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File No. 900753/30
(Cal Coast / Southwind)

October 3, 1994

PINKS & WHITES
Real Estate Subdivision Processors
16430 Ventura Boulevard, Suite A
Encino, California 91436

Attn: Kathryn Neiman

Re: Lot 1 of Tract No. 45329, County of Los Angeles
Project: Southwind Village

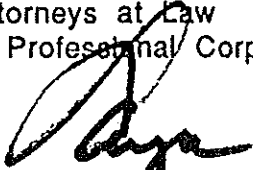
Dear Kathryn:

Enclosed please find a copy of the Bylaws in the above matter which have been fully executed. Also enclosed is a copy of the Declaration of Covenants, Conditions & Restrictions, recorded on August 23, 1994, as Instrument No. 94-1558306.

Please call me or John Woodward if you need anything further.

Sincerely,

SPIERER AND WOODWARD
Attorneys at Law
A Professional Corporation



Joyce E. Nelson
Paralegal to John A. Woodward

JEN:kim
encls.

cc w/encls: California Coast Development Group, Inc.
Attn: Ed Miller and Gerald R. Grimaldi

BYLAWS
OF

SOUTHWIND VILLAGE COMMUNITY ASSOCIATION, INC.
A Nonprofit Mutual Benefit Corporation

ARTICLE 1
NAME AND LOCATION

The name of this association is Southwind Village Community Association, Inc. hereinafter referred to as the "Association." The principal office of the association shall be located at the Properties in the County of Los Angeles, California.

ARTICLE 2
DEFINITIONS

Section 1. "Declaration."

The Declaration shall mean, collectively, the Declaration of Covenants, Conditions and Restrictions establishing a Plan of Condominium Ownership and any amendments thereto, if any, recorded or to be recorded pursuant thereto, and applicable to the condominium development commonly known and referred to as: Southwind Village.

Section 2. "Other Definitions."

Each and every definition set forth in the Declaration shall have the same meaning herein as therein, and each and every such definition is incorporated by reference herein and made a part hereof as if once again fully written and set forth at length hereat.

ARTICLE 3
MEMBERSHIP; VOTING RIGHTS

Section 1. "Membership."

The qualification for membership, shall be as set forth in the Declaration.

Section 2. "Voting Rights."

The voting rights shall be as set forth in the Declaration.

ARTICLE 4
MEETINGS

Section 1. "Annual Meetings."

Except for the First Organizational Meeting of the Association, which may be held at any time deemed appropriate by the First Directors of the Association appointed by the Builder/Subdivider or, if the Association is incorporated, then by the Incorporator, as provided in Article 5 of these Bylaws, the first annual meeting of the members shall be held within forty-five (45) days after the closing of the sale of fifty-one percent (51%) of the condominiums within the development, but in no event shall such first annual meeting of members be held later than six months after the closing sale of the first condominium within the development. Thereafter, annual meetings of members of the Association shall be held in each succeeding year on the 15th of January, or at such other time and at such place, as shall be designated in writing to the Members by the Secretary of the Association; provided, however, that such other time may not be more than thirty (30) days before or after the date herein established as the date for the annual meeting.

At the annual meeting, the Owners shall transact such business as may be brought before the meeting. Meetings of the Association members shall be held within the subdivision or at a meeting place as close thereto as possible. Unless unusual conditions exist, members' meetings shall not be held outside of the County in which the subdivision is located.

Section 2. "Special Meetings."

A special meeting of the Association shall be promptly called by the Board of Directors upon:

- (1) The vote for such a meeting by a majority of the Board;
- (2) Receipt of a written request for a special meeting signed by members representing at least 5% of the total voting power of the Association.

Section 3. "Notice of Meetings."

Written Notice of regular and special meetings shall be given to members by the Board of Directors. Notice may be given by any means which is appropriate given the physical setup of the project addressed to the member of the Association to whom it is directed, at the address as may be supplied to all of the other members of the Association by said Owner. This Notice shall be given not less than ten (10) nor more than ninety (90) days before the date of any meeting at which members are required or permitted to take any action. Such notice shall specify the place, day and hour of the meeting and the matters the Board intends to present for action by the members. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposals: (a) removing a director without cause; (b) filling vacancies in the Board of Directors by the members; and (c) approving a contract or transaction in which a director has a material financial interest. Meetings shall be held within the project or at a meeting place within the same county as close to the project as possible.

Section 4. "Governing Body Meetings."

Regular meetings of the governing body (herein the Board) of the Association shall be held as prescribed in these Bylaws. Ordinarily, such meetings shall be conducted at least monthly, though, if business to be transacted by the Board does not justify more frequent meetings, the Board may prescribe meetings as infrequently as every six months. The amount of business to be transacted by the Board shall determine the necessity and frequency of meetings. Regular meetings of the Board shall be held at a time and place determined by them within the subdivision fixed by the Board from time to time. Notice of the time and the place of such meeting shall be posted at a prominent place or places within the common area and shall be communicated to the Board members not less than four days prior to the meeting.

A special meeting of the Board may be called by written notice by the President of the Association or by any two members of the Board other than the President. The notice shall specify the time and the place of the meeting and the nature of any special business to be considered. The notice shall be sent to all Board members and posted in a manner prescribed for notice of regular meetings, not less than 72 hours prior to the scheduled time of the meeting, provided however, that notice of the meeting need not be given to any governing body member who signed a waiver of notice or a written consent to holding of the meeting.

Regular and special meetings of the Board shall be open to all members of the Association provided, however, that Association members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of the majority of a quorum of its members, adjourn a meeting and reconvene in an executive session to discuss a vote upon personal matters, litigation upon which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall be first announced in open session.

The Board may take actions without a meeting if all of its members consent in writing to the action to be taken. If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the common area within three days after the written consents of all Board members have been obtained.

Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Notice of time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who are not present at the time of the adjournment.

Section 5. "Waiver of Notice, Consent."

All requirements of notice as provided herein shall be deemed to have been met with regard to any member who is present in person at any meeting of the Association or Board. In addition, any Member may, at any time, waive, in writing, the requirements of notice as herein provided. All such waivers shall be filed with the Association and made a part of the minutes of any meeting of the Association for which such waiver is made.

Any action, except the election of governing body members where cumulative voting is a requirement (see Article 5 of these Bylaws), which may be taken by the vote of members at a regular or special meeting, may be taken without a meeting if done in compliance with the provisions of Section 7513 and 7516 of the Corporations Code.

Section 6. "Quorum."

The presence of the members representing 51% of the total voting power of the membership, whether in person or represented by proxy, shall constitute a quorum at any

meeting of the Association required or permitted to be held hereby. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association upon the affirmative vote of a majority of members voting thereat.

If a quorum shall not be present or represented at any meeting of the Association, those present in person or by proxy shall have the power to adjourn such meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date, and may be made without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or shall be represented.

The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that at least 25% of the total voting power of the Association remains present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the members required to constitute a quorum.

Any meeting of members whereat a quorum is present may be adjourned for any reason to a time not less than five (5) days nor more than thirty (30) days from the time of such meeting by members representing a majority of the votes present thereat, either in person or by proxy. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings. The quorum for an adjourned meeting shall be 51% of the voting power of the membership whether in person or represented by proxy.

Notwithstanding anything herein to the contrary, for purposes of obtaining membership approval of special assessments or increases in annual assessments, as may be required by the Declaration, a "quorum" means more than 50% of the members of the Association. California Civil Code Section 1366(B).

Section 7. "Absentee Ballots/Proxies."

The Board may make such provisions as it may consider necessary or desirable for absentee ballots, subject to the requirements herein.

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every

proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit, or upon receipt of written notice by the Secretary of the Board of the death or judicially declared incompetence of a member prior to the counting of a vote, or upon the expiration of eleven (11) months from the date of the proxy notwithstanding any other period of validity stated in the proxy. Any form of proxy or absentee 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 upon, except it shall not be mandatory that a candidate for election to the Board be named in the proxy or absentee ballot. The proxy shall provide that, where the member specifies a choice, the vote shall be cast in accordance with that choice. The proxy or absentee ballot also shall identify the person or persons authorized to exercise the proxy and the length of time it will be valid. The proxy or absentee ballot shall specifically identify the unit for which the proxy is given. Voting by proxy shall comply with any other applicable requirements of the California Corporations Code including without limitation those specified in Sections 7514 and 7613, and under Title 10 California Code of Regulations Section 2792.17(g).

Section 8. "Order of Business."

The order of business of all meetings shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Election of directors, if any are to be elected;
- (f) Unfinished business; and
- (g) New business.

Section 9. "Parliamentary Procedure."

All questions or parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

Section 10. "Majority of Owners."

Except as otherwise provided herein or in the Declaration, the majority of the total voting power present, in person or by proxy, shall prevail at all meetings.

ARTICLE 5
ELECTION AND REMOVAL OF DIRECTORS / OFFICERS OF THE BOARD

Section 1. "Election of Directors / Officers."

The Association shall elect directors at the annual meeting.

Section 2. "Terms of Office."

The Board shall have five (5) members each of whose one (1) year term of office shall be concurrent.

Concurrent terms for all governing body positions shall be prescribed for an association with four or less authorized governing body members. For associations with five governing body members, terms of office shall be concurrent or staggered on a three-two basis. For associations with six or more governing body members, there shall be concurrent terms for no less than three members. For Example, if there are seven authorized members, elections and terms of office may only be staggered three-four. If there are nine governing body positions, elections and terms may be staggered five-four, six-three or three-three-three.

Section 3. "Officers."

At each annual meeting the Directors so elected or remaining with term of office pending shall elect among themselves officers which shall be: Chairman, Vice Chairman, Secretary, Assistant Secretary, and Chief Financial Officer.

Any two (2) offices may be held by the same person except that the same person may not hold the office of the Chairman and Secretary.

Section 4. "The Board."

The directors/officers of the Association shall constitute and shall herein be referred to as "the Board."

Section 5. "Qualification to Serve."

Except for the first Board, which shall be appointed by the Incorporator or Builder/Subdivider and shall serve until the first election of the Board is made by the Association as hereinafter provided, all members of the Board must either be an Owner /

Member, or a natural person agent of an Owner / Member that is not a natural person, of the Association.

Section 6. "Nomination."

Nomination for election to the Board of Directors shall be made by a nominating committee consisting of one member representative for each unit. Notice to the members of the meeting shall include the names of all those who are nominees at the time the notice is sent. Nominations may also be made from the floor at the annual meeting. The nominating committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the members, to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to members and to solicit votes. Any member may nominate himself for election to the Board of Directors by submitting his self-nomination in writing to the Nominating Committee prior to the annual meeting.

Section 7. "Election and Voting Procedure."

The first election of the Board for the Association shall be conducted at the first meeting of the Association. All positions on the Board shall be filled at that election. Voting for the Board shall be by secret written ballot. Cumulative voting in the election of governing body members shall be prescribed for all elections in which more than two positions on the Board are to be filled subject only to the procedural prerequisites to cumulative voting prescribed in Section 7615(b) of the Corporations Code. Unless the entire Board is removed from office by the vote of the Association members, no individual Board member shall be removed prior to the expiration of his or her term of office, if the votes cast against his removal would be sufficient to elect the governing body member if voted cumulatively at an election at which the same total number of votes were cast and the entire number of governing body members authorized at the time of the most recent election of the governing body member were then being elected. A special procedure shall be established by the Board to assure that from the first election of the Board and thereafter, so long as a majority power of the association resides in the builder, or so long as there are two outstanding classes of membership in the Association, not less than 20% of the incumbents on the Board have been elected solely by the votes of owners other than the builder. A Board member who has been elected to the office solely by the votes of the members of the Association other than the builder, may be removed from office prior to the expiration of his term of office, only by the vote of at least a simple majority of the voting power residing in members other than the subdivider.

ARTICLE 6
DUTIES OF OFFICERS OF THE BOARD

Section 1. "Chairman."

The Chairman shall preside at all meetings of the Association; shall see that orders and resolutions of the Association are carried out; shall sign all written instruments authorized to be executed by the Committee, as otherwise provided herein, shall have the power to appoint committees from among the Owners from time to time as he may at his discretion decide appropriate to assist in the conduct of the affairs of the project; and shall discharge such other duties as may be required of him by the Committee.

Section 2. "Vice-Chairman."

The Vice Chairman shall act in the place and stead of the Chairman in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Association.

Section 3. "Secretary."

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Association; shall serve notice of meetings of the Association; shall keep, or cause to be kept, appropriate current records showing the names of the Owners; and shall perform such other duties as may be required by the Association.

Section 4. "Chief Financial Officer."

The Chief Financial Officer 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 owner. The Chief Financial Officer shall deposit all monies and other valuables in the names and to the credit of the Association with such depositories as may be designated by the Association. He shall disburse the funds to the Chairman and Owners, whenever they request it, an account of all of his transactions, as Chief Financial Officer, and of the financial condition of the Association, and shall have such other powers and perform such duties as may be prescribed by the Association.

Section 5. "Compensation."

No officer shall receive any compensation for any service he may render to the Association; provided, however, any officer may be reimbursed for actual out-of-pocket expense incurred by him in the performance of his duties.

**ARTICLE 7
ASSESSMENTS**

Section 1. "Liability for Assessments: Collection."

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments and reimbursement to be collected as therein set forth.

Section 2. "Incorporated by Reference."

The provisions of the Declaration regarding Assessments are by this reference incorporated herein and made a part hereof as if set forth in full.

**ARTICLE 8
AMENDMENTS**

These Bylaws may be amended by affirmation vote or written consent of a bare majority of the voting power of the association and at least a bare majority of the votes of members other than the subdivider. Provided, further, that in the event the clause or provision to be amended requires the affirmative vote of a percentage of owners greater than a bare majority, such clause or provision may not be amended by a vote of less than such higher percentage.

**ARTICLE 9
GENERAL PROVISIONS**

Section 1. "Declaration Controls."

In the case of any conflict between any provisions of the Declaration and these Bylaws, the conflicting provisions of the Declaration shall control. In case any of these Bylaws

conflict with any provisions of the laws of the State of California such conflicting Bylaws shall be null and void, but all other Bylaws shall remain in full force and effect.

Section 2. "Fiscal Year."

The fiscal year of the Association shall be a calendar year unless and until a different fiscal year is adopted by the members at a duly constituted meeting thereof.

Section 3. "Proof of Membership."

No person shall exercise the rights of membership in the Association until a satisfactory proof thereof has been furnished to the Secretary. Such proof may consist of either a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person to be the owner of an interest in a condominium entitling him to membership. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

Section 4. "Absentee Ballots, Written Ballots and Proxies."

The Board may make such provisions as it may consider necessary or desirable for absentee ballots or written ballots, subject to the requirements herein.

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit, or upon receipt of written notice by the Secretary of the Board of the death or judicially declared incompetence of a member prior to the counting of a vote, or upon the expiration of eleven (11) months from the date of the proxy notwithstanding any other period of validity stated in the proxy. Any form of proxy, written ballot or absentee 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 upon, except it shall not be mandatory that a candidate for election to the Board be named in the proxy, written ballot or absentee ballot. The proxy shall provide that, where the member specifies a choice, the vote shall be cast in accordance with that choice. The proxy, written ballot or absentee ballot also shall identify the person or persons authorized to exercise the proxy and the length of time it will be valid.

Any form of proxy, written ballot or absentee 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 upon, except it

shall not be mandatory that a candidate for election to the Board be named in the proxy, written ballot or absentee ballot. The proxy, absentee ballot or written ballot shall provide that, where the member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid.

The proxym written ballot or absentee ballot shall specifically identify the unit for which the proxy is given. Voting by proxy shall comply with any other applicable requirements of the California Corporations Code including without limitation those specified in Sections 7514 and 7613, and under Title 10 California Code of Regulations Section 2792.17(g).

Section 5. "Inspection of Books and Records."

A. Membership Register: The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the members of the Board of Directors and of committees of the Board of Directors of the Association shall be made available for inspection and copying by any member of the Association or his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the Project as the Board of Directors shall prescribe.

B. Minutes:

(1) In the case of minutes, minutes proposed for adoption that are marked to indicate draft status. or a summary of minutes of any meeting of the Board of Directors other than an executive session shall be available to members within 30 days of the meeting and shall be distributed to only members upon request and payment of the fee prescribed in (3)(c), below.

(2) At the time the proforma operating budget is distributed as required by the provisions of subparagraph (i) above, or at any time of any general mailing, members of the Association shall be notified in writing of their right to have copies of the minutes of meetings of the Board of Directors and as to how and where those minutes may be obtained and the cost of obtaining such copies.

(3) Request for Inspection: The Board of Directors shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the member desiring to make the inspection.

(b) Hours and days of the week when such an inspection may be made.

(c) Payment of the cost of reproducing copies of documents requested by a member.

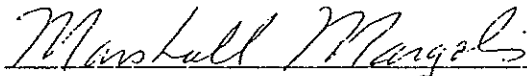
(4) Directors' Right to Inspection: Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Southwind Village Community Association, Inc., a California Nonprofit Mutual Benefit Corporation; and
2. The foregoing Bylaws comprised of thirteen (13) pages, including this page, constitute the Bylaws of the Association duly adopted at the meeting of the Board of Directors thereof duly held on August 31, 1994.

IN WITNESS WHEREOF, I have hereunto subscribed my name.



Marshall Margolis, Secretary