

AMENDED BY-LAWS

THE MONARCH BAY TERRACE PROPERTY OWNERS ASSOCIATION

ARTICLE I

NAME

The name of this Association shall be The Monarch Bay Terrace Property Owners Association. The principal office of the Association shall be located in Monarch Bay Terrace, Dana Point, California.

ARTICLE II

OBJECTIVES

The primary purposes of this Association shall be to:

- a. Protect and enhance the quality of life and property values in the Terrace.
- b. Establish, publicize and enforce architectural standards.
- c. Enforce the CC&Rs and architectural standards in Monarch Bay Terrace.
- d. Maintain the easements owned by the Association for the monuments at the entrances to the community and at the corner of PCH and Crown Valley Parkway.

ARTICLE III

MEMBERSHIP

1. QUALIFICATIONS OF MEMBERS: All property owners in Monarch Bay Terrace who own lots in Tracts 3845, 4269, 4270, 4006, 4271, 4272, and 6265, who have paid and are current with their dues to the Association for that fiscal year shall be members of the Association.
2. DUES: Membership dues shall be determined by the Board of Directors and approved by the membership. This fee is payable upon obtaining membership and thereafter on July 1 of each year. Dues are delinquent thirty (30) days thereafter. The Board of Directors shall provide for the collection of dues.

ARTICLE IV

VOTING RIGHTS

1. VOTES: There shall be one (1) vote allowed per lot owned in Monarch Bay Terrace. No vote may be cast by any property

owner unless that owner is a Member in good standing who has paid the dues for that fiscal year.

2. QUORUM: A quorum at any annual or special meeting of Association members is required for any valid action to be taken by the members. A quorum shall constitute one third of the members who are entitled to vote who may be present in person or by proxy at any duly called meeting.
3. PROXIES: Votes may be cast by proxy by filing the proxy with the Secretary of the Association prior to the appointed time of the meeting. Should any member who has voted by proxy attend a meeting, that proxy will be disregarded and the member may vote in person.

Any proxy or written ballot which is distributed to more than 10 members of the Association shall afford an opportunity on the proxy or written ballot to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot or proxy is distributed, to be acted upon at the meeting for which the proxy is solicited or by such written ballot, and shall provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

ARTICLE V MEETINGS OF MEMBERS

1. PLACE OF MEETINGS: Meetings of the Association shall be held at such suitable places as may be designated by the Board of Directors.
2. ANNUAL MEETINGS: The annual meetings of the Association shall be held in June of each year for the election of Directors as specified in Article XI and to conduct such other business as may come properly before the Association. Only Members in good standing who have paid their dues are entitled to attend annual or special meetings unless the Member has duly appointed a person by proxy to take his/her place.
3. SPECIAL MEETINGS: A majority of the Board, the President, or five (5%) percent or more of the members may call special meetings of the members at any time to consider any lawful business of the Association. If a special meeting is called by members other than the Board of Directors or 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 to the President, Vice President, or Secretary of the Association. The officer receiving the request shall cause notice to be promptly given to the members entitled to vote that a meeting will be held, and the date, time, and purpose for such meeting, which date shall be not less than forty five (45), nor more than ninety (90) days following the receipt of the request. Any notice of a special meeting must be given at least ten (10) days, but not more than ninety (90) days before the date of the meeting.

4. ORDER OF BUSINESS: The order of business for all meetings shall be as follows:

- a. Registration of members.
- b. Call to order.
- c. Reading of minutes of previous meeting, corrections, additions, approval.
- d. Treasurer's report.
- e. Committee reports and actions on resolutions recommended by committees.
- f. Old business.
- g. New business.
- h. Oral communications.
- i. Adjournment.

ARTICLE VI
BOARD OF DIRECTORS

1. NUMBER AND QUALIFICATION: The affairs of the Association will be managed by a Board of Directors, composed of eight (8) persons, all of whom must be members of the Association.
2. ELECTION OF DIRECTORS: Directors shall be elected to serve for a term of two (2) years on a staggered basis. At each annual meeting four (4) directors shall be elected to serve for a term of two (2) years. At each annual meeting, the four (4) directors that are elected will replace those directors whose terms are then expiring.
3. NOMINATION OF CANDIDATES: At least thirty (30) days prior to the annual meeting, the membership and nominating committee shall nominate candidates for the director vacancies to be filled at the June meeting. The list of candidates shall be provided to all Association members at least fifteen (15) days before election. Votes for these

candidates or for write-in candidates may be submitted by proxy as outlined in Article IV Section 3.

4. RESIGNATION OF DIRECTORS: A director may resign at any time by giving written notice to the Board of Directors, such resignation to take effect at the time of receipt of such notice, or at any later time specified herein; and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.
5. REMOVAL FROM OFFICE: The Board of Directors shall have the power and authority to remove a director and declare his or her office vacant if he or she has (1) been declared of unsound mind by final order of Court; (2) has been convicted of a felony; (3) has been found by a final order or judgment of any Court to have breached any duty under Corporations Code §7233 - §7336 relating to the standards of conduct of directors; or (4) fails to attend four consecutive regular meetings of the Board of Directors that have been duly noticed in accordance with California law.

Any director may be removed from office prior to the expiration of his or her term by the affirmative vote of a majority of members represented and voting at a duly held meeting at which a quorum is present.

6. VACANCIES IN THE BOARD: Any vacancy on the Board of Directors occurring before the annual meeting shall be filled by the majority vote of the Directors remaining in office. The Director so appointed shall serve out the term of the Director he succeeds.
7. POWERS AND DUTIES:
 - a. The Board of Directors shall have general supervision of the affairs of the Association between its business meetings, make recommendations to the Association, and shall perform such other duties as specified in these By-Laws. The Board shall establish liaison with other community associations, governmental and civic authorities and developers as appropriate to achieve the aims and objectives of the Association. The Board shall communicate to all members by means of newsletter, bulletin or other suitable means, at least semi-annually, a report of all actions, activities and events, past, present and future which may be of interest or concern to the members.
 - b. The Board of Directors shall have power to incur indebtedness in an amount not to exceed one thousand

dollars (\$1,000.00) without prior authorization by the Association at a duly called Association Meeting. The terms and amounts of such indebtedness shall be entered in the minutes of the Board and the note or obligation, if any, given for the same, signed officially by the President and Secretary, shall be binding on the Association. The indebtedness so incurred without the said prior approval of the Association shall be submitted to the members for ratification at the duly called meeting next succeeding the incurring of such indebtedness. Indebtedness of the Association in excess of one thousand dollars (\$1,000.00) shall be incurred only with the approval of a majority of qualified voters present at a duly called meeting or the Association at which a quorum is present.

8. MEETING OF THE BOARD: Unless otherwise ordered by the Board, regular meetings of the Board shall be held on the second Monday of every month at such time and place to be announced by the President. Special meetings may be called by the President or upon written request of three (3) members of the Board. All Board meetings shall be open to members in good standing who may participate in discussion of business items, but may not vote.
9. QUORUM: Four (4) members of the Board shall constitute a quorum for any meeting.
10. BOOKS, AUDIT: The Board of Directors shall cause to be maintained records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles.
11. LIABILITY: No member of the Board of Directors shall, at any time, be personally liable for any debts, liabilities or obligations of the Association.

ARTICLE VII

OFFICERS

1. DESIGNATION: The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected annually by the Board of Directors at the organizational meeting of each new Board immediately following the annual meeting.
2. REMOVAL OF OFFICERS: Upon an affirmative vote of the members of the Board of Directors, any officer may be removed, and his/her successor elected at any regular

meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No less than seven (6) members of the Board must be present to constitute a quorum for this purpose.

3. PRESIDENT: The President shall be the chief executive officer of the Association and of the Board of Directors. He/she shall have all the general powers and duties which are usually vested in the office of President, including, but not limited to, the powers to appoint ad hoc committees from the members from time to time as he/she, in his/her discretion, may decide is appropriate to assist in the conduct of the affairs of the Association. Such committees shall be in addition to, and shall not conflict, with the normal standing committees as outlined in Article VII. He/she shall sign all contracts and other instruments of writing which shall have been approved and shall cause to be drawn checks upon the treasury, when so directed by the Board of Directors.
4. VICE PRESIDENT: The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. The Vice President shall perform also such other duties as shall from time to time be imposed upon by the President or the Board of Directors. He/she shall co-sign all checks with the Treasurer when acting in the absence of the President.
5. SECRETARY: The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He/she shall have charge of such books and papers as the Board of Directors may direct, shall keep the seal of the Association and affix the same to such papers and instruments as may be required in the regular course of business. He/she shall make service of such notices as may be necessary or proper, and, in general, perform all the duties incident to the office of Secretary. The Secretary shall provide the required liaison with the Community Affairs Committee.
6. TREASURER: The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/she shall be responsible for the deposit of all moneys and other valuables, placing said funds into such depositories as may from time to time be designated by the Board of Directors. He/she shall disburse or cause to be disbursed the funds of the Association in the manner directed by the Board of

Directors. He/she shall co-sign all checks with the Vice President acting in the absence of the President.

7. NO PRESIDENT OR VICE PRESIDENT: If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis.

ARTICLE VIII

COMMITTEES

DESIGNATION:

1. The President shall appoint, with concurrence of the Board of Directors, standing committees to assist with the transaction of Association affairs. These committees will consist of the necessary number of Association members for the operation of the committee. A member of the Board of directors will be assigned to provide liaison with each committee. The following standing committees will be appointed:
 - a. Architectural Committee.
 - b. Community Affairs Committee.
 - c. Maintenance Committee
 - d. Membership and Nominating Committee.
 - e. Legal Committee.
2. ARCHITECTURAL COMMITTEE: An Architectural Committee shall be appointed by the board which shall consist of three Members of the Association. Board Members may serve concurrently on the Architectural Committee. Specifically, the committee will:
 - a. Inform and advise all members and other homeowners of applicable architectural guidelines and standards and governing covenants, conditions and restrictions.
 - b. Receive comments and complaints from members involving matters within its jurisdiction.
 - c. Review and approve or disapprove all new construction, exterior alterations or significant landscaping.
 - d. Make periodic and final inspections of work in progress to insure its timely completion and conformity with approved plans.
3. COMMUNITY AFFAIRS COMMITTEE: The Community Affairs Committee is responsible for providing the communication link between the homeowners and the Board of Directors also keeping members informed of events and issues of the outside community. .

4. MAINTENANCE COMMITTEE: The Maintenance Committee shall advise the Association on all matters pertaining to the maintenance, repairs or improvement of Monarch Bay Terrace.
5. LEGAL COMMITTEE: The Legal Committee is responsible for interfacing with the Association's legal counsel concerning association business.
6. MEMBERSHIP AND NOMINATING COMMITTEE: The Membership and Nominating Committee shall maintain an accurate list of Association members with up-to-date changes of home ownership. The committee also has the function of selecting, qualifying and nominating candidates for election to the Board of Directors.
7. GENERAL: Committees shall report their recommendations and actions on a regular basis to the Board of Directors.

ARTICLE IX **ASSESSMENTS**

The members of the Association shall not be subjected to any mandatory assessments over and above the dues, which shall be maintained at a reasonable amount, sufficient to cover the ordinary and routine expenses of the Association, unless, the members themselves, at a duly called meeting shall approve such assessment by a two-thirds vote of all members voting in person or by proxy.

ARTICLE X **PARLIAMENTARY AUTHORITY**

The rules contained in the current edition of Roberts Rules of Order, newly revised, shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these By-Laws and any special rules of order the Association may adopt.

ARTICLE XI **AMENDMENT OF BY-LAWS**

These By-Laws can be amended at any annual or special meeting of the Association by a two-thirds vote of all members voting in person or by proxy provided that the amendment has been set in writing at a previous meeting or duly published and distributed to the membership at least fifteen (15) days before the meeting at which the amendment will be considered.

CERTIFICATE OF SECRETARY

The undersigned, Secretary of the Association known as the Monarch Bay Terrace Property Owners Association, does hereby certify that the above and foregoing Amended Bylaws consisting of 9 (nine) pages, were duly adopted by two-thirds of all members voting in person or by proxy at the annual meeting of members which was held on June 17, 2002, and that they now constitute said Bylaws.

By:


Secretary

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