



BYLAWS DATED FEBRUARY 24, 2003

Marinita Homeowners Association

ARTICLE I NAME AND LOCATION

The name of this homeowners' association (hereinafter "Association") is MARINITA HOMEOWNERS ASSOCIATION. The principal office of the corporation shall be located in Orange County, California. The Meetings of the Members and Directors may be held within the State of California, County of Orange as designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1: The definitions contained in the Restated Declaration are incorporated by reference herein.

Section 2: "Restated Declaration" shall mean and refer to the restated Declaration of Marinita Homeowners Association approved concurrently with these Bylaws and thereafter duly recorded.

Section 3, Personal Application. All present or future Owners, tenants, future tenants, or other employees or any other person using the facilities of the project in any manner, are subject to the regulations set forth in these Bylaws and all governing documents of the Association. The mere acquisition or rental of any of the lots of the project will signify that these Bylaws are accepted, ratified and will comply with.

ARTICLE III MEMBERSHIP VOTING AND MEETING OF MEMBERS

A. MEMBERSHIP AND VOTING

Section 1, Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by the covenants of record to the assessment by the Association, shall be a member of the Association. Ownership of such Lot shall be the sole qualification for membership. Membership shall continue until such time as the Owner's ownership terminates at which time membership shall automatically cease.

Section 2, Voting Member. Voting rights are based on one vote per Lot owned. When more than one person holds title, all persons collectively shall be the member (for the lot in question). The vote shall be exercised as they among themselves determine. The Association shall be entitled to presume that any ballot tendered by one or more Owners aft the lot was the result of agreement by all the other owners. If conflicting ballots are cast by Owners, none will be counted.

Section 3, Suspension of Member's Rights. Members are subject to suspension of membership for voting purposes when their assessment payments fall delinquent or violation of these Amended Bylaws, the Restated Declaration, or the rules and regulation occurs. Refer to the Restated Declaration of the limitations and notice provisions relating to suspensions of membership.

Section 4, Majority of Owners. As used in these Bylaws, the term "majority of owners" shall mean those Owners entitled to cast fifty-one percent (51%) of the total votes.

B. MEETING OF MEMBERS AND NOTICE

Section 1, Annual Meeting. The Annual Election Meeting shall be held each year at the time and place indicated in the notice described in Section 3 below.

Section 2, Special Meetings. Special Meetings of members may be called by the Board, the Chairman/President of the Board, or other such persons, if any, as specified in the Bylaws. In addition, Special Meetings of members may be called by 5% or more of the members. No action may be taken at a Special Meeting that does not fall within the purpose stated on the meeting notice.

Section 3, Notice of Meetings. Written notice of the Annual Election Meeting of the Members shall be given to the Members from the Board of Directors not less than (10) days, nor more than (90) days before the meeting. Notice of regular Board Meetings shall be given not less than (4) days before the meeting. Notices for all Board meetings may be accomplished by posting the notice in a prominent place in the community common area, by mail, by newsletter, by meeting minutes, or by other similar means of communication. All such notices shall specify the place, day, and hour of the meeting. Notices for Special Meetings must also include the purpose of the meeting.

Section 4, Quorum. The presence either in person or by proxy, at any meeting, of the Members entitled to cast thirty-three and one-third percent (33 1/3%) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation Restated Declaration, these Bylaws or California Law. If however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have to power to adjourn the meeting from time to time, without notice other than announcement at the meeting to a date not less than five (5) days or more than thirty (30) days from the Time the original meeting was called, at which meeting the quorum requirements shall be at least twenty-five percent (25%) of the total voting power of the Association. When a quorum is present, a majority of the voting interests present shall decide any question brought before the membership unless a different percentage of approving votes is required for the specific act under California Law, these Bylaws, the Restated Declaration, or the Articles of Incorporation. In those cases, the specific requirement under that section shall control.

Section 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 of the Board of Directors (hereinafter "Secretary") before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot or interest therein, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of such member. No proxy shall be valid after eleven (11) months from the date of execution.

Section 6, Conduct of Meetings. All Membership meeting shall be conducted in a manner consistent with generally accepted parliamentary based procedure. The order of business of meetings is recommended as follows: (a) roll-call or sign-in sheet; (b) proof of notice of meeting or waiver of notice; (c) approval of minutes of proceeding meeting; (d) reports of officers; (e) report of committees; (f) election of inspectors of election; (g) election of Directors; (h) unfinished business; and (j) new business.

Section 7, Action by Written Ballot. Any action which taken at any regular or special meeting of the members may not be taken without a meeting if the Association distributes a written ballot to every member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot.

Section 8, Action without Meeting. Any action required or permitted to be taken by the members may be taken without a meeting, if all members shall individually or collectively consent in writing to the action.

Section 9, Minutes. Minutes shall be recorded at all meetings and available for review by Owners within thirty (30) days after a meeting, in draft, summary, or final form. Owners are to receive notice of the availability of Minutes at least once each year by general mailing or personal delivery.

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1, Number. The affairs of this Association shall be managed by a Board of Directors comprised of five (5) Directors. (Hereinafter "Directors") who must be members of the Association. No two family members (by blood relation or marriage) shall serve on the Board simultaneously.

Section 2, Term of Office. At the Annual Meeting the Members shall elect five (5) Directors for concurrent terms of one (1) year.

Section 3, Removal. Any or all Directors may be removed from office without cause if such removal is approved by a majority of votes represented and voting a duly held meeting at which a quorum is present.

Section 4, Vacancy. If any Director misses three (3) or more consecutive Board meetings which have been officially convened, that Director forfeits his or her right to remain on the board and the remaining Board members may declare the position of that Director vacant, by majority vote. The remaining Directors may then choose a successor by election among them to serve the unexpired term of the Director who forfeited the position.

Section 5, Compensation. No Director shall receive compensation for any service he may render to the Association, provided however, that any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE V NOMINATION AN ELECTION OF DIRECTORS

Section 1, Nomination. Nominations for election to the "Board of Directors" shall be made by a nominating committee. Nominations may also be made from the floor at the Annual Meeting. The nominating committee shall consist of a chairperson, 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 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 the 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.

Section 2, Election. Election to the Board of Directors shall be by written, secret ballot. At such election the Members or their Proxies may cast, one (1) vote per vacancy. A five (5) Member Board allows the Owner(s) five (5) votes per unit owned, one vote for each vacancy at an Annual Election Meeting. A Member may cast only one (1) vote per candidate. Cumulative voting is not permitted. A vote for a Director nominated may be cast by a Member by mail on a ballot forwarded by the Board to the Member at least five (5) days prior to or at the Annual Meeting, provided such ballot is received by the Board or the Secretary prior to or at the Annual Meeting. The persons receiving the largest number of votes will be elected. A Member not personally present at the meeting but who has so cast his ballot shall be counted as present at the meeting for quorum purposes.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1, Regular Meetings. Regular meeting of the Board of Directors shall be held monthly and not less than ten (10) months a year. There shall be no regular Board meetings held during the months of November and December of each year. Notice shall be given to each Director at least Twenty Four (24) hours if any rescheduling occurs out of necessity.

Section 2, Special Meetings. Special Meetings of the Board of Directors may be called by the President of the Association, or by any three (3) Directors with not less than seventy two (72) hours notice.

Section 3, Emergency Meetings. In any situation where action is needed and either a special or regular meeting will not suit the purpose, the Board of Directors may handle the action as follows:

The Board Member first notified shall make a good faith attempt to notify each and every other Board Member and call a meeting at the earliest possible reasonable time. If it appears sufficient, and Board Members are not available for a meeting, said contact person shall attempt to get a "consensus" from the Board Member making the calls as to the action that is needed, depending on the circumstances. If the Board Member making the calls is unable to schedule a meeting with at least a quorum present, in a reasonable time (consistent with the circumstances) the "consensus" shall determine what action is to be ratified at a later Board meeting. The contact person shall make every possible attempt to achieve at least a majority "consensus" before taking any specific action.

Section 4, Quorum. A majority of the number of the Board of Directors shall constitute a quorum for the transaction of business. Every act performed or decision made by the 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 of Directors.

Section 5, Waiver of Notice. Before or at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting or may waive notice by written approval of the minutes. Such a waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the board shall be waiver of notice by him or her of the time and place thereof. If all the Directors are present at the meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 6, Meetings open to all Members. All regular and special meetings of the Board of Directors shall be open to the members of the Association. Guests must be approved prior to any meeting by a majority of the Directors. The Board of Directors may limit the time of discussion of issues and prohibit issues not within the Board's authority.

Section 7, Executive Session. The Board of directors may, with the approval of a majority of a quorum of the Directors, adjourn a meeting and reconvene in executive session to discuss and vote upon sensitive matters, litigation in which the Association is or may be involved, and other orders of business of a similar nature. Any matters discussed in such an executive session shall be generally noted in the minutes of the of the next regular monthly Board meeting.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1, Powers. The Board of Directors shall have the power to:

- A. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.
- B. Conduct, manage and control the affairs and business of the Association and to adopt rules and regulations consistent with the Restated Declaration relating to the use of the common area facilities, restrictions, etc., and to establish penalties for infraction thereof.
- C. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by official provisions of same Amended Bylaws, the Articles of Incorporation, or the Restated Declaration.
- D. Employ a manager, an independent contractor, or other such employees as they deem necessary, to prescribe their duties, and to inform the membership of their associated costs in a timely manner.
- E. Contract for goods and/or services for the maintenance of the slopes or for the Association, subject to the limitations set forth in Article VII, paragraph 3, below.
- F. Levy, collect and enforce assessments by any means provided in the Restated Declaration, and by California law;
- G. Take whatever action in the Board's discretion is necessary to discharge any lien against the Common Area;
- H. To change the location of the principal office for business to a different location if deemed advisable by a majority of the Board and;
- I. To sue others, in the name of the Association, and sue Owners to collect delinquent assessments of cure a violation of any restrictions, covenants, conditions, rules or regulations of the Association or subdivision (where deemed advisable of necessary).

Section 2, Duties. It shall be the duty of the Board of Directors to:

- A. Keep a complete record of all its acts and corporate and corporate affairs;
- B. Delegate powers to committees or officers and supervise all officers and agents of the Association and to see that their duties are properly performed;
- C. As more fully provided herein, and in the Restated Declaration;
 1. Send written notice of each increase in regular assessment of imposition of special assessment to every Owner subject thereto within thirty (30) to sixty (60) days before the increase or assessment becomes due;
 2. Record a notice of Assessment and foreclose a recorded lien against any properties for which an assessment is two quarters in arrears or to bring an action at law against the Owner personally obligated to pay the same. There will be three (3) notifications over at least a thirty (30) day period to the home owner before a lien or action at law against the Owner or Owners who are personally obligated is pursued.
- D. Procure and maintain adequate liability (offering protection for not less than \$2,000,000 per occurrence), hazard and other risk insurance on property owned by the Association;
- E. Cause officers having fiscal responsibilities to be bonded, and to procure such bonds as determined appropriate;
- F. Cause the Common Area and utility laterals to be maintained as provided more fully in the Restated Declaration;
- G. Cause all taxes and assessments against the property of the Association which are of could become a lien on the Common Area to be paid when due;
- H. Fulfill the annual financial reporting requirements of Civil Code 1365 by distribution to all members:

BUDGET INFORMATION. The Association shall prepare and distribute to all of its members the following documents not less than 45 days or more than 60 days prior to the beginning of the Association's fiscal year:

A pro-forms operating budget, which includes;

1. The estimated revenue and expense on an accrual basis;
2. A summary of the Association's reserves based upon the most recent review or study conducted pursuant to current California law which shall be printed in bold type and include all of the following:
 - a. The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component;
 - b. As of the end of the fiscal year for which the study is prepared:
 - (i) The current estimate of the amount of cash reserves necessary to repair, replace, restore, Maintain major components.
 - (ii) The current amount of accumulated cash reserves actually set aside to repair, replace, Or maintain major components.
 - c. The percentage represented in (b) (I) above to (1).
3. A statement as to whether the Board of Directors of the Association has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor.
4. A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacements or additions to those major components that the Association is obligated to maintain.

DELINQUENT ASSESSMENT POLICY. Prepare and distribute a statement describing the Association's Policies and practice enforcing lien rights or other legal remedies for default in payment of its assessment against its members at least annually to the members immediately preceding the beginning of the Association's fiscal year.

- a. Enforce applicable provisions of the Covenants, Conditions and Restrictions, Bylaws and Articles by any lawful means or procedures, as deemed in the best interests of the Association.

Section 3, Prohibited Acts. The Board of Directors shall be prohibited from taking any of the following action, except with the vote or written assent of a majority of the voting power of the Association:

- A. Entering into a contract to furnish goods or services for the Association for a term longer than one (1) year with the following exceptions:
 1. 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;
 2. Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits for short rate cancellation by the insured;
 3. Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
 4. Entering into any management agreement for the properties which is not terminable by the Association in Sixty (60) days or less with or without cause, upon written notice thereof. The term of any such agreement may not exceed one (1) year.
 5. Filling a vacancy on the Board of Directors created by removal by members of a Director. Such vacancy must be filled by election by the members.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1, Enumeration of Office. The officers of this Association shall be a president, two (2) vice-presidents, a secretary and a treasurer, who shall at all times be members of the Board of Directors. All Directors elected to the Board must be members of the Association.

Section 2, Election of Officers. The election of officers shall take place at each annual meeting of the Members given all officers are members of the Board.

Section 3, Term. The officers of the Association shall hold office for one (1) year unless s/he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4, Special Appointments. The Board of Directors may appoint chairpersons as the affairs of the Association may require, each of whom shall hold their position for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5, Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer s/he replaces.

Section 6, Multiple Offices. No person shall simultaneously hold more than one of the Board of Director positions.

Section 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 and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and 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 of Directors.
- c. **Secretary.** The Secretary shall record the votes; record the meetings, distribute and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of the members; keep appropriate current records showing the Members together with their addresses; and shall perform such other duties as required by the Board of Directors.
- d. **Treasurer.** The Treasurer 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 co-sign all checks and promissory notes of the Association; keep proper expenditures to be presented to the membership at its regular annual meeting, pursuant to the services of a CPA of managing agent to undertake any of these tasks, the Treasurer is relieved of those specific duties delegated to such person or entity.

ARTICLE IX

COMMITTEES

The Board of Directors may appoint the Nominating Committee as provided in these bylaws. The Board may appoint an Architectural Control Committee as provided in the Restated Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books of accounting, general records, minutes and members name and address information shall during reasonable business hours and upon reasonable written notice and request (stating a purpose therefor), be generally subject to inspection by any member. The Restated Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association where copies may be purchased at reasonable cost.

The Board reserves the right to deny access or inspection of sensitive materials subject to Executive session meetings or otherwise exempt from general legal rights of inspection by the members.

Directors have an absolute right of inspection of all books and records of the corporation.

ARTICLE XI
ASSESSMENTS

As more fully provided in the Restated Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the Lot against which the Assessment is made. Any Assessments which are not paid when due shall be delinquent and shall be subject to late fees and/or interest as more fully provided in the Restated Declaration. As more fully provided therein, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, 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/her Lot.

ARTICLE XII
AMENDMENTS

These Amended Bylaws may be amended at a regular or special meeting of the members, or by written ballot, by approval of a majority of a quorum (as set forth in Article III, Section 4) of members of the Association.

ARTICLE XIII
CONFLICTS

In the event of any conflict between the Articles of Incorporation and these Amended Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Restated Declaration and these Bylaws, the Restated Declaration shall control.

ARTICLE XIV
RECORD DATE

Only persons who are owners of record as of the date and time of any meeting shall be entitled to vote at that meeting. In a written ballot campaign, the date of record for voting purposes is the date the ballots are first due to be returned to the Association.

ARTICLE XV
NOTICES

Any notice permitted or required to be delivered may be done personally (which includes delivery to the residence) or by first-class mail. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Secretary for the purpose of service of such notice or to the residence site of such person if no address has been given to the Secretary. Such address may be changed from time to time by notice in writing to the secretary.

ARTICLE XVI

CORPORATE SEAL

The Association may obtain and use a Corporate Seal with the Association's legal name and date of original incorporation if desired.

ARTICLE XVII

FISCAL YEAR

The fiscal year of the Association shall begin the first day of January and end on December 31st.

IN WITNESS WHEREOF, we, being the President and Secretary of the MARINITA HOMEOWNERS ASSOCIATION, have hereunto set our hands this 16th day of July 2003.

PRESIDENT

Name: TERRY BURNS

Address: 25201 PERCH DRIVE

Signature: Terry Burns Date: 7/16/03

SECRETARY:

Name: Mary Murray

Address: 33671 Pequito Drive

Signature: Mary Murray Date: 7/16/03

I, the undersigned, do hereby certify:

THAT I am the duly elevated and acting Secretary of the MARINITA HOMEOWNERS ASSOCIATION, a California Corporation, and, THAT, the foregoing Bylaws constitute the Amended Bylaws of said Association, as duly approved by the requisite percentage of homeowners as required by the original Bylaws and as duly adopted at a meeting of the members thereof, held on the 24 day of March 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name on behalf of said Association on the 16th day of July 2003.

Secretary Name: Mary Murray

Signature: Mary Murray Date: 7/16/03

BYLAWS, MARINITA HOMEOWNERS ASSOCIATION, March 24, 2003.