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BYLAWS OF LA PLAYA  
HOMEOWNERS CORPORATION

103191

A California Nonprofit Corporation

1. NAME AND LOCATION

The name of the corporation is LA PLAYA HOMEOWNERS CORPORATION (the "Corporation"). The Corporation is organized under the California Non-profit Mutual Benefit Corporation Law. The principal office of the Corporation shall be located in San Diego County, California. Meetings of members shall be held at those places specified in the Declaration.

2. DEFINITIONS

2.1 Declaration. The "Declaration" means, collectively, the Declaration of Restrictions and any amendment thereto that is or may be recorded that is applicable to the development commonly known and referred to as LA PLAYA, located in the City and County of San Diego, California, legally described as follows:

Lot 1 in Block 3 of La Jolla Shores Unit No. 1, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 1913, filed in the office of the County Recorder of San Diego County, June 13, 1926.

2.2 Other Definitions. Each and every definition in Article I of the Declaration shall have the same meaning here as there, and each such definition is incorporated by reference and made a part of these Bylaws as if it were reprinted here verbatim.

3. MEMBERSHIP; VOTING RIGHTS

The qualification for membership, the classes of membership, and the voting rights of members shall be controlled by Article III of the Declaration, the terms of which are incorporated by reference here.

4. MEETINGS OF MEMBERS

4.1 Regular and Special. The first regular meeting, subsequent regular meetings and special meetings of the members shall be held as set forth in Article III of the Declaration, the terms of which are incorporated by reference here.

4.2 Notice of Meetings. Notice of all members' meetings, regular and special, shall be given by mail or telegram and shall be given not less than ten days nor more than ninety days before the time of the meeting and shall set forth the place, date, and hour of the meeting, and the nature of the business to be undertaken. Notices shall be given by, or at the direction of, the secretary or person authorized to call the meeting, and shall be transmitted to each member entitled to vote and

to each Mortgagee; the notices shall be addressed to the member's or Mortgagee's address last appearing on the books of the Corporation, or supplied by the member or Mortgagee to the Corporation for the purpose of notice. Mailed notices shall be deemed received 48 hours after they are mailed by certified mail, return receipt requested; notices by telegram shall be deemed received 24 hours after they are sent. Notices to members may also be personally delivered and shall be deemed received upon delivery. Each Mortgagee shall have the right to designate a non-voting representative to attend each meeting of the members.

4.3 Quorum. The presence at any meeting in person or by proxy of members entitled to cast at least fifty percent of the total votes of all members of the Corporation constitutes a quorum. If any meeting cannot be held because a quorum is not present, members representing a majority of the votes present, either in person or by proxy, may adjourn the meeting to a time not less than 5 days or more than 30 days from the original meeting date, at which adjourned meeting the quorum requirement shall be at least 25% of the total votes. Any meeting of members at which a quorum is present may be adjourned for any reason to a time not less than 48 hours nor more than 30 days from the time of such meeting by members representing a majority of the votes present either in person or by proxy. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

4.4 Proxies. At all meetings of members each member may be present in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy is revocable and automatically ceases when the ownership interest or interests (that entitled a member to membership in the Corporation) cease.

4.5 Order of Business. The order of business of all meetings of the members shall be as follows:

- 4.5.1 roll call;
- 4.5.2 proof of notice of meeting or waiver of notice;
- 4.5.3 reading of minutes of preceding meeting;
- 4.5.4 reports of Board and officers;
- 4.5.5 election of directors, if any are to be elected;
- 4.5.6 unfinished business; and
- 4.5.7 new business.

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

4.7 Majority of Owners. Except as otherwise provided here or in the Declaration, the majority of the total voting power present, in person or by proxy, shall prevail at all meetings.

4.8 Action Without Meeting. Any action that may be taken at a meeting of the

members (except the election of a director) may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote at a meeting and filed with the secretary.

## 5. SELECTION AND TERM OF OFFICE OF BOARD

5.1 Number. The Board shall consist of three directors who need not be members.

5.2 Terms of Office; Election. Terms of office of directors and the procedure for election of directors shall be as set forth in Article III of the Declaration which is incorporated by reference.

5.3 Vacancies; Removal. Vacancies in the Board (other than a vacancy created by the removal of a director) may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office for the unexpired term of his predecessor and until his successor is elected at an annual meeting of members, or at a special meeting called for that purpose.

Any director may be removed from the Board, with or without cause, by a vote of the members cast in the same manner as such votes may be cast for the election of directors; provided, however, that (a) a director who has been elected solely by the votes of Class A members, other than Declarant, may be removed from office prior to the expiration of his term of office only by the vote of a majority of the Class A members other than Declarant, and (b) unless the entire board is removed from office by a 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 would be sufficient to elect such 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.

A vacancy or vacancies shall be deemed to exist in case of the 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 an 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. If a director shall fail to attend three consecutive regular meetings of the Board without leave granted by the Board, the office of such director may be declared vacant by a majority of the remaining directors. The members may at any time elect directors to fill any vacancy not filled by the directors.

5.4 Compensation. A director shall not receive any compensation for any service he may render to the Corporation; provided, however, that any director may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

## 6. NOMINATION AND ELECTION OF DIRECTORS

6.1 Nomination. Nomination for election to the Board shall be made by a nominating committee consisting of three persons. Nominations also may be made from the floor at each annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two other persons who may

be either members of the Corporation or representatives of Declarant. Each member of the nominating committee shall be appointed by the Board to serve for a period of one year and vacancies shall be filled by the Board. The nominating committee shall make as many nominations for election to the Board as it may, in its discretion, determine, but not less than the number of vacancies to be filled. Nominations may be made from among the members or non-members.

6.2 Election. Election to the Board shall be by secret written ballot. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration (and subject to cumulative voting and to the provisions respecting specially elected directors as are described in the Declaration). The candidates receiving the highest number of votes shall be deemed elected.

A member shall be entitled to cumulate his or her votes for one or more candidates for director if the candidate's name has been placed in nomination prior to voting and if the member has given notice at the meeting prior to the voting of his or her intention to cumulate votes.

## 7. MEETINGS OF DIRECTORS

7.1 Regular Meetings. Regular meetings of the Board shall be held monthly at such place (within the development known as LA PLAYA) and hour as may be fixed from time to time by resolution of the Board. Should any such meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday. Notice of the time and place of any such meeting shall be posted at a prominent place or places within the Common Area and shall be communicated to each director not less than four days prior to the meeting, provided, however, that notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

7.2 Special Meetings. Special meetings of the Board shall be held when called by the president of the Corporation or by any two directors other than the president. The notice shall be posted in the manner prescribed for notice of regular meetings not less than seventy-two hours before the scheduled time of the meeting and shall be sent to each director not less than seventy-two hours before the scheduled time of the meeting, provided, however, that notice of the meeting need not be given to any director who signed a waiver of notice or written consent to holding of the meeting. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be posted in the manner prescribed for notice of regular meetings not less than seventy-two hours before the scheduled time of the meeting.

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

7.4 Conduct of Meetings. Regular and special meetings of the Board shall be open to all members of the Corporation; provided, however, that Corporation members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized by the vote of a majority of a quorum of the Board. The Board may, with the approval of a majority of a quorum of the members of the Board, adjourn a meeting and reconvene in executive session to

discuss and vote on personnel matters, litigation in which the Corporation is or may become involved, and orders of business of a similar or otherwise sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

7.5 Action Taken Without Meeting. The directors may take action without a meeting if all directors consent in writing to the action to be taken. If the directors resolve by unanimous written consent to take an action, an explanation of the action taken shall be posted at a prominent place or places within the Common Area within three days after the written consents of all directors have been obtained.

## 8. POWER AND DUTIES OF THE BOARD

8.1 Powers. The Board has all powers conferred upon the Corporation that are specified here and in the Declaration except those powers expressly reserved to the members.

8.2 Duties. It shall be the duty of the Board:

8.2.1 to cause to be kept a complete record of all of its acts and doings and to present a statement of them to the members at each annual meeting of the members, or at any special meeting when such statement is requested in writing by members representing 25% of the Class A members;

8.2.2 to supervise all officers, agents and employees of the Corporation, and to see that their duties are properly performed; and

8.2.3 to delegate its powers as provided in the Declaration.

## 9. OFFICERS AND THEIR DUTIES

9.1 Enumeration of Offices. The officers of the Corporation shall be a president and vice president, who shall at all times be members of the Board, a secretary, a treasurer, and such other officers as the Board may create from time to time by resolution.

9.2 Election of Officers. The election of officers shall take place at the organizational meeting of the Board and at each annual meeting of the Board that follows each annual meeting of the members.

9.3 Term. The officers of the Corporation shall be elected annually by the Board and each shall hold office for one year unless he resigns, is removed or becomes otherwise disqualified to serve.

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

9.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. The resignation shall take effect on the date of receipt of such notice or at any later time specified in the

notice, and, unless otherwise requested by the notice, the acceptance of the resignation shall not be necessary to make it effective.

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

9.7. Multiple Offices. The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created under Section 9.4 of these Bylaws.

9.8 Duties. The duties of the officers are as follows:

9.8.1 President The president shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments and shall cosign all checks and promissory notes.

9.8.2 Vice President The vice president shall act in place of the president in case of his absence or his inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

9.8.3 Secretary The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, shall serve notices of meetings of the Board and of the members, shall keep appropriate current records showing the members of the Corporation and their addresses and shall perform such other duties as required by the Board.

9.8.4 Treasurer The treasurer shall receive and deposit in the appropriate bank accounts all money of the Corporation and shall disburse such funds as directed by resolution of the Board, shall cosign all checks and promissory notes of the Corporation, shall keep proper books of account and shall cause the financial statements, annual reports and budgets required pursuant to the Declaration to be distributed to each member as required by the Declaration.

9.9 Compensation. An officer shall not receive any compensation for any service he may render to the Corporation; provided, however, that any officer may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

## 10. COMMITTEES

Subject to any contrary provisions of the Declaration and these Bylaws, the Board may appoint a nominating committee as provided in these Bylaws. In addition, the Board may appoint such other committees as it deems appropriate to carry out its purposes.

## 11. ASSESSMENTS

As more fully provided in Article IV of the Declaration, each member is obliged to pay to the Corporation regular and special assessments to be collected as described in that Article all of which is incorporated here by reference.

## 12. FINES AND SUSPENSIONS

As set forth in the Declaration, after notice and a hearing in accordance with Section 7341 of the California Corporations Code, the Board has the power, in the event of a breach by an Owner, to suspend use privileges of the Common Area and/or assess monetary fines against any Owner and/or suspend the voting rights of any Owner. The amount of any such fine shall be limited to \$100.00 for any one violation. Any suspended or fined Owner may appeal such action by filing written notice of intention to appeal with the Board. The action imposing the fine or suspension shall then become ineffective until the fine or suspension is approved by at least two-thirds of the Board members at a regular or special meeting of the Board. The Owner to be fined or suspended can appear, be represented by counsel and be heard at the meeting.

## 13. INSPECTION OF CORPORATION RECORDS

The books, records and papers of the Corporation, including membership registers, books of account and minutes of meetings of the members and the Board and of committees appointed by the Board, shall be open to inspection upon the written demand of any officer, director or any member of the Corporation or any Mortgagee of a Condominium at any reasonable time and for a purpose reasonably related to his interests as a member or Mortgagee and shall be produced at any meeting when required by the demand of ten percent of the voting power of the membership represented at any members' meeting. Every director shall have the absolute right at any reasonable time to inspect all books, records and all papers of every kind and nature of the Corporation and to make extracts and copies thereof (the cost of reproducing copies shall be borne by the director). Such inspection, at such place within LA PLAYA as shall be prescribed by the Board, 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, secretary or assistant secretary of the Corporation. The Board shall establish reasonable rules with respect to (1) notice to be given to the custodian of the records by the member or Mortgagee desiring to make the inspection; (2) hours and day of the week when such inspection may be made; and (3) payment of the cost of reproducing copies of documents requested by a member or Mortgagee.

## 14. AMENDMENTS

**14.1 Two-Class Voting.** If a two-class voting structure is still in effect in the Corporation, these Bylaws can be amended only with the vote or written consent of members entitled to cast at least 51% of the voting power of each class of membership in the Corporation.

**14.2 Single-Class Voting.** If a two-class voting structure is no longer in effect in the Corporation because of the conversion of Class B membership to Class A membership, as provided in the Declaration, these Bylaws can be amended only with the vote or written consent of (a) members entitled to cast at least 51% of the voting power of the Corporation and (b) at least 51% of the members other than Declarant.

**14.3 Specific Provisions Control.** Sections 14.1 and 14.2 are not intended to limit the percentage of the voting power of the Corporation or of members (other than Declarant) necessary to amend a specific provision in these Bylaws when the



specific provision requires a different percentage of affirmative votes. If more than 51% of the voting power is required by any specific provision, the percentage in the specific provision shall control.

14.4 Conformance with Statute. The adoption of any amendment to these Bylaws must comply with the provisions of California Business and Professions Code Section 11018.7 to the extent that said section is applicable.

## 15. GENERAL PROVISIONS

15.1 Conflicting Provisions. In case of any conflict between any provisions of the Declaration and these Bylaws, the provisions of the Declaration control.

15.2 Fiscal Year. The fiscal year of the Corporation shall be a calendar year unless a different fiscal year is adopted by the members at a duly constituted meeting.

15.3 Proof of Membership. No person can exercise the rights of membership in the Corporation until satisfactory proof of membership has been furnished to the secretary. Such proof may consist of either a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person to be the Owner of an interest in a Condominium entitling him to membership. The deed or policy is conclusive in the absence of a conflicting claim based on a later deed or policy.

15.4 Absentee Ballots. The Board may make such provisions as it considers necessary or desirable for absentee ballots.

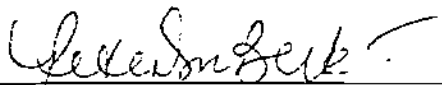
15.5 Consent to Waiver of Notice. The transactions at any meeting of the Board, however noticed, shall be as valid as though they occurred at a meeting held after regular notice if a quorum is present, and if either before or after the meeting each absent director signs a written waiver of notice or a consent to the holding of such meeting or an approval of its correct minutes. All such waivers, consents, or approvals shall be filed with the records of the Board and made a part of its minutes.

15.6 Reserves. Any amounts collected by or paid to the Corporation in excess of operational needs shall be set aside as reserves for future financial needs and shall be deposited into insured interest-bearing accounts. These sums may include amounts, collected by Declarant from Owners through purchase escrows, that represent capital contribution by Owners to the Corporation.

## CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of LA PLAYA HOMEOWNERS CORPORATION, a California nonprofit corporation, certifies that these Bylaws were duly adopted by the Board of Directors of the Corporation on \_\_\_\_\_ and that they now constitute its Bylaws.

  
Secretary