

TR: 12548  
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BYLAWS OF

ANTIGUA OWNER'S ASSOCIATION OF MONARCH BEACH

ARTICLE I

NAME AND LOCATION

The name of the corporation is ANTIGUA OWNER'S ASSOCIATION OF MONARCH BEACH, hereinafter referred to as the "Association". The principal office for the transaction of the business of the Association shall be located in Orange County, State of California. Management of the Association's business affairs may be conducted by a professional management company having one of its offices in Orange County, California.

ARTICLE II

DEFINITIONS

2.1 The definitions contained in the Declaration are incorporated by reference herein.

2.2 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the property recorded on the 19th day of May, 1986, as Instrument No. 86-205264, of Official Records, Orange County.

ARTICLE III

MEETING OF MEMBERS AND VOTING

3.1 Annual Meeting. The first meeting of the members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association or within forty-five (45) days after the closing of the sale of the project interest which represents the fifty-first (51st) percentile interest authorized for sale under the first public report for the project, whichever comes first, but in no event later than six (6) months after the close of escrow on the sale of the first until in the project. The next annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent regular annual meetings of the members shall be held

within thirty (30) days of the same month of each year thereafter, at the hour of 8:00 p.m. If the day for the annual meeting is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday (excluding Saturday and Sunday).

3.2 Special Meeting. Special meetings of the members shall be promptly scheduled by the governing body in response to:

(a) The vote of the governing body itself.

(b) Written request for a special meeting signed by members representing at least five (5%) percent of the total voting power of the Association.

If the Association is the obligee under a bond or other arrangement to secure performance of the commitment of the Declarant to complete common area improvements which have not been completed prior to the close of escrow of the sale of the first unit, and the provisions of Section 6.13 of the Declaration are applicable, a special meeting of members shall be called in accordance with the provisions of Section 6.13 of the Declaration, which provisions are incorporated by reference herein.

3.3 Notice and Place of Meeting. Written notice of each meeting of the members shall be given by, or at the direction of, the manager when the meeting has been called pursuant to Section 3.2 above, by mailing a copy of such notice, by first-class mail, postage prepaid, at least ten (10) but not more than thirty (30) days before such meeting, to each first lender requesting notice and to all members, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice of written waiver of notice states the general nature of the proposal(s): (a) removing the Director without cause; (b) filing vacancies on the Board of Directors by the members; (c) amending the Articles of Incorporation; (d) approving a contract or transaction in which a Director has a material financial interest. Meetings shall be held within the project or at a meeting place within the same county, as close to the project as possible.

3.4 Quorum. The presence, either in person or by proxy, at any meeting of members entitled to cast fifty-one (51%) percent of the total voting power of the Association shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, a majority of the members entitled to vote there at may, unless otherwise provided by law, adjourn the meeting to a time not less than five (5) days or more than thirty (30) days from the meeting date, at which meeting the quorum requirements shall be one-third (1/3) of the total voting power, but may not transact any other business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that at least twenty-five (25%) percent of the total voting power of the Association remains present in person and/or by proxy, and provided further, that any action taken shall be approved by at least a majority of the members required to constitute a quorum. 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.

Any action which may be taken by the vote of members at a regular or special meeting, except the election of governing body members where cumulative voting is a requirement, may be taken without a meeting if done in compliance with the provisions of Section 7513 of the Corporations Code.

3.5 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 unit or upon receipt of notice by the Secretary or the Board of the death or judicially declared incompetence of a member prior to the counting of the vote or upon the expiration of eleven (11) months from the date of the proxy.

3.6 Membership and Voting. Membership shall be held as provided in the Declaration. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all owners, with the exception of the Declarant (as defined in the Declaration), and shall be entitled to one (1) vote for each unit owned. When more than one person holds an interest in any unit, all such persons shall be members. The vote for such unit shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any unit.

Class B: The Class B member(s) shall be the Declarant and shall be entitled to vote as follows: Voting shall be the same as for Class A members, except that Class B member(s) may triple its votes for each unit owned. The Class B memberships shall cease and be converted to Class A memberships upon the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(b) On the second anniversary of the original issuance of the most recently issued final public report for a phase of the project;

(c) On the fourth anniversary of the original issuance of the final public report for the first phase of the project.

Any action by the Association which must have the approval of the members before being undertaken shall require the vote or written assent of at least a majority of each class of membership during the time that there are two outstanding classes of membership. When two classes are no longer in existence, where the vote or written assent of each class of membership is required, any requirement that the vote of Declarant be excluded is not applicable except as provided in Section 6.13.2 of the Declaration, and in such event, the vote or written assent of a bare majority of the total voting power of the Association as well as the vote or written assent of 51% of the total voting power of members other than the subdivider is required. Voting rights attributable to units shall not vest until assessments against those units have been levied by the Association; provided, however, that where a subsidization contract is in effect, the voting rights attributable to units owned by Declarant shall vest upon annexation of the phase of the project in which such units are included.

3.7 Action Without Meeting. Any action that may be taken at any annual or special meeting of members (except the election of Directors) may be taken without a meeting and without prior notice if the provisions of the California Corporations Code Section 7513 are complied with. Written ballots must be solicited from all members and received from a number of members at least equal to the quorum applicable to a meeting of members. All such written ballots shall be filed with the Secretary of the Association and maintained in the Association's records. All solicitations of ballots shall indicate the time by which the ballot must be returned to be counted.

3.8 Regulatory Standards. All owners, 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 these Bylaws and to the Regulatory Standards as to the use of the Common Area, adopted from time to time by the Board of Directors. Acquisition, rental, or occupancy of any unit shall constitute acceptance and ratification of the provisions of these Bylaws, the Declaration, and the Regulatory Standards.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number. The Association shall have five (5) Directors. The number of Directors may be changed by approval of the members. All Directors must be members of the Association, except for those Directors appointed by Declarant to serve prior to the first general membership meeting and election.

4.2 Term of Office. At the first meeting of the Association, the members shall elect three (3) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years. At each annual meeting thereafter, the members shall elect three (3) Directors or two (2) Directors as the case may be for a term of two (2) years. ↙

4.3 Removal; Vacancies. Unless the entire Board is removed from office by the vote of the Association members, an individual Director shall not be removed prior to the expiration of his term of office if the votes cast against his removal would be sufficient to elect him 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 Director who was elected solely by the votes of members other than Declarant may be removed from office prior (tot he) expiration of his term only by the votes of a majority of members other than Declarant. In the event of death or resignation of a Director, his successor shall be selected by a majority of the remaining members of the Board or by a sole remaining Director, and shall serve for the unexpired term of his predecessor. The members may elect a Director at any time to fill any vacancy not filled by the Directors. The Board may appoint a Director to fill a vacancy created by removal of a Director, but only with the vote or written consent of a majority of the voting power of the Association residing in members other than Declarant.

4.4 Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses, if reasonable, incurred in the performance of his duties, as provided for in Section 7.3D.

4.5 Indemnification of Officers and Directors. Each Director, officer, and committee member shall be indemnified by the Association and the members against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having been a Director, officer, or committee member of the Association, except in cases of fraud, gross negligence, or bad faith of the Director, officer, or committee member in the performance of his duties.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Notice to the members of the meeting shall include the names of all those who are nominees at the time the notice is sent. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to members and to solicit votes.

5.2 Election. The first election of the Board shall be conducted at the first meeting of the Association. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting in the election of governing body members shall be prescribed for all elections in which more than one (1) position on the governing body are to be filled, subject only to the procedural prerequisites to cumulative voting prescribed in Section 7615(b) of the Corporations Code. Voting for Directors shall be by secret written ballot. So long as a majority of the voting

power of the Association resides in the Declarant or so long as there are two (2) outstanding classes of membership in the Association, not less than twenty (20%) percent of the incumbents on the Board shall have been elected solely by the votes of the owners other than Declarant, in accordance with the following special procedure: The collected ballots shall be segregated between ballots cast by the Declarant and ballots cast by other members. The ballots received from other members shall be counted first, and the person receiving the greatest number of votes from such members shall be elected to the Board. The votes of Declarant shall then be added to the totals and the person receiving the highest numbers of votes, other than the person already elected, shall be elected to the remaining positions on the Board.

## ARTICLE VI

### MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly at such place within the project unless in the judgment of the governing body a larger meeting room required than exists within the subdivision in which case the meeting room selected shall be as close as possible to the subdivision and at such hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, excluding Saturday and Sunday. Notice of the time and place of meeting shall be posted at a prominent place within the common area and shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, that notice of a meeting need not be given to any Director who has signed a waiver of notice, or a written consent to holding of the meeting.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, or by any two (2) Directors. 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 given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first-class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Association. Such notice shall be posted at a prominent place within the common area not less than seventy-two (72) hours prior to the scheduled time of the meeting. Notices sent by first-class mail shall be deposited into a United States mailbox at least four

(4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegram shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting. Provided, however, that notice of the meeting need not be given to any governing body member who signed a waiver of notice or a written consent to holding of the meeting.

6.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act performed or decision 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.

6.4 Open Meetings. All meetings of the Board shall be open to all members, but members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

6.5 Executive Session. The Board may, with approval 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 Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6.6 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. An explanation of the action taken shall be posted at a prominent place within the common area within three (3) days after the meeting.

6.7 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present; and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice of consent must specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.8 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors

who were not present at the time of the adjournment and shall be posted at a prominent place within the common area.

6.9 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of the action taken shall be posted at a prominent place of places within th common area within three (3) days after the written consents of all Board members have been obtained.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Duties. It shall be the duty of the Board of Directors to:

A. Maintenance: Maintain the project in accordance with Section 6.7 of the Declaration;

B. Insurance: Maintain insurance as required by Section 6.7.8 of the Declaration;

C. Discharge of Liens: Discharge by payment, if necessary, any lien against the common area and assess the cost thereof to the member(s) responsible for the existence of said lien (after notice and hearing as required by the Declaration);

D. Assessments: Fix, levy, collect, and enforce assessments as set forth in Article VII of the Declaration;

E. Expenses and Obligations: Pay all expenses and obligations incurred by the Association in the conduct of its business, including without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

F. Records: Cause to be kept a complete record of all of its acts and business affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members; keep adequate and correct books and records of account, minutes or proceedings of its members, Board, and

committees, and a record of its members, giving their names and addresses and classes of membership;

G. Supervision: Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;

H. Enforcement: Enforce these Bylaws and the Declaration.

7.2 Powers. The Board of Directors shall have the power to:

A. Manager: Employ a manager as provided in Section 6.8.2 of the Declaration.

B. Adoption of Rules: Adopt rules in accordance with Section 6.10 of the Declaration.

C. Assessments, Liens, and Fines: Levy and collect assessments and impose fines, as provided in Article VII of the Declaration.

D. Enforcement: Enforce these Bylaws and/or the Declaration, provided that at least fifteen (15) days prior notice of any charges or potential discipline or fine and the reasons therefor are given to the member affected, and that an opportunity is provided for the member to be heard, orally or in writing, before the Board. Notice shall be given as required by Corporations Code Section 7341.

E. Delegation: Delegate its authority and powers to committees, officers, or employees of the Association or to a manager employed by the Association. The Board may not delegate to the manager the authority to make expenditures for capital additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an owner or his tenant, lessee, guest or invitee with this Declaration or rules and regulations promulgated by the Board, or to make a decision to levy monetary fines, impose special assessments against individual units, temporarily suspend an owner's rights as a member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy regular or special assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of assessments. The Board may delegate to a manager any of its other duties, powers or functions. Any such delegation shall be revocable by the Board at any time. Any such manager may be either a person or firm. The members of the Board, individually or collectively, shall not be liable for any

omission or improper exercise by the manager of any such duty, power, or function so delegated by written instrument executed by a majority of the Board.

7.3 Prohibited Acts. The Board of Directors shall not take any of the following actions, except with the vote or written consent of a majority of the total voting power of the Association, including a majority of members other than Declarant:

A. Enter into a contract with a third person wherein the third person will furnish goods or services for the common area or the Association for a term longer than one (1) year, with the following exceptions:

(1) The Board has the authority to enter into agreement with South Coast County Water District for the purpose of reclaimed water.

(2) A contract with a public utility company, if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(3) Prepaid casualty and/or liability insurance policies of not to exceed three (3) years' duration, provided that the policy permits short rate cancellation by the insured.

B. Incurring aggregate expenditures for capital improvements to the common area in any fiscal year in excess of five (5%) percent of the budgeted gross expenses of the Association for that fiscal year;

C. Selling, during any fiscal year, property of the Association having an aggregate fair market value greater than five (5%) percent of the budgeted gross expenses of the Association for that fiscal year;

D. Paying compensation to the members of the Board or to the officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association;

~~E. Levy special assessments which in the aggregate exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year;~~

F. Fill a vacancy on the Board created by the removal of a Director.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall, at all times, be members of the Board of Directors; a Secretary and a Chief Financial Officer, and such other officers as the Board may, from time to time, by resolution, create.

8.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.3 Term. The officers of this Association shall be elected annually by the Board and shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

8.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if he is also a Board member) by the Board, with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall be necessary to make it effective.

8.6 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 replaced.

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

A. President: The President shall preside at all meetings of the Board of Directors; shall see that orders

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and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; and shall sign all promissory notes.

B. Vice-President: The Vice-President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

C. Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with the addresses; and shall perform such other duties as required by the Board.

D. Chief Financial Officer: The Chief Financial Officer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; shall prepare and shall distribute financial statements to each member as follows:

(1) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than forty-five (45) days and not more than sixty (60) days prior to the beginning of the fiscal year containing the following:

(a) Estimated revenue and expenses on an accrual basis;

(b) The amount of the total cash reserves of the Association 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 the costs of repair, replacement or additions to, major components of the common areas and facilities for which the Association 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

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additions to major components of the common areas and facilities for which the Association is responsible.

(2) 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 unit 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(s) of the owners assessed.

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

(4) Ordinarily, the annual report referred to above shall be prepared by an independent accountant for any fiscal year in which the gross income to the Association 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 Association that the statements were prepared without audit from the books and records of the Association.

E. Delegation: The foregoing duties may be delegated to a manager appointed by the Board.

## ARTICLE IX

### COMMITTEES

9.1 The Board shall appoint an Architectural Control Committee as provided in the Declaration and, if it desires, a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (a) take any final action

on matters which, under the Nonprofit Corporation Law of California, also require members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; and (f) approve any transaction to which the Association is a party and one or more Directors have a material financial interest in.

## ARTICLE X

### BOOKS AND RECORDS

10.1 Inspection by Members. The membership register (including names, addresses, and voting rights), books of account, and minutes of meetings of the members, of the Board of Directors and of committees shall be made available for inspection and copying by any member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the project as the Board may prescribe.

10.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

A. Notice to be given to the custodian of the records by the member desiring to make the inspection;

B. Hours and days of the weeks when such an inspection may be made;

C. Payment of the cost of reproducing copies of documents requested by a member.

10.3 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association, and the physical properties owned or controlled by the Association. The right of inspection by a Director include the right to make extracts and copies of documents, at the expense of the Association.

## ARTICLE XI

### ASSESSMENTS

11.1 As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the unit

against which the assessment is made. Any assessments which are not paid within thirty (30) days after the due date shall be delinquent and shall bear interest at the rate of ten (10%) percent per annum from the due date until paid (and shall incur a late payment penalty in an amount to be set by the Board, from time to time, but not to exceed the maximum permitted by applicable law). The Association may bring an action at law against the owner personally obligated to pay the same or record a notice of assessment pursuant to Civil Code Section 1357 and foreclose the lien against the unit, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his unit.

## ARTICLE XII

### AMENDMENTS

12.1 After sale of the first unit, these Bylaws may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of a quorum of the Association and a majority of the votes or written consent of members other than Declarant, or where the two-class voting structure is still in effect, by vote of a majority of each class of members. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

12.2 In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In case any of these Bylaws conflict with the provisions of the California Condominium Act, the provisions of said statute shall control.

## ARTICLE XIII

### MISCELLANEOUS

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the close of escrow of the first sale of a unit.

We, the undersigned, being all of the Directors of ANTIGUA OWNER'S ASSOCIATION OF MONARCH BEACH do hereby certify:

(a) That we are entitled to exercise all of the voting power of said corporation; and

(b) That we hereby assent to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
PHILIP G. RAFTON

\_\_\_\_\_  
MICHAEL J. FARLEY

\_\_\_\_\_  
ROBERT W. HUNTER

\_\_\_\_\_  
DAVID P. DOLTER

\_\_\_\_\_  
DONALD WEYANT

I, the undersigned, the duly elected and acting Secretary of ANTIGUA OWNER'S ASSOCIATION OF MONARCH BEACH, a California nonprofit mutual benefit corporation, do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said corporation on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_, and that the same do now constitute the Bylaws of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
DAVID P. DOLTER, Secretary