

SECOND RESTATED BYLAWS
OF
MARINA PARK CONDOMINIUM ASSOCIATION

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SECOND RESTATED BYLAWS

OF
MARINA PARK CONDOMINIUM ASSOCIATION

ARTICLE 1

RECITALS AND DEFINITIONS

Section 1.1. Name of Association. The name of the Association is MARINA PARK CONDOMINIUM ASSOCIATION, a California nonprofit mutual benefit corporation (hereinafter referred to as the “Association”). The Association is organized under the California Nonprofit Mutual Benefit Corporation Law.

Section 1.2. Principal Office. The principal office for the transaction of the business of the Association is hereby fixed and located within the project or at other such place within San Diego County as the Board may from time to time designate by resolution. 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.

Section 1.3. Definitions.

(A) **County.** The term “County” means the County of San Diego, State of California.

(B) **Declaration.** The term “Declaration” means all restrictions, covenants, terms and conditions set forth in the Second Restated Declaration of Covenants, Conditions and Restrictions and Reservation of Easements recorded in the Office of the San Diego County Recorder with respect to the Project, as Instrument No. 2008-0632489, Official Records of said County, as such Declaration may from time to time be supplemented, amended or modified by a subsequent Declaration, or amendment thereto, duly recorded in said Recorder’s Office.

(C) **Election Rules.** The “Election Rules” are the procedures adopted by the Board in conformance with *Civil Code* Section 1363.03, or any successor statute.

(D) **Office of the Recorder.** The term “Office of the Recorder” means the Office of the Recorder, County of San Diego, State of California.

(E) **Person.** The term “Person” means and includes any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.

(F) **Definitions Incorporated by Reference.** The terms defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

ARTICLE 2

MEMBERSHIP

Section 2.1. Automatic Membership and Voting Power. Every person or entity who is an Owner of a Unit is a Member of the Association as provided in the Declaration. Membership is appurtenant to and may not be separated from ownership of any Unit which gives rise to such Membership in the Association.

Section 2.2. Term of Membership. Each Owner who is a Member shall remain a Member until he or she no longer qualifies as such under Section 2.1 above. Upon the sale, conveyance or other transfer of an Owner's interest in a Unit, the Owner's membership interest appurtenant to the Unit shall automatically transfer to the Unit's new Owner(s).

Section 2.3. Multiple Ownership of Units. Ownership of a Unit shall give rise to a single membership vote in the Association. Accordingly, if more than one Person owns a Unit, all of these Persons shall be deemed to be one Member for voting purposes, although all such Owners shall have equal rights as Members to use and enjoy the Common Areas and Common Facilities. The Secretary or property manager of the Association shall be notified in writing of the Owner designated by his or her Co-Owners as having the sole right to vote the membership on their behalf. If no such notification is received the Secretary or property manager may accept the vote of any Owner of record or proxy holder of such an Owner as the vote attributable to the Unit in question, provided that if the multiple Owners of a Unit attempt to vote the membership attributable to said Unit in an inconsistent fashion, the Secretary or other person or persons designated as inspectors of election by the Board of Directors may refuse to count any ballot pertaining to the Unit.

Section 2.4. Right to Use the Common Area. Unless otherwise provided in the Declaration and subject to the Rules and Regulations, each Member of the Association, his or her immediate family Members, residents, guests and/or tenants shall have the right to use and enjoy the Common Area.

Section 2.5. Suspension of Member's Rights.

(A) The Membership's rights and privileges, together with the voting and candidacy rights of any Member of the Association, may be suspended by the Board for any period of time during which such Member is determined by the Board to be delinquent in Assessments, in violation of the Declaration, or not in compliance with the obligations imposed by these Bylaws or the Rules and Regulations.

(B) No suspension or monetary penalty shall be effective until the Board gives such Member notice and the opportunity for a hearing before the Board which satisfies the minimum requirements of California *Civil Code* Section 1363(h), or a successor statute. No suspension shall affect the rights of a Member to access his or her Unit.

ARTICLE 3

MEMBERSHIP VOTING

Section 3.1. Single Class of Membership. The Association shall have one class of voting membership.

Section 3.2. Member Voting Rights. On each matter submitted to a vote of the members, whether at a meeting of the membership called and held pursuant to the provisions of these Bylaws or otherwise, except as otherwise provided in the provisions regarding election of directors, each Member shall be entitled to cast one (1) vote for each Unit owned by such Member. Single memberships in which two or more Persons have an individual interest shall be voted as provided in Article 2, Section 2.3 of these Bylaws.

Section 3.3. Eligibility to Vote. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all Assessments levied against the Member's Unit and/or must not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Declaration. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of Assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with the Declaration. A Member who owns more than one Unit shall be ineligible to vote if that Member is delinquent with respect to any such Unit.

Section 3.4. Manner of Casting Votes.

(A) **Voting at Membership Meetings.** All Member voting shall be conducted at a meeting of the Members or as provided in Section 3.5 and 3.6 below. Voting at any membership meetings shall be limited to:

- (1) The receipt of ballots voted at such meeting, or proxies or written ballots previously mailed to the Members;
- (2) The conduct of informational, non-binding votes to poll the Members in attendance with respect to a matter of interest to the Association or the common interest development;
- (3) The approval of a motion for the submission of a matter or proposal to the Members for a vote by written ballot in accordance with Section 3.4(B) below; or
- (4) Votes on procedural matters relating to the conduct of the meeting, such as a vote to adjourn.

Any motion pursuant to subparagraph (3) above must be approved by the affirmative vote of at least five percent (5%) of the voting power of the Members.

The vote on any other issue properly before a meeting of the Members shall be conducted by secret ballot when determined by the chairperson of the meeting, in his or her discretion, or when requested by five percent (5%) of the voting power present at the meeting.

(B) Voting by Written Ballot. In addition to voting at a meeting, Members' votes may be solicited by written ballot with respect to any issue in accordance with Section 3.6 below.

(C) Proxy Voting. Members otherwise eligible to vote at a meeting may do so in person or by proxy issued as provided in Section 3.5 below.

(D) Cumulative Voting. Cumulative voting shall not be permitted.

Section 3.5. Proxies. The Board may determine whether proxies will be used in any vote or election of the Association. If proxies are to be used, any Member entitled to vote may use a proxy, subject to the provisions of the Election Rules, if applicable. Any proxy shall be for a term not to exceed eleven (11) months from the date of issuance, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution. Proxy forms shall be dated to assist in verifying their validity.

(A) Effectiveness of Proxies. Every proxy continues in full force and effect until revoked by the issuing Member prior to the vote pursuant thereto. The dates shown on the forms of proxy presumptively determine the order of execution, regardless of the postmarks shown on the envelopes in which they are mailed. Any proxy given shall be valid only if the proxy form sets forth a general description of the nature of the matter to be voted on.

(B) Proxy Rules for Memberships Held by More Than One Person. Where two (2) or more persons constitute a Member, any proxy received shall be conclusively presumed to be the proxy submitted with respect to the vote of such Member, whether or not all Members signed the proxy.

(C) No Proxy In Connection With Written Ballots. Proxy voting shall not be allowed when Members' votes are solicited by written ballot in accordance with Article 4, Section 4.9, or as otherwise determined by the Board.

(D) Proxies Collected in Conjunction with Secret Ballot Elections. In elections conducted pursuant to Election Rules concerning secret ballots, any instruction given in a proxy issued for an election that directs the manner in which the proxy holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder shall cast the member's vote by secret ballot in accordance with the procedures set forth in the Election Rules.

Section 3.6. Elections to be Conducted by Secret Ballots. Elections required by *Civil Code* Section 1363.03, or any successor statute, to be conducted by secret ballot shall be held pursuant to the Election Rules adopted by the Board and the procedures set forth in *Civil Code* Section 1363.03, et seq.

Section 3.7. Majority Vote Required. If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting, entitled to vote and voting on any matter (other than the election of Directors) shall be the act of the Members, unless the vote of a greater number is required by California law or by the Governing Documents. In the case of Director elections, the candidates receiving the highest number of votes up to the number of Directors to be elected, shall be elected to the vacant Director positions.

ARTICLE 4

MEMBERSHIP MEETINGS

Section 4.1. Place of Meeting. All meetings of members shall be held within the Project or at such other reasonable place within the County and at such time as may be designated by the Board in the notice of the meeting.

Section 4.2. Annual Meetings of Members. The annual meeting of Members shall be held once a year or as determined by the Board of Directors on a date, time and place as determined by the Board.

Section 4.3. Special Meetings. Special meetings of Members may be called at any time by the President or by a majority of a quorum of the Board, and shall be called by the Board upon receipt of a written request for a special meeting signed by Members representing at least five percent (5%) or more of the total voting power of the Members of the Association.

(A) **Notice of Special Meeting.** Notice of special meetings shall be given in the same manner as for annual meetings of Members. Notices of special meetings shall specify the place, day and hour of the meeting and the general nature of the business to be transacted.

(B) **Procedures for Calling Special Meetings Requested by Members.** If a special meeting is called by Members other than the Board of Directors or the President, the request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or other facsimile transmission to the President, any Vice President, or the Secretary of the Association. The officer receiving the request shall, within twenty (20) days after receiving the request, cause notice to be promptly given to the Members entitled to vote, in accordance with the provisions of this Section, that a meeting will be held, and the date, time and purpose for such meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request.

Section 4.4. Notice of Members' Meetings.

(A) Requirement that Notice be Given. Notice of all regular and special meetings of the Members shall be sent or otherwise given in writing to each Member who is eligible to vote at the meeting as of the record date established by the Board.

(B) Time Requirements for Notice. All notices shall be mailed not less than ten (10) days and not more than ninety (90) days before the date of the meeting.

(C) Manner of Service. Notice of any meeting of Members shall be given either personally or by first-class mail, or other written communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. Notice may also be given by e-mail, facsimile or other electronic means if the recipient has agreed to that method of delivery and delivery is complete at the time of transmission.

Section 4.5. Quorum. Except as set forth in Article 5, Section 5.5 of these Bylaws regarding removal of Directors, or anywhere else otherwise specified in the Declaration, the presence in person or by proxy or ballot of one-third (1/3) of the voting power entitled to vote at any meeting of Members shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment. Once a quorum is established, the meeting may proceed regardless of whether there is a withdrawal of voting power which leaves less than a full quorum.

(A) Reduced Quorum. In the event any meeting of Members cannot be held because a quorum is not present, either in person or by proxy, the meeting may be adjourned for a time not less than five (5) days nor more than thirty (30) days following the time the original meeting was called, at which meeting the quorum requirement shall be reduced to twenty-five percent (25%) of the voting power of the Membership.

(B) Meeting Conducted Under Reduced Quorum. Where a meeting is conducted with a quorum of twenty-five percent (25%) of the voting power of the Membership, the only matters that may be voted upon are those matters included in the original meeting notice published prior to the adjourned meeting.

Section 4.6. Adjourned Meeting and Notice Thereof. Any Membership meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power present, but, in the absence of a quorum, no other business may be transacted at any such meeting.

(A) Notice of Adjourned Meeting. When any Membership meeting is adjourned for thirty (30) days or less, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting other than by an announcement at the meeting at which adjournment is taken.

Section 4.7. Waiver of Notice or Consent by Absent Members.

(A) If decisions are made or an action is otherwise taken by the Members at a meeting where a quorum is present, but for which proper notice was not given to all Members for whatever reason, the decisions or actions made at that meeting will be valid if, either before or after the meeting, each person entitled to vote who was not present at the meeting in person or by proxy consents to the meeting by signing:

- (1) A written waiver of notice;
- (2) A consent to holding the meeting; or
- (3) An approval of the minutes.

The waiver of notice or consent need not specify the purpose or general nature of business to be transacted at such meeting unless action was taken or is proposed to be taken at the meeting with respect to any of the matters.

The waiver of notice or consent must state the general nature of such matter(s). All such waivers, consents, or approvals shall be filed with the Association's records or be made part of the minutes of the meeting.

(B) Effect of a Member's Attendance at a Meeting. Attendance by a Member or his or her proxy holder at a meeting shall also constitute a waiver of any objections such person may have with respect to notice of that meeting, except when the Member or proxy holder attends the meeting for the sole purpose of objecting at the beginning of the meeting to the transaction of any business because of the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting that are required to be described therein if that objection is expressly made at the meeting.

Section 4.8. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President and the Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice was properly given shall be prima facie evidence that notice was given.

Section 4.9. Member Action Without a Meeting.

(A) Any action which may be taken by the vote of Members at a regular or special meeting, may 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 to the Association.

(B) Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(C) All solicited ballots shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of Directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted.

(D) Unless otherwise provided in the Articles or these Bylaws, a written ballot may not be revoked.

ARTICLE 5

BOARD OF DIRECTORS

Section 5.1. Number and Qualifications of Directors. The Board shall consist of five (5) Directors.

(A) Directors must be Members of the Association.

(B) Directors must be Owners of Units whose Memberships are in good standing with all Assessments current and are not subject to any suspension of membership rights.

(C) Only one Owner per Unit shall be eligible to serve on the Board at any time.

Section 5.2. Election and Term of Office. The terms of the Directors shall be term-staggered. The Board shall have the power to adjust the term of directors to be elected to achieve staggered terms.

(A) Each Director shall serve a two (2) year term. Appointed Directors shall serve the remaining term of a vacant position.

(B) If any annual meeting is not held or the Directors are not elected, the Board shall arrange for a special meeting of Members held for the purpose of elections.

(C) All Directors shall hold office until their term expires, they resign or until their position is declared vacant.

(D) Election to the Board shall be by secret written ballot. At such election, the members, or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The candidates receiving the highest number of votes shall be deemed elected.

Section 5.3. Nomination Procedures. Nomination for election to the Board of Directors may be made by a Nominating Committee, personal declaration of candidacy or any other Member.

(A) Nominating Committee. If the Board chooses to appoint a Nominating Committee, it shall consist of two (2) or more Members appointed by the Board. The Nominating Committee may nominate any number of qualified individuals, but not less than the number of Directors to be elected. Nominations shall also be allowed from the floor at the meeting.

(B) Limitation of Candidacy. To be eligible for nomination and election to the Board, a candidate-Member must be certified by the Association Secretary that he or she is in good standing with the Association and is current in the payment of Assessments both at the time his or her name is placed in nomination and as of the election date. The failure to comply with this Section shall in no way invalidate the election of other candidates who were in compliance with this Section.

Section 5.4. Election Procedures. The annual election of Directors shall be conducted by secret written ballot as set forth in Article 3, Section 3.6 of these Bylaws.. As to Directors elected by Members, reasonable election procedures given the nature, size and operations of the Association shall be available to the Members. The procedures shall include:

(A) A reasonable means of nominating candidates, and the opportunity for a nominee to communicate to the Members the nominee's qualifications and the reasons for the candidacy;

(B) A reasonable opportunity for all nominees to solicit votes; and

(C) A reasonable opportunity for all Members to choose among the nominees.

(D) Association funds shall not be used for campaign purposes in accordance with *Civil Code* Section 1363.04.

Section 5.5. Removal of Directors. Any Director may be removed from the Board, with or without cause, by a majority of the voting power for the Association represented at a duly held meeting in accordance with the provisions of the California *Corporations Code*. For purposes of this section only, quorum shall consist of a majority of the total voting power of the Association. However, unless the entire Board is removed from office by the vote of Members, no individual Director shall 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 his or her removal would be sufficient to elect the Director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Directors authorized at the time of the most recent election of Directors were then being elected.

Section 5.6. Vacancies. Vacancies on the Board created other than by removal may be filled by a majority of the remaining Directors, though less than a quorum, and each Director so elected shall hold office until his or her successor is elected at the end of the former Director's term or at a special meeting called for that purpose. Vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, if the Members shall increase the authorized number of Directors, but shall fail at the meeting at which such increase is authorized, to elect the additional Director, or the Members fail at any time to elect the full number of authorized Directors.

(A) Excessive Absences. A vacancy shall be deemed to exist in the case of the absence of a Director from three (3) consecutive regular meetings or a total of four (4) regular meetings in any calendar year without just cause.

(B) Board Members Delinquent In Assessments. A vacancy may be deemed to exist in the case of a Director whose Unit(s) is/are more than ninety (90) days delinquent in payment of their Assessment(s) obligations to the Association. Prior to declaring a vacancy of a Director, the

remaining Board shall send a letter giving said Director fifteen (15) days to bring his or her account(s) current. This letter shall be sent both by certified and regular mail.

(C) Membership's Right to Fill Vacancies not Filled by Board. The Members may at any time call a meeting to elect Directors to fill any vacancy not filled by the Directors, and may elect the additional Directors at the meeting at which an amendment by these Bylaws is voted increasing the number of Directors.

(D) Resignation. Any Director may resign effective upon giving written notice to the President, the Secretary or the Board. In the event a Director gives any of the above-named parties verbal notice, the Board shall send the Director who gave verbal notice of resignation a letter, by certified and regular mail, stating that the Board is accepting the Director's verbal resignation fifteen (15) days after the date of the letter.

ARTICLE 6

BOARD MEETINGS

Section 6.1. Place of Meetings. Regular and special meetings of Board of Directors may be held at any place within the Project or at any place within reasonable proximity to the Project that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Notwithstanding the above provisions, a regular or special meeting of the Board may be held at any place consented to in writing by all the Board members either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.

Section 6.2. Organization Meetings. As soon as reasonably practical, following each annual meeting of Members, the Board shall hold a meeting for the purpose of organization, election of Officers and the transaction of other business. Notice of such meetings is not required.

Section 6.3. Regular Meetings. Regular meetings of the Board shall be held monthly or as business dictates or at such time as the Board shall determine at a location within a reasonable proximity to the Project. However, if the business to be transacted by the Board does not require the Board to meet on a monthly basis, said meetings shall be held at least every three (3) months. If the predetermined meeting date should fall upon a legal holiday, then the meeting shall be held at a time and date to be determined by the Board and the Membership shall be notified in advance of the meeting date and location.

(A) Notice of Regular Meetings. Notice of regular meetings of the Board may be posted at a prominent place within the Common Area or communicated to the Members in writing, and communicated to Directors not less than four (4) days before the meeting. Notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to the holding of the meeting.

Section 6.4. Special Meetings. Special meetings of the Board for any purpose may be called at any time by the President, any Vice President, Secretary or by any two (2) Directors.

(A) Notice of Special Meetings. Written notice of the time and place of special meetings and the nature of any special business to be considered shall be posted in the manner prescribed for notice of regular meetings and shall be sent to all Directors by first class mail not less than four (4) days before the scheduled time of the meeting, or such notice shall be delivered personally or by telephone or not less than seventy-two (72) hours before the scheduled time of the meeting. In case of an emergency, the Association may conduct a meeting with less than seventy-two (72) hours notice, however, it shall be the burden of the person(s) calling the “emergency” special meeting to justify reduction of the required notice time.

Section 6.5. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though they had been at a meeting duly held after regular call and notice if a quorum be present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6.6. Notice of Adjournment. Unless a meeting is adjourned for more than twenty-four (24) hours, notice of adjournment of any Directors meeting need not be given to absent Directors if the time and place are fixed at the meeting adjourned.

Section 6.7. Quorum. A majority of the Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board. However, the Rules and Regulations may be amended only by a majority of the full Board.

Section 6.8. Adjournment. A majority of a quorum of the Directors may adjourn any Directors’ meeting to meet again at a stated date and hour. In the absence of a quorum, a majority of the Directors present at the Directors’ meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 6.9. Attendance at Meetings and Executive Sessions.

(A) Regular and special meetings of the Board shall be open to all Members of the Association. Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

(B) The Board may, upon the vote of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, formation and termination of contracts with third parties, litigation in which the Association is or may become involved, discipline of a member if the member requests such executive session to discuss same, and other matters of business of a similar nature. Only Directors and other invited parties and members being disciplined who have requested an executive session for such purpose, shall be entitled to attend executive sessions. In general, the nature of any and all business to be considered in executive session shall first be announced in open session or at the next regularly scheduled Board meeting. Nothing provided herein shall be construed to obligate the Board to first call an open meeting before meeting in executive session with respect to the matters described above.

Section 6.10. Board Action Without Meeting.

(A) Any action required or permitted to be taken by the Board may be taken without a meeting if all Members of the Board, individually or collectively, consent in writing to that action. The Board may also take action by written ballot of the majority of the Board of Directors. Action by unanimous written consent or by written ballot shall have the same force and effect as a properly noticed and voted Board of Directors motion. Such unanimous written consent or written ballot shall be filed with the minutes of the proceedings of the Board. For the purposes of this Section, a “writing” includes, but is not limited to, facsimilies and electronic mail.

(B) In the event prompt or immediate action of the Board is necessary and there is insufficient time to comply with the notice requirements set forth herein, reasonable efforts shall nevertheless be made to contact all Board members regarding the proposed action in advance thereof, rather than relying on notification after the fact.

Section 6.11. Compensation. Directors, Officers and Members of Committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Board of Directors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.

Section 6.12. Entry of Notice. Whenever any Director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such director as required by law and the Bylaws of the Association.

Section 6.13. Executive Committee. The Board of Directors shall have the power to appoint an Executive Committee and to delegate to such Committee any of the powers and authorities of the Board in the management of the business and affairs of the Association, except the power to adopt, amend or repeal Bylaws. The Executive Committee shall be composed of three (3) or more directors, one (1) of whom shall also be the President.

ARTICLE 7

OFFICERS

Section 7.1. Officers. The Officers of the Association shall consist of a President, Vice President, Secretary and Treasurer who shall be Directors. One person may hold two (2) or more offices, except those of President and Secretary.

Section 7.2. Election and Term. The Officers of the Association, except such Officers as may be appointed in accordance with the provisions of this Article, shall be chosen annually by a majority vote of the Board for a term of one (1) year and each shall hold his or her office until he or she shall resign, or shall be removed or otherwise disqualified to serve, his or her term ends, or his or her successor be elected and qualified.

Section 7.3. Subordinate Officers. The Board may appoint such other Officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 7.4. Removal and Resignation from Office. Any Officer may be removed, with or without cause, by a majority of the Directors at any meeting of the Board. Any Officer may resign at any time by giving written notice to the Board or the President, or to the Secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified in the resignation. Unless otherwise specified in the resignation, the acceptance of the resignation is not required to make it effective.

Section 7.5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 7.6. President. The President shall be the chief executive Officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business and Officers of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board. The President, by virtue of his or her office, shall be an ex-officio Member of all standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board or by these Bylaws. The President, at his or her sole discretion, may make motions and vote on said motions or refrain from voting on an issue. Notwithstanding the foregoing, the President shall vote in the case of a tie. Nothing in this Section shall be construed to limit the President from making or seconding motions, in the absence of such motions by other Board Members.

Section 7.7. Vice President. President, and when so acting shall have all powers of and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board or by these Bylaws.

Section 7.8. Secretary.

(A) The Secretary shall keep, or cause to be kept, a book of the minutes at the principal office or such other place as the Board may order of all meetings of Directors and Members, with the time and place of the meeting, whether regular or special, and if special how authorized, the notice given, the names of those present at the Directors' meetings, the number of Members present or represented at Members' meetings and the proceedings of the meeting.

(B) The Secretary shall give or cause to be given, notice of all the meetings of the Members and of the Board required by these Bylaws or by law to be given, and shall keep other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

Section 7.9. Treasurer.

(A) The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The books of account shall at all times be open to inspection by any Director.

(B) The Treasurer shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and Directors, whenever requested, an account of all of his or her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

Section 7.10. Delegation of Duties. The Association, acting by and through the Board, may delegate the duties of any of its Officers to committees or employees, including a professional managing agent.

ARTICLE 8

COMMITTEES

Section 8.1. Committees of Directors. In addition to a Nominating Committee appointed and constituted pursuant to Article 5, Section 5.3 of these Bylaws and the Architectural Committee appointed and constituted pursuant to the Declaration, the Board may, by resolution of a majority of the Directors then in office, designate one or more committees, each consisting of two or more Members (who may also be Directors), to serve at the pleasure of the Board. The Chairperson of each Committee shall be a member of the Board. Committees shall have all the authority of the Board with respect to matters within their area of assigned responsibility, except that no committee, regardless of Board resolution, may:

(A) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation law, also requires approval of the Members.

(B) Fill vacancies on the Board of Directors or on any committee that has been delegated any authority of the Board.

(C) Amend or repeal Bylaws or adopt new Bylaws.

(D) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.

(E) Appoint any other committees of the Board of Directors or the Members of those committees.

(F) Expend Association funds to support a nominee for Director after there are more people nominated for Director than can be elected.

(G) Approve any transaction: (1) to which the Association is a party and one or more Directors have a material financial interest; or (2) between the Association and one or more of its Directors or between the Association or any person in which one or more of its Directors have a material financial interest.

Section 8.2. Meetings and Actions of Committees. Meetings and actions of committee shall be governed by, and held and taken in accordance with, the provisions of Article 8 of these Bylaws, concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its Members for the Board of Directors and its Members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall be given to any and all alternate Members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Association records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

Section 8.3. Effect of Committee Actions. Unless otherwise expressly provided in the Governing Documents or in the Board resolution authorizing and empowering a committee, all actions of any committee shall be considered advisory to the Board and shall be scheduled on the agenda of the next Board meeting following the committee's action or decision for affirmation, rescission, or modification, as the Board in its discretion deems appropriate.

Section 8.4. Planning and Finance Committee. The Board shall appoint a Planning and Finance Committee to review the Association's financial documentation, including, but not limited to, the financials, pro forma operating budget, and reserves, and provide recommendations as requested by the Board. The Planning and Finance Committee shall consist of two (2) or more Members appointed by the Board.

ARTICLE 9

MISCELLANEOUS

Section 9.1. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board. Reserve withdrawals shall be signed by at least two (2) Directors.

Section 9.2. Execution of Contracts. The Board, except as in these Bylaws or otherwise provided, may authorize any Officer or Officers, agent or agents to enter into any contract or execute any instrument in the name and on behalf of the Association. Such contract or instrument shall be signed by any two (2) Directors. Such authority may be general or confined to specific instances as may be determined by the Board. Unless so authorized by the Board, no Officer, agent or

employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 9.3. Members' Right to Inspect Books and Records. The Association shall keep in its principal office for the transaction of business or at such other place within San Diego County as the Board shall prescribe, all records of the Association required under *Civil Code* Section 1365.2, or successor statute, to be made available for inspection and copying by any Member of the Association, by any Member's duly-appointed representative, and by all first Mortgagees, at any reasonable time and for a purpose reasonably related to its interest as a Member or Mortgagee, subject to the conditions set forth in *Civil Code* Section 1365.2. The Board shall establish reasonable rules with respect to:

- (A) Notice to be given to the custodian of the records by the Member or Mortgagee desiring to make the inspection;
- (B) Hours and days of the week when such an inspection may be made; and
- (C) Payment of the costs of reproducing copies of documents requested.

Section 9.4. Directors' Right to Inspect Books and Records. Every Director shall have the absolute right, for any purpose reasonably related to the Director's role as a Director, at any reasonable time to inspect all books, records, and documents of the Association. The right of inspection by a Director shall include the right at the Director's expense to make extracts and copies of documents.

Section 9.5. Fiscal Year. The fiscal year of the Association shall begin on the first (1st) day of November of each year and end on the thirty-first (31st) day of October of each year. The Association's fiscal year can be changed at the discretion of the Board.

Section 9.6. Financial Statements. Financial Statements shall be prepared annually by the Association and a copy distributed to all its Members as follows:

(A) **Operating Budget.** A pro forma operating budget shall be distributed annually not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Association's fiscal year containing the information required by *Civil Code* Sections 1365 and 1365.2.5.

(B) **Annual Report/Review.** In accordance with California law, an annual report/review prepared in accordance with generally accepted accounting principles consisting of the following, to be distributed to each Member of the Association within one hundred twenty (120) days after the close of the Association's fiscal year:

- (1) A balance sheet as of the end of the fiscal year;
- (2) An operating (income) statement for the fiscal year;
- (3) A statement of changes in financial position for the fiscal year;

(4) A statement advising Members of the place where the names and addresses of the current Members are located;

(5) Any information required to be reported under *Corporations Code* Section 8322 requiring the disclosure of certain transactions in excess of \$50,000.00 per year between the Association and any Director or Officer of the Association and indemnifications and advances to Officers or Directors in excess of \$10,000.00 per year.

(C) Assessment Collection Policy. A statement of the Association's policies and practices in enforcing its remedies against Members for default in the payment of Assessments, including the recording and foreclosing of liens, to be distributed to Members of the Association not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Association's fiscal year.

Section 9.7. Documents Provided to First Mortgage Holder, Guarantor, Insurer. Any holder, insurer or governmental guarantor of a first Mortgage encumbering a dwelling Unit shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year, free of charge to the party requesting it. The financial statement shall be furnished within a reasonable time following the request.

Section 9.8. Personal Liability. No Member of the Board, or of any committee of the Association, or any Officer of the Association shall be personally liable to any Owner, or to any other party, including the Association, for any error or omission of the Association, the Board, its authorized agents or employees, if such person has acted in good faith without willful or intentional misconduct.

Section 9.9. Parliamentary Procedures. In the event of a dispute concerning the procedural aspects of any meetings which cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order or other established parliamentary procedure publication.

Section 9.10. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular. All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

ARTICLE 10

INDEMNIFICATION

Section 10.1. Owner Responsibility to Association and Other Owners. Each Owner shall be liable to the Association for any damage to the Project caused by the negligence or willful misconduct of the Owner or his or her family members, guests, tenants or employees. Each Owner

shall indemnify, hold harmless, and pay any costs of defense of each other Owner from claims for personal injury or property damage occurring within any Residential Unit or Exclusive Use Common Area owned by the indemnitor, provided that this protection shall not extend to any indemnitee whose negligence or willful misconduct caused or contributed to the injury or damage. It is further provided that this Article is not intended to be for the benefit of any insurer and shall not affect nor limit the duty of any insurer to pay any claim which would be payable by said insurer but for this Article.

Section 10.2. Indemnification of Association. Every Director and every Officer past or present of the Association shall be indemnified by the Association against expenses and liabilities, including reasonable attorney's fees, incurred or imposed upon him or her in connection with any proceeding in which he may be a party, or in which he may become involved, by reason of his or her being, or having been, a Director or an Officer of the Association, or any settlement thereof, except in such cases wherein the Director or Officer is adjudged guilty of gross negligence or malfeasance in the performance of his or her duties. Indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE 11

AMENDMENTS

Section 11.1. Amendment Procedures. These Bylaws may be adopted, amended or repealed only by the affirmative vote (in person or by proxy) or by written consent of Members representing a majority of the total voting power of the Association. Any amendment shall become effective upon the signing of a Certificate of Amendment by the President and Secretary of the Association which verifies that the amendment was approved by the requisite percentage of the Owners and was done in accordance with the procedures set forth in these Bylaws.

CERTIFICATE OF AMENDMENT

I, the undersigned, do hereby certify:

1. That I am duly elected and acting Secretary of MARINA PARK CONDOMINIUM ASSOCIATION, a California Nonprofit Mutual Benefit Corporation and certify:
2. That the foregoing Second Restated Bylaws comprising 18 pages, constitute these Bylaws of the corporation, duly adopted by a vote of at least a majority of the total voting power of the Association.

IN WITNESS WHEREOF I hereunto subscribe my name this ____ day of _____, 2008.

MARINA PARK CONDOMINIUM
ASSOCIATION

By: _____
Chuck Smiley, Secretary

I, the undersigned, do hereby certify:

1. That I am duly elected and acting President of MARINA PARK CONDOMINIUM ASSOCIATION, a California Nonprofit Mutual Benefit Corporation and certify:
2. That the foregoing First Restated Bylaws comprising 18 pages, constitute these Bylaws of the corporation, duly adopted by a vote of at least a majority of the total voting power of the Association.

IN WITNESS WHEREOF I hereunto subscribe my name this ____ day of _____, 2008.

MARINA PARK CONDOMINIUM
ASSOCIATION

By: _____
John Koerper, President