

**NORMANDY BY THE SEA
COMMUNITY ASSOCIATION**

First Restated Bylaws

Bylaws

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NORMANDY BY THE SEA COMMUNITY ASSOCIATION

First Restated Bylaws

ARTICLE I NAME AND LOCATION

Section 1.1 **Name.** The name of the Association is “Normandy By The Sea Community Association”.

Section 1.2 **Location.** The principal office for the transaction of the business of the Association is hereby fixed and located within the Development, or as close thereto as practicable within the County of San Diego. The Board is hereby granted full power and authority to change said principal office from one location to another within the County of San Diego, State of California.

Section 1.3 **Association is Non-Profit.** The Association is a California Non-Profit mutual benefit corporation (*California Corporations Code Section 7110-8910*) and an Association as defined by *California Civil Code Section 1351(a)*.

ARTICLE II DEFINITIONS

Section 2.1 **Adjacent Owners.** Owners of Units separated by a wall.

Section 2.2 **Alternative Dispute Resolution.** Mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process.

Section 2.3 **Architectural Guidelines.** The policies and procedures established by the Board governing any proposed changes to the Development.

Section 2.4 **Architectural Review Committee or ARC.** The committee established by the Board in accordance with these CC&Rs to review changes to the Development proposed by Owners and to recommend action to the Board.

Section 2.5 **Articles.** The Articles of Incorporation of the Normandy by the Sea Community Association, a California non-profit, mutual benefit corporation.

- Section 2.6* **Assessment.** Any regular, special or reimbursement assessment as defined in the CC&Rs and the Davis-Stirling Common Interest Development Act.
- Section 2.7* **Association.** The Normandy by the Sea Community Association, a California non-profit mutual benefit corporation exercising the powers and duties of a California non-profit corporation pursuant to the Civil Code Section 1350, et. seq., a common interest development. Also referred to as the "HOA."
- Section 2.8* **Beneficiary.** A mortgagee, or the beneficiary or holder of a note secured by a Deed of Trust, and/or the assignees of a mortgagee, beneficiary or holder.
- Section 2.9* **Board of Directors or the Board.** The governing body of the HOA, as set forth in the Governing Documents.
- Section 2.10* **Bylaws.** The Bylaws of the HOA.
- Section 2.11* **CC&Rs.** This First Restated Declaration of Covenants, Conditions and Restrictions. Also referred to as the "Declaration."
- Section 2.12* **Common Area.** Those portions of the Development, to which title is held by all of the Owners in common, and excepting the individual condominium Units.
- Section 2.13* **Common Expenses.** Any cost for which use of HOA funds is authorized by the Governing Documents or applicable laws.
- Section 2.14* **Condominium.** Also referred to as a "Unit." An estate according to Civil Code Section 1351(f), defined by the Condominium Plan.
- Section 2.15* **Condominium Plan.** The document which describes and defines the entire Development, filed on October 26, 1971, as File/Page No. 246952 in the Official Records of the San Diego County Recorder's Office.
- Section 2.16* **Declaration.** The First Restated Declaration of Covenants, Conditions and Restrictions. The Declaration may also sometimes be referred to as the "CC&Rs."
- Section 2.17* **Development.** All of the real property and improvements commonly known as Normandy by the Sea, as depicted on the Condominium Plan, and more particularly described as:
- LOT 1 OF NORMANDY BY THE SEA, IN THE CITY OF DEL MAR,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO
MAP THEREOF NO. 7091 FILED IN THE OFFICE OF THE COUNTY
RECORDER OF SAN DIEGO COUNTY OCTOBER 20, 1971.
- Section 2.18* **Director.** An Owner or Tenant elected to the Board of Directors by the Membership.
- Section 2.19* **Eligible Insurer, Guarantor.** An insurer or guarantor who has requested notice of certain matters as set forth in these CC&Rs.

- Section 2.20* **Eligible Mortgage Holder.** A holder of a first mortgage on a Unit who has requested notice of certain matters as set forth in the CC&Rs.
- Section 2.21* **Exclusive Use Common Area.** Common Area designated by the Governing Documents for the exclusive use of one or more, but fewer than all of the Owners in accordance with California Civil Code Section 1351(I). Those portions of the Common Area to which an exclusive right to use is granted to an Owner as shown and described on the Condominium Plan including adjacent balconies, patio(s), and owned parking area(s).
- Section 2.22* **Fiscal Year.** The accounting period selected by the Board covering twelve (12) consecutive months, at the end of which the HOA's books are closed.
- Section 2.23* **Governing Documents.** As used in the Davis-Stirling Act, a collective term that refers to the Articles of Incorporation, the CC&Rs, these Bylaws and the Rules and Regulations, as well as all other documents enacted by the HOA or recorded or filed with any governmental agency with respect to the Development and the HOA.
- Section 2.24* **Guest.** Anyone who is in the Development but who is not a Resident (including Owners who have rented or leased their Unit).
- Section 2.25* **Improvement.** Any change to any part of the Development, and any part of the Development other than the real property.
- Section 2.26* **Living Unit.** Portions of the condominium property shown and described as such on the Condominium Plan. Also, sometimes referred to as a Unit.
- Section 2.27* **Member.** Any Owner of a Unit in the Development. All Owners are Members of the HOA. "Member in good standing" shall mean a member that is current in the payment of all assessments, does not owe any fines and has no open violations pursuant to Association records.
- Section 2.28* **Mortgage.** Any security interest encumbering all or any portion of a Unit.
- Section 2.29* **Mortgagee.** The beneficiary of a mortgage encumbering all or any portion of a Unit.
- Section 2.30* **Officer:** The President, Vice President, Secretary or Treasurer elected at the Normandy by the Sea annual organizational meeting of the Board of Directors. Officers must be Normandy by the Sea Directors. One person may concurrently hold two (2) or more offices except those of Normandy by the Sea President and Secretary.
- Section 2.31* **Owner.** Any Owner of any Unit in the Development. All Owners are Members of the HOA.
- Section 2.32* **Party Wall.** Any wall that is shared by more than one Owner, or shared by an Owner and the Association.
- Section 2.33* **Professional Manager.** The property management company and/or its representative.

- Section 2.34* **Quorum.** A majority of the Board or the Members that constitute a quorum thereof, unless specifically stated otherwise in a particular provision of the CC&Rs or Bylaws.
- Section 2.35* **Regular Assessment.** The assessment levied by the HOA with respect to all Units, used for paying regular expenses and funding reserves.
- Section 2.36* **Reimbursement Assessment.** An assessment levied by the HOA with respect to one or more Owners for reimbursement of costs and expenses of any kind, including attorney fees, incurred by the HOA on behalf or as a result of the Owner(s) subject to the assessment.
- Section 2.37* **Residents.** The people living in the Development, regardless of whether they are Owners.
- Section 2.38* **Rules and Regulations or Rules.** Policies and procedures enacted and implemented by the Board pursuant to the Governing Documents.
- Section 2.39* **Special Assessment.** An assessment levied with respect to all Units for payment of extraordinary expenses of the HOA.
- Section 2.40* **Special Use Common Area.** The two lightwells in each building.
- Section 2.41* **Tenant.** A Resident of the Development who is renting or leasing a Unit.
- Section 2.42* **Unit.** An estate according to Civil Code Section 1351(f), defined by the Condominium Plan. Also used to refer to Living Unit.

ARTICLE III

MEETINGS OF MEMBERS

- Section 3.1* **Date of Annual Meetings.** Annual meetings of Members shall be held in San Diego County in September of each year.
- Section 3.2* **Notice of Annual Meetings.** Written notice of annual meeting must be given to each Member and, upon written request, to all mortgage holders, either personally or by sending a copy of the notice by regular mail to the address to which Assessment notices are sent, or to the Unit address. Notice must be sent not fewer than 10 days and not more than 90 days before the annual meeting. Notice of the annual meeting must specify:
- a. The place, the date and the time of the annual meeting;
 - b. Those matters which, at the time the notice is given, are intended to be presented for action by the Members; and
 - c. If an election is scheduled, the names of nominees for election known at the time the notice is prepared.

- Section 3.3 **Special Meetings and Notice Thereof.** Special meetings of Members must be promptly called by the Board after a vote for such a meeting by a majority of Directors present at a meeting of the Board duly held, or upon receipt of a written request for a special meeting signed by at least 5% of the Members. Notice of Special Meeting of Members must be given in the same manner provided in these Bylaws for notice of annual meetings of Members.
- Section 3.4 **Quorum at Annual Meetings.** At the annual meeting of Members, the presence, in person or by proxy, of fifty percent (50%) of Members in good standing constitutes a quorum; once a quorum is established, business may be conducted until the meeting is adjourned, in spite of the withdrawal of Members leaving less than a quorum. If the meeting cannot be held because a quorum is not present, the Members present may adjourn the meeting to a time not fewer than two (2) days, nor more than thirty (30) days from the time of the original meeting. At the reconvened meeting, the quorum shall still be fifty percent (50%) of Members in good standing.
- Section 3.5 **Quorum at Special Meetings.** At any special meeting of Members, the presence, in person or by proxy, of fifty percent (50%) of the Members in good standing constitutes a quorum; once a quorum is established, business may be conducted only so long as a quorum remains present. If quorum cannot be established, there shall be no ability to adjourn the meeting to a later date.
- Section 3.6 **Notice of Reconvened Annual Meetings.** Notice of an adjournment and the date for a reconvened annual meeting may be made by an announcement at the adjourned meeting, provided that no business other than that which appeared on the original meeting notice will be conducted at the reconvened meeting. If new or different business will be conducted at the reconvened meeting, notice must be given in the same manner provided in these Bylaws for notice of annual meetings of Members.
- Section 3.7 **Place of Meetings of Members.** Meetings of Members may be held at any time, date and place, within ten miles of the property or at a location to be determined. But no Member meeting may be held outside the County of San Diego.
- Section 3.8 **Proxies.** At all meetings, and subject to the requirements of Cal. Civil Code Section 1363.03, members may vote in person by voice or ballot, or by proxy. The maximum term of any proxy is 11 months from the date it is signed and the proxy must comply with the requirements of Cal. Civil Code Section 1363.03. Proxies must be in writing delivered to the HOA's Professional Manager or to the Secretary of the HOA. An Owner's proxy is automatically revoked by conveyance of the Owner's Unit. All proxies and ballots distributed to the Members must allow the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, and that the vote shall be cast in accordance with that choice. All proxies must also identify the person(s) authorized to exercise the proxy and the length of time it will be valid. Subject to this section, Proxies must also comply with Section 7613 of the *California Corporations Code*. A proxy shall be deemed signed if the member's name is placed on the proxy

(whether by manual signature, email, fax, or otherwise) by the member or the member’s attorney-in-fact. The Association is not obligated to issue proxies for any election required to be done via secret ballot under Cal. Civil Code Section 1363.03

Section 3.09 **Conduct of Meetings of Members.** Meetings of Members shall be chaired by an Officer of the Association, a Director, or a representative chosen by the Board.

Section 3.10 **Action Without a Meeting.** Any action which may be taken by the vote of Members at a meeting may be taken without a meeting if done in compliance with Section 7513 of the *California Corporations Code* and Section 1363.03 of the *California Civil Code*.

Section 3.11 **Voting.** Members may vote by voice or by written ballot; except all elections for Directors must be by secret written ballot . All elections for directors shall be conducted pursuant to the requirements of *California Civil Code Section 1363.03* as the same may be amended from time to time. The Board shall adopt election and voting rules and regulations that are consistent with this *California Civil Code* Section.

Section 3.12 **Election Procedures.** Each member entitled to vote at any election of Directors shall have the right to cumulate his or her votes by giving one candidate a number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which his or her membership is entitled, or by distributing his or her votes on the same principle among as many candidates as he or she desires. Those candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be winners of the election.



ARTICLE IV BOARD OF DIRECTORS

Section 4.1 **Number and Qualifications.** The Board of Directors shall consist of five (5) Directors. A majority of the Board must be Members of the HOA. Owner Candidates must be in good standing and not be delinquent in the payment of Assessments at the time of election or be subject to other discipline by the Association for violation of the Governing Documents. Only one Member per Unit may serve on the Board at any time.

Section 4.2 **Term of Office.** The term of office for Directors is two (2) years. The Directors’ terms shall be staggered with two (2) Directors being elected in odd numbered years and three (3) Directors being elected in even numbered years. Each Director’s term shall run concurrently with the other Director or Directors elected during that same year, and shall serve until their respective successors are elected, qualified and acting.



ARTICLE V BOARD OF DIRECTORS: ELECTION AND VACANCIES

Section 5.1 **Nomination.** The HOA must solicit nominations for Directors prior to the annual meeting of Members. Any Member may nominate himself or herself, or any other Member for

election to the Board. Nominations must be made to the Board of Directors any time up to forty-five (45) days prior to the annual meeting of Members. All nominations of eligible Members must be made in writing, must be timely delivered to the HOA, and must be accepted by the HOA. All Member nominees as well as all current Member Directors must be in good standing at all times in order to remain qualified to participate as a nominee or Director with regard to the Association. (Note: No nominations from the floor – not required.)

Section 5.2

Election. Elections of Directors must be by secret written ballot. Cumulative voting is permitted in all Director elections. The Director terms shall all be for two (2) years and each Director's term shall run concurrently with the other Director or Directors elected during that same year. The election procedures shall be consistent with *California Civil Code Section 1363.03* as the same may be amended from time to time.

Section 5.3

Removal. Unless the entire Board is removed from office by the vote of the members, (at least a majority of a quorum) an individual Director shall not be removed prior to the expiration of his or her term of office if the number of votes cast against his or her removal, or not consenting in writing to such removal, would be sufficient to elect such Director if voted cumulatively at an election at which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of Directors Authorized at the time of the Director's most recent election were then being elected. A Director may also be removed by the vote of the other Directors if all of the following conditions are met:

- A. There are 5 Directors at the time the vote is taken.
- B. The vote in favor of removal is unanimous among the 4 Directors not being removed.
- C. No other Director has been removed pursuant to this provision within the preceding 12 months.
- D. The Director to be removed has missed at least 3 meetings consecutively, or 4 meetings in a calendar year, is 90 days or more delinquent in payment of Assessment or is subject to disciplinary action.
- E. The Director to be removed has been given 15 days written notice stating the reason(s) for possible removal.
- F. The Director to be removed has been given the opportunity to submit a written statement opposing removal, and the opportunity to discuss removal at a Board meeting.

Section 5.4 **Vacancies.** Vacancies on the Board, other than those created by removal, may be filled by a majority of the remaining Directors, even if less than a quorum. Each Director appointed by the remaining Directors may hold office for the remainder of the term assumed. Vacancies that may be filled are deemed to exist in case of the death, resignation of a Director, or if the Members increase the number of Directors but do not elect the additional Directors, or any time the Members fail to elect the total number of Directors authorized. The Members may elect Directors to fill any vacancy not filled by the Directors, and must elect a new Director to fill any vacancy caused by removal, except for when removal is by Board vote under Section 5.3. A reduction of the number of Directors may not have the effect of removing a Director from office prior to expiration of a then current term.

ARTICLE VI BOARD OF DIRECTORS MEETINGS

Section 6.1 **Organizational Meeting.** An organizational meeting of the Board must be held annually, either immediately following adjournment of the annual meeting of Members or at the next regular Board meeting, for the purpose of election of officers. Notice of the organizational meeting shall be posted at a prominent place or places within the Common Area. At the meeting, the Board shall elect officers and transact other business.

Section 6.2 **Regular Board Meetings.** At each organizational meeting, the Board may adopt a schedule setting forth the time, date and place of the regular meetings of the Board to be held during the forthcoming year. The Board must meet at least four (4) times during each calendar year.

Section 6.3 **Notice of Regular Board Meetings.** Notice of the time, date, place and agenda of regular Board meetings must be communicated to the Directors and Members not fewer than four (4) days prior to the meeting. If a fixed schedule for regular Board meeting is established and announced at the organization meeting, no notice to Directors is required for each subsequent Board meeting.

Section 6.4 **Special Board Meetings.** Special meetings of the Board may be called at any time by the President, or by any two (2) Directors other than the President.

Section 6.5 **Notice of Special Board Meetings.** Notice of the time, date, place and agenda to be discussed at a special Board meeting must be posted in the Common Area prior to the meeting, and sent to all Directors by first-class mail not fewer than four (4) days prior to the meeting, or delivered personally or by telephone to all Directors not fewer than 48 hours prior to the meeting.

Section 6.6 **Quorum of Directors.** A majority of the Director positions on the Board constitutes a quorum, unless there are only 2 Directors, in which case both Directors must be present at a Board meeting to constitute a quorum.

- Section 6.7 **Adjournment.** A quorum of Directors may adjourn any meeting to meet again at a stated date, time and place, which must then be noticed in accordance with section 6.5, above, unless the meeting is adjourned to the next regular Board meeting, in which case no additional notice is required. In the absence of a quorum, a majority of Directors present at any Board meeting may adjourn until the next regular meeting of the Board.
- Section 6.8 **Minute Entry of Notice.** If a Director is absent from a special meeting of the Board, an entry in the minutes stating that notice was given constitutes a presumption that proper notice of the special meeting was given to the absent Director.
- Section 6.9 **Notice of Adjournment.** Notice of any adjourned Board meeting must be given prior to the adjournment, to the Directors present at the time of the adjournment.
- Section 6.10 **Place of Board Meetings.** All Board meetings and the organizational meetings may be held at any place within the County of San Diego, California, as determined by the Board. Directors may participate in any Board meeting via phone and such participation shall be deemed to be the same as if the Director was present in person.
- Section 6.11 **Waiver of Notice of Board Meetings.** Any meeting of the Board, however called and noticed or wherever held, is valid as though held after regular call and notice if a quorum is present and if each of the Directors not present signs a written waiver of notice or a consent to holding the meeting, or an approval of the minutes thereof, or does not object to the meeting in a writing sent to all Directors within 30 days after obtaining knowledge of the meeting. All waivers, consents, approvals and objections must be filed with the corporate records or made a part of the minutes of the meeting.
- Section 6.12 **Open Meetings.** All regular Board meetings must be open to all Members, except during executive sessions. Members who are not Directors may not participate in any deliberations or discussion (other than Owner open forum) unless expressly so authorized by the vote of a majority of a quorum of the Board.
- Section 6.13 **Executive Sessions.** The Board 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 personnel matters, Member discipline, Owner delinquencies, litigation in which the HOA is or may become involved, and contracts. The Board of Directors of the Association shall meet in executive sessions if requested by a Member who may be subject to a fine, penalty or other form of discipline, and the Member shall be entitled to attend the executive session. The nature of all business to be considered in executive session must first be announced in open session and shall generally be noted in the minutes immediately following the meeting that is open to the entire membership. Only Directors are entitled to attend executive sessions, but a quorum of the Board may vote to include any other person.

Section 6.14 **Action without a Meeting.** The Board may take action without a meeting if all current Directors consent to the actions taken in writing, including hard copies of email correspondence, in which case an explanation of the action to be taken must be stated in the minutes of the next regular Board meeting.

ARTICLE VII BOARD OF DIRECTORS POWERS AND DUTIES

Section 7.1 **Powers.** The Board has the power to:

- A. Exercise all powers, duties and authority vested in or delegated to the HOA and not reserved to the membership by the Governing Documents;
- B. Employ a management company, an independent contractor or employees to carry out their duties; and,
- C. Contract and borrow money for goods and services for the Common Area.

Section 7.2 **Duties.** The Board has the duty to:

- A. Keep a complete record of all its acts and corporate affairs, including a membership register, accounting and minutes of Member and Board meetings;
- B. Supervise all officers, agents and employees of the HOA;
- C. Determine the amount of all Assessments, and collect delinquent Assessments;
- D. Maintain adequate liability and hazard insurance for the Development;
- E. Maintain the Common Area;
- F. At least 45 days, but not more than 60 days, prior to the beginning of each Fiscal Year, prepare and distribute to Members a budget including the following:
 - (1) Estimated revenue and expenses on an accrual basis.
 - (2) The amount of the total cash reserves currently available for maintenance of the Common Area and contingencies.
 - (3) An estimate of the current replacement costs of the estimated remaining useful life of the Common Area, and the methods of funding used to defray the costs.

- (4) A general statement setting forth the procedures used to calculate and establish reserves to defray the costs of maintaining the Common Area.
- G. Prepare a financial statement, including a balance sheet and income and expense statement as of the last day of each Fiscal Year reflecting the financial condition of the HOA. The financial statement must be prepared in accordance with generally accepted accounting principles, by an independent public accountant and must include an external review by an independent public accountant for each Fiscal Year. A copy of the financial statement must be distributed personally or by mail to each Member, and upon written request to all first Mortgagees, within 120 days following the end of each Fiscal Year. In lieu of the distribution of the financial statement in the manner described above, however, the Board may distribute a summary of the financial statement with a written notice that the complete financial statement is available, and that copies will be provided upon request and at the expense of the HOA. If a Member requests a copy of the financial statement to be mailed to the Member, the HOA shall send the financial statement by first-class United States mail at the expense of the HOA. The written notice regarding the availability of the financial statements must be in at least 10-point, bold type, on the front page of the summary of the statement.
- H. Prepare and distribute annually, at least 30 days, but not more than 90 days prior to the beginning of the Fiscal Year, a statement of the HOA's policies and practices for collecting delinquent Assessments, including recording and foreclosing of liens, if applicable.
- I. At least once every 3 months, review the following:
- (1) A current reconciliation of the HOA's operating accounts.
 - (2) A current reconciliation of the HOA's reserve accounts.
 - (3) The current year's actual reserve revenues and expenses compared to the current year's budget.
 - (4) The latest account statements prepared by the financial institution where the HOA has its operating and reserve accounts.
 - (5) An income and expense statement for the HOA's operating and reserve accounts.
- J. Make available for inspection to any prospective purchaser, Owner, first mortgagee and the holders, insurers and guarantors of a first mortgage on any Unit current copies of the Governing Documents and all financial books, records

and statements of the HOA consistent with California Civil Code Section 1365.2.

- K. Initiate and defend legal action pertinent to the Development, and assess the Membership for fees and costs.
- L. Enforce the Governing Documents.

Section 7.3 **Restrictions on Powers of the Board.**

- A. The HOA is prohibited from taking any of the following actions, except with the vote or written consent of a majority of a quorum of the Members:
 - (1) Entering into a contract on behalf of the Development for a term longer than 1 year, with the following exceptions:
 - (a) A management contract not to exceed a term of three years provided that the contract has a 30 day right of termination for cause or no cause.
 - (b) 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 must not exceed the shortest term for which the supplier will contract at the regulated rate;
 - (c) Prepaid casualty and/or liability or fidelity insurance policies of up to 3 years duration, provided that the policy permits for short rate cancellation by the insured;
 - (d) A lease agreement for television signal reception services and equipment of up to 5 years.
 - (e) Investment of reserve funds.
 - (2) Paying compensation to Directors or officers of the HOA for services performed in the conduct of the HOA's business, except that Directors and officers may be reimbursed for expenses incurred in carrying on the business of the HOA.
 - (3) Hypothecating any or all of the real or personal property owned by the HOA as real security for money borrowed or debts incurred, but not including pledging Assessment payments as security for a loan concerning the Common Area.

- (4) Selling any real or personal property owned by the HOA with a value greater than ten percent (10%) of the annual gross Association budget.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.1 **Officers and Their Qualifications.** The HOA must have a President, a Vice President, a Secretary and a Treasurer who must be Directors. One person may hold two (2) or more offices except those of President and Secretary.

Section 8.2 **Election of Officers.** The election of officers must take place at the organizational meeting of the Board, either immediately following each annual meeting of the Members, or at the next regular Board meeting. Thereafter, the Board may remove and appoint officers at any time, including to fill any vacancy.

Section 8.3 **Term.** The officers serve for one (1) year, at the pleasure of the Board.

Section 8.4 **Removal and Resignation.** Any officer may be removed at any time with or without cause, by a majority of the Directors. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Resignations take effect upon receipt, or at the time specified. Acceptance of a resignation is not necessary to make it effective.

Section 8.5 **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. One person may hold two (2) or more offices except those of President and Secretary.

Section 8.6 **Duties.** The duties of the officers, all subject to the control of the Board of Directors, are as follows:

- A. **PRESIDENT:** The President is the chief executive officer, having general supervisory control of the business and officers of the HOA. The President presides at all meetings of the Members and at all meetings of the Board, is ex-officio a member of all committees, and has the general powers and duties of management usually vested in the office of president of a corporation. The President must sign all leases, mortgages, deeds and promissory notes.
- B. **SECRETARY:** The Secretary records votes and keeps minutes of all proceedings of the HOA, serves notice of meetings and keeps appropriate current records showing the Members of the HOA and their addresses. The Secretary shall also keep record of any member whose membership has been suspended or terminated, along with the applicable date. The Secretary shall also record all proxies, the date given and expiration date. The Secretary shall also give or cause to give notice of all meetings of the members and Board and shall keep the Association's seal. The Secretary

may also be assigned other duties by the Board. The Secretary may delegate these duties to a Professional Manager, however, subject to oversight by the Secretary.

- C. **TREASURER:** The Treasurer receives and deposits in appropriate bank accounts the HOA's funds, and disburses funds as directed by the Board, signs all checks and promissory notes of the HOA, keeps proper books of account, causes an annual audit of the HOA books to be made by a public accountant at the end of each Fiscal Year and prepares an annual budget and a statement of income and expenditures to be presented to the membership at the regular annual meeting, and delivers a copy of each to the Members. The Treasurer shall also keep a record of all assessments, the date due, and whether delinquent, and to institute foreclosure proceedings pursuant to the governing documents. The Treasurer shall disburse funds as ordered by the Board of Directors. The Treasurer may be assigned other duties by the Board. The Treasurer may delegate these duties to a Professional Manager, however, subject to oversight by the Treasurer.

ARTICLE IX BOOKS AND RECORDS

Section 9.1 **Inspection.** These Bylaws, the membership register, books of account and minutes of meetings of the Members, the Board and of committees of the Board must be kept at the office of the HOA or within the Development, and must be available for inspection by any Member of the HOA, or by a duly-appointed representative, and by all first mortgagees for purposes reasonably related to an interest as a Member or as a first Mortgagee. The right of inspection includes the right to copy, at a reasonable rate, the documents described in this section at the expense of the requesting party, except that the Board must decide, in its sole discretion, whether to permit any person to copy the membership register. If the Board resolves to prohibit copying the membership register, then the Board must offer a reasonable alternative to the requesting party. In addition, the Association shall make all of the Association Records and Enhanced Association Records available for member inspection in a manner consistent with *California Civil Code Section 1365.2*, as the same may be amended from time to time.

Section 9.2 **Inspection by Directors.** Every Director has the absolute right at any reasonable time to inspect all books, records and documents of the HOA and the physical properties owned or controlled by the HOA provided he or she has no conflict of interest relating to the document inspection. The right of inspection by a Director includes the right to make extracts and copies, at the Director's expense, except that the Board may decide, in its sole discretion, whether to permit Directors to copy the membership register. If the Board resolves to prohibit copying the membership register, then the Board must offer a reasonable alternative to the requesting Director.

Section 9.3 **Delivery of Records.** All retiring officers shall within thirty (30) days from their date of resignation or date of annual meeting where replaced, deliver to new officers or the

Association's managing agent all their respective records, documents and files pertaining to their office and the Association.

ARTICLE X AMENDMENTS

Section 10.1 **Amendments.** The By-Laws may be amended by a unanimous vote of the entire Board of Directors to correct technical errors associated with this restatement process. No material amendment to these By-Laws may be made, however, without the approval of a majority of Members in good standing. Material amendments mean changes which materially affect the following:

- A. Voting;
- B. Assessments, assessment liens, or subordination of such liens;
- C. Reserves for maintenance of the Common Area;
- D. Insurance or fidelity bonds;
- E. Rights to use the Common Area;
- F. Responsibility for maintenance and repair of the Development;
- G. Expansion or contraction of the Development or addition, annexation or withdrawal of property to or from the Development;
- H. Boundaries of a Unit;
- I. The interests in the Common Area;
- J. Convertibility of Units into Common Area or of Common Area into Units;
- K. Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey a Unit; or
- L. Any provisions which are for the express benefit of Mortgage holders, Insurers or Guarantors of first Mortgages on a Unit.

Section 10.2 **Required Amendments.** If any law applicable to the Development exists or is enacted after the date of adoption of these Bylaws which directly contradicts, restricts, limits or effectively changes any provision contained herein, these Bylaws will be deemed amended by operation of law. Any provision herein to the contrary notwithstanding, if an amendment occurs by operation of law the Board may, by unanimous written consent,

cause a document describing the amendment by operation of law to be distributed to the Members as an amendment to these Bylaws.

ARTICLE XI MEMBERSHIP RIGHTS AND PRIVILEGES

Section 11.1 **Delegation of Authority.** Members may not exercise any of the powers or perform any of the acts delegated to the HOA, except with prior written approval from the Board.

Section 11.2 **Suspension of Membership Rights.** The membership rights and privileges and voting rights of Members may be suspended by the Board for any infraction of the Governing Documents, for a period not to exceed 90 days, except that suspension may continue for any period of time during which a Member's Assessment payments are delinquent. Regardless of the period of suspension, however, no suspension may affect the rights of a Member to access his or her Unit, to use any Exclusive Use Area appurtenant to his or her Unit. A member is not in good standing for purposes of the Bylaws if he is suspended, is found to be in violation of the Governing Documents, or is delinquent in the payment of any assessment.

Section 11.3 **Notice of Disciplinary Action.** A decision to impose discipline may not be reached prior to ten (10) days' written notice to the Member, stating the reason for the disciplinary action as well as the date, time and location of a hearing to discuss the violation. Notice must be made personally or sent by first-class mail to the address to which Assessment notices are sent. The Member subject to discipline must be given the opportunity to be heard, orally or in writing, by the Board prior to any hearing on the disciplinary action. A majority of the Board must vote in favor of disciplinary action. Written notification of the hearing outcome must be given within fifteen (15) days from the hearing date.

ARTICLE XII GENERAL PROVISIONS

Section 12.1 **Checks, Drafts, Etc.** All Reserve Account checks, drafts or other orders for payment of money must be signed or endorsed by the Treasurer and one other Director. Except for the transfer of payroll and respective payroll taxes, all Operating Account checks, drafts, or other orders for payment of money must be signed or endorsed by at least one (1) Director or the Professional Manager.

Section 12.2 **Contracts, etc., How Executed.** The Board may authorize any officer or agent to enter into any contract or execute any instrument in the name and on behalf of the HOA.

Section 12.3 **Liability of Officers and Directors.** The liability of the volunteer Officers, Directors and committee members shall be limited in accordance with *California Civil Code 1365.7*. Except to the extent prohibited by law, the HOA shall reimburse, indemnify and hold

harmless each present and past director, officer, committee member, and employee of this Association from and against all loss, cost, liability and expense which may be imposed upon or reasonably incurred by him, including reasonable settlement payments, in connection with any claim, action, suit or proceeding, or threat thereof, made or instituted, in which he may be involved or be made a party by reason of his being or having been a director, officer, committee member or employee of this Association, or by reason of any action alleged to have been taken or omitted by him in such capacity, provided that a disinterested majority of the Board (or, if a majority of the Board is not disinterested, then independent legal counsel) determines in good faith that such person was (a) acting in good faith, (b) within what s/he reasonably believed to be the scope of authority or employment, and (c) for a purpose which s/he reasonably believed to be in the best interests of the HOA.

The right of indemnification provided in this section shall inure to each person referred to in this section, and in the event of death shall extend to legal representatives. The right of indemnification provided in this section shall not be exclusive of any other rights to which any such person may be entitled as a matter of law, or under any agreement, vote of Directors or Members, or otherwise.

Section 12.4 **Parliamentary Procedure.** Meetings of the membership of the association shall be conducted in general accordance with a recognized system of parliamentary procedure or any parliamentary procedures the Association may adopt.

Section 12.5 **Board of Directors May Appoint Various Committees.** The Board of Directors may appoint such committees and chairpersons of such committees as it may deem proper or advisable for the purposes of aiding in the conduct of the affairs of the Association. Any such committees appointed shall act only in an advisory capacity to the Board of Directors. Non-members of the Association may serve on committees. All committees created by the Board may be eliminated or suspended at any time by majority vote of the Board.

Section 12.5.1 **Terms of Members.** All Members of all Committees shall serve a one year term subject to reappointment by a majority vote of the Board no later than the first Board meeting of each new calendar year.

Section 12.5.2 **Removal of Committee Members.** The Board by a majority vote may at any time remove any Members as well as the Chair of any Committee with or without cause.

Section 12.5.3 **Limits of Authority of Committees.** No Committee or Member of a Committee shall make any binding decision regarding policy or authorize the expenditure of any moneys in the name of the Association.

Section 12.5.4 **Board Approval of Committee Decisions.** All decisions made by HOA Committees are advisory to the Board and not binding upon the Association and its Members.

Section 12.6 **Rules and Regulations.** The Board of Directors shall from time to time adopt Rules and Regulations covering the use of the privileges and facilities under the control of the Association, the conduct of members, Rules relating to dues and assessments, Rules for guests, penalties for misconduct of Members and/or their guests, and for any and all other matters deemed appropriate by the Board of Directors concerning the Association, its management and its Members. All Rules and Regulations shall be strictly complied with by the Members of the Association as well as all residents, each of whom shall be bound by the provisions of the Rules and Regulations as well as the Declaration of Covenants, Conditions and Restrictions on the condominium project, the Articles of Incorporation and these By-Laws. Any and all Rules and Regulations duly adopted by the Board of Directors shall be conclusive and binding upon all Members of the Association.

Section 12.7 **Fines.** The Board of Directors may impose fines on the Members for any violation of the Declaration, Articles, By-Laws or Rules and Regulations of the Association. Notwithstanding the foregoing, before any such fine shall be final, the Board shall give written notice to the Member at least ten (10) days before a hearing date, which notice shall provide the date, time and place of the hearing, the alleged violation, that the Board intends to vote on whether or not a fine, attorney's fees, and/or other costs should be imposed on the Member at the hearing, and that the member may appear and present evidence, both oral and documentary, to oppose the fine. In lieu of personal attendance, a Member may alternatively submit a written statement along with any supporting documents, which shall be considered by the Board when deliberating on whether a fine shall be levied. Within fifteen (15) days from the date of the hearing, the Association shall notify the Owner in writing of the hearing outcome.

Section 12.8 **Amendments to Articles of Incorporation.** Any amendment to the Articles of Incorporation shall be made only upon written vote of at least fifty-one percent (51%) of the Members in good standing.

Certification

We, the undersigned, do hereby certify:

1. That each of us is an Officer of Normandy by the Sea Community Association, a California corporation; and
2. That we have counted the ballots of the First Amended Bylaws for Normandy by the Sea Community Association, and they confirm and are of the necessary number for amending said Bylaws.

IN WITNESS WHEREOF I sign my name this _____ day of _____, 2009.

Normandy by the Sea Community Association

By: _____
Signature

Print Name and Title

IN WITNESS WHEREOF I sign my name this _____ day of _____, 2009.

Normandy by the Sea Community Association

By: _____
Signature

Print Name and Title