

**BYLAWS**  
of  
**GOLD BEND CONDOMINIUM ASSOCIATION**  
A California Nonprofit Mutual Benefit Corporation

**1. NAME**

The name of the corporation is Gold Bend Condominium Association (the "Association").

**2. PRINCIPAL OFFICE**

The principal office of the Association is located at 6000 Northstar Drive, at the corner of Northstar and Highway 267, P.O. Box 10261, Truckee, California 95737, or at such other place as may be designated by the Board.

**3. DEFINITIONS**

The definitions of the terms contained in that certain First Amended and Restated Declaration Establishing a Plan of Condominium Ownership (the "Declaration") executed by the Chairman and Secretary of Unit 1-D Condominium Project Association Project Committee on November 13, 1990, and recorded on December 17, 1990, in the Office of the Recorder of the County of Placer, Document No. 90-081050, are incorporated by reference, and shall apply to those same terms as they may appear in these Bylaws.

**4. MEMBERSHIP AND VOTING RIGHTS**

The membership and voting rights provisions contained in the Declaration are incorporated by reference. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Board of Directors of Gold Bend Condominium Association (the "Board"), the voting rights of such Member may be suspended by the Board until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period of not to exceed thirty (30) days, for violation of any rules and regulations established by the Board of Directors, including, but without limitation, rules governing the use of the Project Common Area.

**5. MEETINGS OF MEMBERS**

**5.1 Place of Meetings.** All meetings of the Members, annual and special, shall be held at a place designated by the Board. In the absence of any designation, the meetings of Members shall be held at the principal office of the Association.

**5.2 Annual Meetings.** The annual meeting of the Members of the Association shall be held each year on the second Saturday of October, or at such other date or time as may be fixed by the Board but in no event shall an annual meeting be held less than once each calendar year, excluding the first year of incorporation, wherein the annual meeting may have been held previous to incorporation, by the unincorporated association. If the scheduled date of the annual meeting falls on a legal holiday, the meeting shall be held at the same time on the next business day.

**5.3 Special Meetings.** Special meetings of the Members may be called for any lawful purpose by the Board, the president, or by written request signed by Members representing at least five percent of the total Voting Power of the Association. A special meeting called by any person (other than the Board) entitled to call a meeting shall be made by submitting a written request specifying the general nature of the business to be transacted to the president, any vice president or secretary of the Association. The officer receiving the notice shall promptly cause notice to be given the Members in the manner required by Section 5.4 that a meeting will be held at a date, time, and place fixed by the Board, which meeting shall be held not less than 35 days nor more than 90 days after receipt of the request. If the notice is not given within 20 days after the receipt of the request, the person or persons requesting the meeting may give the notice.

**5.4 Notice of Meetings.** Notice of all Members' meetings, annual or special, shall be given not less than 10 nor more than 90 days before the date of the meeting to each Member and to any mortgagee who has requested in writing to receive such notice. Any mortgagee, or its designated representative, shall be entitled to attend any such meeting, but shall not be entitled to vote at the meeting. The notice shall be given personally, or by first-class, registered, or certified mail addressed to the Member or mortgagee at the address of such Member or mortgagee appearing on the books of the Association or given by the Member or mortgagee to the Association for purpose of notice. If no address appears or is given for any Member, notice may be given at the address of the Member's unit, the Association's principal office or by publication at least once in a newspaper of general circulation. An affidavit of giving of any notice or report in accordance with the provisions of this part, executed by the secretary, assistant secretary or any transfer agent, shall be prima facie evidence of the giving of the notice or report.

The notice shall state the place, date, and time of the meeting. If Directors are to be elected at the meeting, the notice shall include the names of all those who are nominees at the time notice is given. In the case of a special meeting, the notice shall state the general nature of the business to be transacted and no other business may be transacted. In the case of the annual meeting, the notice shall state those matters that the Board intends at the time the notice is given, to present to the Members for action, but any proper matter may be presented at the meeting for action subject to the special notice requirements described in Section 5.5 of these Bylaws. Notwithstanding the foregoing, the Members may vote only on those matters for which notice was given in any meeting where the quorum requirement as described in Section 5.8 of these Bylaws

is less than one-third of the Voting Power of the Association and Members holding less than one-third actually attend.

**5.5 Special Notice Requirements.** Approval by the Members of any of the following proposals, other than by unanimous approval of those Members entitled to vote, shall not be valid unless the general nature of the proposal was stated in the notice or in any written waiver of the notice:

- (a) Removing a Director without cause;
- (b) Filling vacancies on the Board;
- (c) Amending the Articles;
- (d) Approving a contract or transaction between the Association and one or more Directors, or between the Association and any entity in which a Director has a material financial interest; or
- (e) Electing to wind up and dissolve the Association.

**5.6 Waiver of Notice or Consent.** The transactions of any meeting of Members, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each Member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of Members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 5.5 of these Bylaws, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance of a Member at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the Member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

**5.7 Proof of Membership and Record Date.** No person shall exercise the rights of membership in the Association until satisfactory proof of membership has been furnished the Association. Such proof may consist of either a duly-executed and acknowledged grant deed or title insurance policy showing that the person has an ownership interest in a condominium that would entitle the person to membership in the Association as provided in the Declaration. Such deed or policy shall be deemed conclusive proof of the person's membership in the absence of a conflicting claim based on a later deed or policy.

For the purpose of determining the Members entitled to notice of any meeting, to vote, or to exercise any other rights in respect of any lawful action, the Board may fix, in advance, a record date as follows: (a) the record date for notices shall be not more than 90 nor less than 10 days before the date of the meeting, (b) the record date for voting shall not be more than 60 days before the date of the meeting or before the date on which the first written ballot is mailed or solicited, and (c) the record date for any other action shall not be more than 60 days before the date of such action. If no record date is fixed by the Board, the record date shall be determined in accordance with California Corporations Code Section 7611. A person holding a membership as of the close of business on the record date shall be a Member of record.

Where there is more than one record Project Owner of a condominium, all of such persons may attend any meeting of the membership and vote by ballot or by proxy, but it shall be necessary to act unanimously in order to cast the votes to which they are entitled.

**5.8 Quorum.** The presence at any meeting in person or by proxy of Members entitled to cast at least fifty percent of the Voting Power of all Members shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. Any Members' meeting, whether or not a quorum is present, may be adjourned from time to time for any reason by a vote of the Members representing a majority of the Voting Power of the Members present at the meeting, either in person or by proxy, to another time not less than five days nor more than 30 days from the date of the original meeting. If the time and place of the adjourned meeting is announced prior to the adjournment of the original meeting, no notice of the adjourned meeting is required, provided that if a new date is fixed for the adjourned meeting after the adjournment of the original meeting, notice of the date, time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 5.4 of these Bylaws. Any business that might have been transacted at the original meeting may be transacted at the adjourned meeting. In the absence of a quorum no business may be transacted at the meeting other than to adjourn the meeting to another time. If a meeting is adjourned because a quorum is not present, the quorum requirement at the adjourned meeting shall be one-third of the total Voting Power of all the Members.

The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

**5.9 Proxies.** Each person entitled to vote shall have the right to do so either in person or by one or more agents authorized by written proxy, signed by the person and filed with the Secretary of the Association. A proxy shall be deemed signed if the Member's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by a Member or the Member's attorney in fact. Any form of proxy or written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted on. The proxy or written ballot shall provide that when the Member specifies a choice, the vote shall be cast

in accordance with that choice. The proxy also shall identify the person who is authorized to exercise the proxy and the length of time it will be valid. Any proxy form or written ballot shall satisfy the requirements of California Corporations Code Section 7514(a).

A validly executed proxy shall continue in full force and effect until: (1) written notice is received by the Association of the death or incapacity of the Member executing the proxy; or (2) the Member executing the proxy revokes it before the vote is cast under that proxy by: (a) delivering a written revocation to the Association, (b) executing a subsequent proxy that is presented to the meeting, or (c) attending and voting in person at any meeting. Unless the proxy indicates otherwise, it shall not be valid after 11 months from the date of execution and in no event shall any proxy be valid after three (3) years after the date of execution. Notwithstanding any of the foregoing, all proxies shall be revocable and shall automatically terminate when the Member's membership in the Association terminates as provided in the Declaration. The suspension of any Member's voting rights by the Association shall automatically suspend any proxy executed by that Member.

No proxy shall be valid with respect to a vote on the following proposals to be approved by the Members unless the general nature of the matter to be voted on was set forth in the proxy:

- (a) Removing a Director without cause;
- (b) Filling vacancies on the Board;
- (c) Amending the Articles;
- (d) The sale, lease, conveyance, exchange, transfer, or other disposal of all or substantially all of the Association's assets, or the approval of the principal terms of a merger or the amendment to the principal terms of a merger;
- (e) Approving a contract or transaction between the Association and one or more Directors, or between the Association and any entity in which a Director has a material financial interest;
- (f) Electing to wind up and dissolve the Association; or
- (g) Approving a plan of distribution of assets, other than money, not in accordance with the liquidation rights of any class of Members (applicable only if the Association is in the process of winding up and there is more than one class of membership outstanding at the time).

**5.10 Order of Business.** The order of business of all meetings of the Members shall be as follows:

- (a) Roll call;
- (b) Proof or notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;

- (d) Reports of board and officers;
- (e) Election of Directors, if any are to be elected;
- (f) Unfinished business; and
- (g) New business.

**5.11 Parliamentary Procedure.** All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

**5.12 Action by Unanimous Written Consent.** Any action required or permitted to be taken by the Members may be taken without a meeting if all the Members consent in writing to the action. The written consent shall have the same force and effect as the unanimous vote of the Members. The written consents shall be filed with the minutes of the proceedings of the Members.

**5.13 Action by Written Ballot.** Any action that may be taken at any meeting of the Members, except the election of Directors, may be taken by written ballot if the following requirements are satisfied:

(a) The Association distributes a written ballot to each Member entitled to vote on the matter. The ballot shall be given personally, or by first-class, registered, or certified mail, addressed to the Member at the address of such Member appearing on the books of the Association or given by the Member to the Association for purpose of notice. The ballot shall provide a reasonable time within which to be returned. The requirements of California Corporations Code Section 7514 shall be satisfied.

(b) Each ballot shall state: (i) the proposed action, (ii) an opportunity to specify approval or disapproval of any proposal, (iii) confirmation that if the Member specifies a choice, the vote shall be cast in accordance with that Member's choice, (iv) the time by which the ballot must be received by the Association in order to be counted, (v) the number of responses needed to meet the quorum requirement, and (vi) the percentage of approvals necessary to approve the proposed action.

(c) The proposed action shall be considered approved by written ballot if: (i) within the time period specified the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) 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.

(d) A written ballot may not be revoked.

6. ELECTION AND TERM OF OFFICE OF MEMBERS OF THE BOARD OF DIRECTORS

6.1 Number. The Board of Directors (the "Board") shall consist of five (5) Directors who are Members or duly authorized officers of corporate or partnership Members of the Association.

6.2 Nomination. Except for the initial Directors selected as provided in Section 6.3 of these Bylaws, nomination for election to the Board shall be made by a nominating committee consisting of three (3) persons. The nominating committee shall consist of a chairman, who shall be a Director, and two other persons who shall be Members of the Association. Each member of the nominating committee shall be appointed by the Board to serve for a period of one year, and vacancies thereon shall be filled by the Board. The nominating committee may make as many nominations as it desires, but not less than the number of positions to be filled. Nominations may be made only among Members or duly authorized officers of corporate or partnership Members.

Notwithstanding the foregoing, any Member present in person or by proxy at a meeting in which a Director or Directors are to be elected may place a name in nomination at the meeting prior to the vote.

The Board shall adopt procedures that provide for a reasonable opportunity for nominees to communicate their qualifications and reasons for candidacy to the Members and to solicit votes, and for a reasonable opportunity for all Members to choose among the nominees. Without authorization of the Board, no Association funds may be expended to support a nominee for Director after there are more nominees than can be elected.

6.3 Election of Directors. The initial Directors shall be the existing Project Committee of the unincorporated association called Unit 1-D Condominium Project Association until the first annual meeting of the Members as specified in Section 5.2 of these Bylaws. At the first annual meeting, the Members shall elect Directors to fill all the positions on the Board. Unless the office is vacated sooner as provided in Section 6.5 of these Bylaws, each Director shall hold office until his or her term expires and a successor has been elected and qualified. The terms shall be for one (1) year. Successor Directors shall be elected at each annual meeting thereafter.

The election of Directors shall be by secret written ballot, and subject to the provision regarding specially elected Directors in Section 6.5 of these Bylaws, the persons receiving the highest number of votes up to the number of positions to be filled shall be elected.

Any Director may resign effective on giving written notice to the president, the secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation.

6.4 Cumulative Voting. The cumulative voting provision contained in the Declaration is incorporated herein by reference. Each Member shall have the right to give one candidate a number of votes equal to the

number of Directors to be elected multiplied by the number of votes to which he is entitled considering the allocation of votes set forth in Exhibit B to the Declaration, or distribute his votes on the same principle among as many candidates as he thinks fit.

**6.5 Vacancies.** A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (a) the death or any Director; (b) the effective date of any Director's resignation; (c) the removal of a Director by vote of the Members, provided that, if applicable, the vote for removal satisfied the requirements contained in the cumulative voting provision in Section 6.4 of these Bylaws; (d) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony; (e) the increase in the authorized number of Directors; (f) the automatic removal from office of a Director who ceases to be a Project Owner; or (g) the failure of the Members, at any meeting of the Members at which any Director or Directors are to be elected, to elect the number of Directors required to be elected at that meeting.

Any vacancy on the Board may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director. In addition, the Members may fill any vacancy not filled by the Directors. Any Director elected to fill a vacancy shall hold office until the expiration of the term of his or her predecessor and until a successor has been elected and qualified.

**6.6 Compensation.** A Director shall not receive any compensation for any services rendered to the Project Association as a Director; provided that a Director may be reimbursed for actual out-of-pocket expenses incurred in the performance of his or her duties.

**6.7 Insurance.** All Directors, jointly and severally, shall be charged with the duty to maintain in force the insurance coverage as provided in the Declaration, including, without limitation, fidelity coverage and errors and omissions coverage relating to their own acts and duties.

## **7. MEETINGS OF DIRECTORS**

**7.1 Place of Meetings.** Meetings of the Board shall be held at any place designated by the Board by resolution or by written consent of all Directors, or described in the notice of the meeting. In the absence of any designation or notice, meetings shall be held at the principal office of the Association.

**7.2 Regular Meetings.** Regular meetings of the Board shall be held from time to time as necessary at such time and place as may be fixed by resolution of the Board. If a regular meeting falls on a legal holiday, the meeting shall be held at the same time on the next business day.

**7.3 Special Meetings.** Special meetings of the Board may be called by written notice signed by the president of the Association, or by any two Directors other than the president. The notice shall specify the time and place of the meeting and the nature of any special business to



be considered, shall be posted in a manner prescribed for notice of regular meetings, and shall be sent to all Directors not less than 72 hours prior to the scheduled time of the meeting, provided that notice need not be given to any Director who signs a waiver of notice or a written consent to the holding of the meeting.

**7.4 Open Meetings.** Regular and special meetings shall be open to all Members, provided that Members who are not Directors may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of directors voting at a meeting where a quorum is present. The Board may adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar or otherwise sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

**7.5 Quorum Requirements.** A majority of the authorized number of Directors shall 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, subject to the requirements of California Corporations Code Section 7211(a)(8), including, without limitation, the requirements relating to (a) approval of contracts or transactions between the Association and one or more Directors or between the Association and any entity in which a Director has a material financial interest, (b) creation of and appointments to committees of the Board, and (c) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

**7.6 Adjourned Meetings.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

**7.7 Action Taken Without a Meeting.** Any action that the Board is required or permitted to take may be taken without a meeting, if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

**7.8 Waiver of Notice.** Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the Association's records or made a part of the minutes of the meetings. Notice of a meeting need not be given to

any Director who attends the meetings and does not protest, before or at the commencement of the meeting, the lack of notice of him or her.

## 8. POWERS AND DUTIES OF THE BOARD

**8.1 Powers.** The Board shall have all powers conferred on the Association as set forth in the Declaration and these Bylaws, except those powers expressly reserved to the Members and subject to the requirements to obtain approval of the Members before certain actions may be taken. In addition, the Board shall appoint and remove at its pleasure all officers, agents, and employees of the Association, and shall prescribe powers and duties for them that are consistent with the Declaration, the Articles, these Bylaws, and any applicable laws. In particular, the Board shall have the power to declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board.

**8.2 Duties.** The Board shall be responsible for the performance of the duties of the Association as set forth in the Declaration, and shall supervise all officers, agents, and employees of the Association for the proper performance of their duties. In addition, the Board shall:

(a) Cause to be kept a complete record of all its acts and affairs which shall be made available for inspection by the Members at all reasonable times;

(b) Employ and supervise all officers, agents and employees of this Association and see that their duties are properly performed;

(c) Send written notice of each annual assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(d) Cause all officers or employees having fiscal responsibilities to be bonded, as the Board deems appropriate; and

(e) Cause any sums collected by the Association to be held as a reserve for contingencies, future maintenance or future replacements to be used and expended only for such purposes.

**8.3 Standard of Care.** Each Director shall perform his or her duties as a Director, including the duties as a member of any committee of the Board on which the Director serves, in good faith, in a manner such Director believes to be in the best interests of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

**8.4 Committees of the Board.** The Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more Directors and no persons who are not Directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the

extent provided in the resolution of the Board, shall have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) Take any final action on any matter which, under the Declaration or the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the Members or approval of a majority of all Members;
- (b) Fill vacancies on the Board or on any committee which has the authority of the Board;
- (c) Amend or repeal these Bylaws or adopt new bylaws;
- (d) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) Appoint any other committees of the Board or the members of those committees; or
- (g) Expend corporate funds to support a nominee for Director.

Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with, the provisions of these Bylaws concerning meetings and other actions of the Board, except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by resolution of the Board or, in the absence of a Board resolution, by resolution of the committee. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws, or in the absence of rules adopted by the Board, the committee may adopt such rules.

**8.5 Due Process Requirements.** Before the Board imposes any monetary penalties, or suspensions of membership rights or Common Area use privileges against any Member for failure to comply with the Declaration, these Bylaws, or Association Rules, the Board must act in good faith and must satisfy each of the following requirements:

(a) The Member is given 15 days prior notice of the discipline to be imposed and the reasons for the imposition of the discipline. The notice may be given by any method reasonably calculated to give actual notice. If the notice is given by mail, it must be sent by first class or registered mail to the last address of the Member as shown on the Associations's records.

(b) The Member is given an opportunity to be heard, orally or in writing, by the Board, not less than five days before the effective date of the imposition of the discipline.

**8.6 Financial Review Requirements.** The Board shall review on at least a quarterly basis a current reconciliation of the association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an

income and expense statement from the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts.

## 9. OFFICERS AND THEIR DUTIES

**9.1 Officers of the Association.** The officers of the Association shall be a president, a vice-president, a secretary, and a chief financial officer. The Association may also have, at the discretion of the Board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 9.3 of these Bylaws. The offices of secretary and chief financial officer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of offices created pursuant to Section 9.3.

**9.2 Election of Officers.** The officers, except those appointed under Section 9.3 of these Bylaws, shall be chosen annually by the Board and shall serve at the pleasure of the Board. The Board shall appoint one of its Directors as president, one as vice-president, one as the secretary, and one as the chief financial officer; the other officers need not be Directors.

**9.3 Other Officers.** The Board may appoint and may authorize the president, or other officer, to appoint any other officers that the Association may require. Each officer so appointed shall have the title, hold office for the period, have the authority and perform the duties specified in these Bylaws or determined from time to time by the Board.

**9.4 Removal or Resignation of Officers.** Any officer may be removed with or without cause by the Board, and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer that power of removal. Any officer may resign at any time by giving written notice to the Association. Any such resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

**9.5 Vacancies in Office.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that vacancies need not be filled on an annual basis.

**9.6 Duties.** The duties of the officers shall be as follows:

(a) **President:** The president shall be the general manager and chief executive officer of the Association and generally supervise, direct, and control the Association's activities, affairs, and officers. The president shall preside at all meetings of Members and at all meetings of the Board. The president shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

(b) Vice Presidents: In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the Board or, if not ranked, a vice president designated by the Board, shall perform all of the duties of the president. When so acting, a vice president shall have all of the powers of and be subject to all of the restrictions of the president. The vice presidents shall have such other powers and perform such other duties as prescribed by the Board or these Bylaws.

(c) Secretary: The secretary shall keep or cause to be kept, at the Association's principal office, the following:

(i) A book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of Members. The minutes of meetings shall include the time and place of holding, whether annual, regular, or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings, and the number of Members present or represented at Members' meetings.

(ii) A copy of the Articles and Bylaws, as amended to date.

(iii) A record of the Members, showing the names of all Members and their addresses.

Except as otherwise provided in these Bylaws, the secretary shall give, or cause to be given, the notices required by these Bylaws for meetings of Members, of the Board and of committees of the Board. The secretary shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

(d) Chief Financial Officer: The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and transactions of the Association, and shall send or cause to be sent to the Members and Directors such financial statements and reports as are required by law, the Declaration, these Bylaws, or the Board. The books of account shall be open to inspection by any Director at all reasonable times.

The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board, shall disburse the funds of the Association as may be ordered by the Board, shall render to the president of the Board, when requested, an account of all transactions made on behalf of the Association 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 the Bylaws.

**9.7 Compensation.** Officers shall not receive any compensation for any service rendered to the Association as an officer, provided that any officer may be reimbursed for actual out-of-pocket expenses incurred in the performance of his or her duties.

**9.8 Insurance.** All officers, jointly and severally, shall be charged with the duty to maintain in force the insurance coverage as

provided in the Declaration including, without limitation, fidelity coverage and errors and omissions coverage relating to their own acts and duties.

## 10. INDEMNIFICATION AND INSURANCE

10.1 Definition of Agent. For purposes of this Section 10, "Agent" means any present or former Director or officer or any other employee or agent of the Association.

10.2 Non-Liability. No Agent shall be liable to the Association (or to any party claiming in the name of the Association), for injuries or damage resulting from the Agent's acts or omissions within what the Agent reasonably believed to be the scope of his or her Association duties ("Official Acts"), except to the extent that the injuries or damage result from the Agent's negligence or willful or malicious misconduct.

10.3 Indemnification. The Association shall pay all expenses actually and reasonably incurred by, and satisfy any judgment or fine levied against, any Agent as a result of any action or threatened action against the Agent to impose liability on the Agent for his or her Official Acts, provided that:

(a) The Board determines that the Agent acted in good faith and in a manner the Agent reasonably believed to be in the best interests of the Association.

(b) In the case of a criminal proceeding, the Board determines that the Agent had no reasonable cause to believe his conduct was unlawful.

(c) In the case of an action or threatened action by or in the name of the Association, the Board determines that the Agent acted with care (including reasonable inquiry), that an ordinarily prudent person in a like position would use under similar circumstances.

10.4 Approval by Board. Any determination of the Board required under this Section must be approved by a majority vote consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification, at a meeting where a quorum is present. If the Board fails or refuses to make any such determination, the determination may be made by the vote or written consent of a majority of a quorum of the Members, provided that the Agent to be indemnified shall not be entitled to vote.

10.5 Payments. Payments made pursuant to this Section shall include amounts paid and expenses incurred in settling the action or threatened action. This Section shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law.

10.6 Insurance. The Association shall have the duty to purchase and maintain insurance on behalf of its Agents, against any liability asserted against or incurred by any Agent in such capacity, or arising out of the Agent's status as such, whether or not the Association would

have the power to indemnify the Agent against such liability under this Section.

**10.7 Authorized by Law.** The application of this Section may be restricted by provisions of California law, including but not limited to, Corporations Code Section 7237. No indemnification shall be provided by the Association unless authorized by law.

## **11. AMENDMENTS**

**11.1 Amending the Bylaws.** These Bylaws may be amended by the vote or written assent of a majority of the Voting Power of the Association.

**11.2 Amending the Articles.** The Articles may be amended by a majority vote of the Board and a majority of the Voting Power of the Association.

## **12. GENERAL PROVISIONS**

**12.1 Conflict with Project Declaration.** If any provision of these Bylaws conflicts with any provision of the Project Declaration, the Project Declaration shall control to the extent of any such conflict.

**12.3 Records.** The Association shall maintain the following records:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its Members, Board and committees of the Board; and
- (c) A record of its Members, giving their names, addresses and telephone numbers and the class of membership held by each. The Association shall keep at its principal office the original or a copy of the Declaration, the Articles and these Bylaws, as amended to date, which shall be open to inspection by the Members at all reasonable times during office hours.

**12.4 Inspection Rights.** The books, records, and papers of the Association shall at all times during reasonable business hours, be subject to inspection by any Member. The Declaration and these Bylaws shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

**12.5 Non-Profit Purpose.** In order to preserve the non-profit, income tax-exempt status of the Association, neither the Board nor any Member thereof shall do any act, or authorize or suffer the doing of any act by an officer or employee of the Association, on behalf of the Association which is inconsistent with the Bylaws or the non-profit purpose of the Association. Any such act or acts shall be ultra vires and void.

**12.6 Arbitration.** In the event any dispute should arise between the Board and a Member or Members, either or both parties may by written

notice thereof to the other party submit the dispute to arbitration. Within thirty (30) days of receipt of such notice of intent to submit the matter to arbitration, each party shall select an arbitrator. Those two arbitrators shall select another arbitrator from a list the two arbitrators shall obtain from the American Arbitration Association. Selection of the third arbitrator shall be done by the striking method.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly-elected and acting Secretary of Gold Bend Condominium Association, a California Nonprofit Mutual Benefit Corporation, and the above Bylaws, consisting of 16 pages, are the Bylaws of this corporation as adopted by the incorporator on \_\_\_\_\_, 1991, and they have not been modified or amended since that date.

Executed on 3 FEBRUARY, 1991, at Los ANGELES, CA, California.

  
\_\_\_\_\_  
Secretary



MINUTES OF ACTION TAKEN BY INCORPORATOR  
BY WRITTEN CONSENT WITHOUT A MEETING  
OF  
GOLD BEND CONDOMINIUM ASSOCIATION  
A California Nonprofit Mutual Benefit Corporation

The following action is taken by the undersigned, as incorporator of GOLD BEND CONDOMINIUM ASSOCIATION, a California nonprofit mutual benefit corporation, by written consent, without a meeting, under Sections 7134 and 7211(b) of the California Corporations Code.

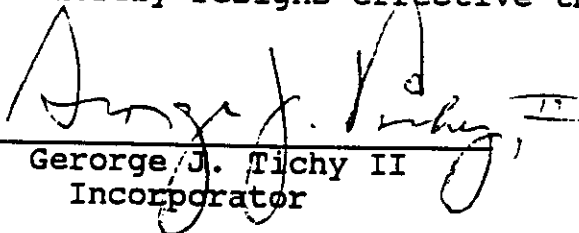
RESOLVED, that the bylaws attached hereto as Exhibit A and presented to the incorporator be adopted as the bylaws of this Association, and that a copy of these bylaws be inserted in the minute book of this Association.

RESOLVED, that the following individuals be elected as directors of this Association, as stated in foregoing bylaws, with full power to take whatever action is needed to perfect the formation of this Association and to serve in that capacity, until the first meeting of the members of this Association:

Daniel Wendin  
George J. Tichy II  
Jim Rorah  
Roy Lave  
Robert Nigra

The undersigned incorporator hereby resigns effective the date below.

Dated:

  
George J. Tichy II  
Incorporator