against each condominium. Each owner thereof shall thereafter pay to the Association his assessment in 12 equal monthly installments, each installment to be paid on or before the tenth of the month. In the event the Association shall determine that the estimate of total charged for the current year is, or will become, inadequate to meet all expenses of the project for any reason, including nonpayment of any owner's assessment on a current basis, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total charges to be assessed against each condominium. The Association may, at its discretion, prorate any such supplemental assessment between the remaining months of the calendar year, or immediately levy a special assessment against each condominium. Each monthly installment shall become delinquent if not paid within 10 days after the levy thereof. There shall accrue with each delinquent monthly installment and with each such delinquent special assessment a late charge of \$5.00. Together with interest at 6% per annum on such delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association.
- (B) The Board of Directors or the Management Agent of the Association, on behalf of the Association, may cause to be recorded in the office of the County Recorder of the county in which the project is situated a notice of any delinquent sums due the Association from any

condominium owner, which notice shall state the amount of such delinquent sums and other authorized charges and interest (including the cost of recording such notice), a sufficient description of the condominium against which the same has been assessed, and the name of the record owner or owners thereof. Upon payment to the Association of such delinquent sums and charges in connection therewith, or other satisfaction thereof, the Board of Directors or Management Agent shall cause to be recorded a further notice stating the satisfaction and release of such delinquent sums and charges. Such notices shall be signed on behalf of the Association by any member of the Board of Directors or by the Management Agent. The Association may demand and receive the cost of recordation of such release before recording same. Any purchaser or encumbrancer, acting in good faith and for value, may rely upon such notice of satisfaction and release as conclusive proof of the full satisfaction of the sums stated in the notice of delinquent sums.

- (C) All such delinquencies shall be enforced, collected, and/or foreclosed in the manner provided in the Declaration.

SECTION 2. MAINTENANCE AND REPAIR.

- (A) Every owner must perform promptly all maintenance and repair work within his own unit, which, if omitted, would affect the project in its entirety or in part belonging to other owners being expressly responsible for the damages and liabilities that his failure to do so may engender.
- (B) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area shall be at the owner's expense.
- (C) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damages through his fault.

SECTION 3. USE OF FAMILY UNITS – INTERNAL CHANGES.

- (A) All units shall be utilized for residential purposes only.
- (B) An owner shall not make structural modifications or alterations in this unit or installations located therein without previously notifying the Association in writing, through the Management Agent, if any, or through the preside of the Board of Directors if no Management Agent is employed. The Association shall have the obligation to answer within 30 days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

SECTION 4. RIGHT OF ENTRY.

- (A) An owner shall grant the right of entry to the Management Agent or to any other person authorized by the Board of Directors of the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.
- (B) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at the time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

SECTION 5. RULES OF CONDUCT.

- (A) No resident of the project shall post any advertisements or posters of any kind in or on the project except as authorized by the Association or except a sign of customary and reasonable dimensions advertising the unit for sale.
- (B) No unit shall be used in such manner as to obstruct or interfere with the enjoyment of residents of other units or annoy them by unreasonable noises, or otherwise, nor shall any nuisance or immoral or illegal activity be committed or permitted to occur. No noxious or offensive activity shall be carried on.
- (C) No exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes on the balconies, patios, porches, or other areas. Dogs, cats, or other household pets, may be kept provided that they are not kept, bred or maintained, for any commercial purpose.
- (D) No owner, resident or lessee, shall install wiring for electrical or telephone installation, television antennae, machines, or air conditioning units, etc., on the exterior of the building of the projects or that protrude through the walls or the roof of the buildings except as authorized by the Association.
- (E) In order to insure adequate aesthetic controls and to maintain the general attractive appearance of the project (1) no owner, resident or lessee, shall at his expense, or otherwise, construct fences, walls, or make any alterations, additions or modifications to any part or portion of the common areas, or place or maintain any objects on or about the exterior of any building within the project except as authorized by the Association, and (2) no owner, resident, lessee, invitee or other person, with or without the purported consent or cooperation of any owner, resident or lessee, shall park, store or maintain, in or on the project, any boats, trailers, campers, or other vehicles not customarily used as a means for general transportation. Provided, however, that the temporary parking of the aforesaid boats, trailers, campers, or other vehicles not customarily used for means of general transportation for periods of short duration, but not to exceed four hours withing any 48 consecutive hour period as an incident to loading or unloading therefrom, shall not be deemed a violation hereof. Provided, further, that the Board of Directors of the Association may adopt such additional rules and regulations respecting this provision as from time to time seems in the best interest of the owners.

ARTICLE VII

AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

SECTION 1. BYLAWS. These bylaws and the Declaration referred to in Article I, Section 4 hereof, may be amended by the Association in a duly constituted meeting for such purpose or by written consent as provided in Article III, Section 8, hereof, and no amendment shall take effect unless approved by owners representing at least 75% of the total voting interest of all condominiums in the project as shown in the Declaration, and provided, further, that no amendment shall take effect unless approved by:

- (a) Mortgages representing at least 75% of the total record value of all first mortgages (meaning any mortgage with first priority over other mortgages) affecting the project;
- (b) The Federal Housing Commissioner if any indebtedness secured by any of said first mortgage or mortgages is insured under the provisions of the National Housing Act, as amended, or if the Federal Housing Commissioner is the owner of any condominium in the project; and

- (c) If applicable, the California Real Estate Commissioner under and pursuant to California Business and Professions Code Section 11018.7 if the adoption of any such amendment would materially change the rights, preferences or privileges, of any person, or the restrictions upon any condominium affected thereby.

No such amendment shall take effect unless it correctly refers to said Declaration by reciting the name of the declarant, the name of the project, and the recording data of said Declaration, and until it has been duly recorded in the office of said County Recorder. Furthermore, no such amendment shall take effect unless it complies with all applicable ordinances of the city of Huntington Beach in effect as of the date said Declaration is recorded.

It shall be the responsibility of the Board of Directors to mail a notice of any such amendments to all mortgages appearing in the book entitled "Mortgages of Condominiums" referred to in Article VIII hereof; provided, however, that its failure to do so shall not invalidate any such amendment.

ARTICLE VIII **MORTGAGES**

SECTION 1. NOTICE TO ASSOCIATION. An owner who mortgages his condominium shall notify the Association through the Management Agent, if any, or the President of the Board of Directors in the event there is no Management Agent, the name and address of his mortgage, and the Association shall maintain such information in a book entitled "Mortgages of Condominiums". Any such owner shall likewise notify the Association as to the release or discharge or any such mortgage.

SECTION 2. NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a mortgage of a unit, report any unpaid assessments due from the owner of such unit.

ARTICLE IX

The following terms, as used in these bylaws, shall have the same meaning as are applied to such terms in the Declaration; "Project", "Condominium", "Common Areas", "Unit", "Mortgage", and "Mortgagee".

ARTICLE X

In case any of these bylaws conflict with any provisions of the laws of the State of California, such conflicting bylaws shall be null and void upon final court determination to such effect, but all other bylaws shall remain in full force and effect.