

AMENDED AND RESTATED BYLAWS
OF
ANACAPA VIEW BEACH HOMES ASSOCIATION

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ANACAPA VIEW BEACH HOMES ASSOCIATION
a California Non-Profit, Mutual Benefit Corporation**

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AMENDED AND RESTATED BYLAWS OF
ANACAPA VIEW BEACH HOMES ASSOCIATION
as of _____ day of _____, 20_____

ARTICLE I
NAME AND LOCATION

Section 1. Name and Location. The name of the corporation is Anacapa View Beach Homes Association, hereinafter referred to as the “Association.” The principal office of the corporation shall be located at the Project in the County of Ventura, California. The meetings of the Members and Directors shall be held at the Project or as close thereto as possible within the State of California, County of Ventura, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

The definitions contained in Article I of the Declaration of Covenants, Conditions and Restrictions are incorporated herein by reference. The following definitions shall also apply to these Bylaws.

Section 1. “Association” shall mean and refer to ANACAPA VIEW BEACH HOMES ASSOCIATION, its successors and assigns.

Section 2. “Project” shall mean and refer to that certain real property described in the Declaration.

Section 3. “Owner” shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Project, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. “Common Area” shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 5. “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Project with the exception of the Common Area.

Section 6. “Declaration” or “Declaration of Covenants, Conditions and Restrictions” shall mean and refer to the First Amended and Restated Declaration of Covenants, Conditions and Restrictions applicable to the Project recorded in the Office of the County Recorder of Ventura County, State of California on _____.

Section 7. “Member” shall mean and refer to those persons entitled to Membership as provided in Article III hereof.

Section 8. “Governing Documents” is a collective term that means and refers to these Bylaws, the Declaration, the Articles of Incorporation, and the Association Rules.

Section 9. “Assessment” shall mean and refer to any Regular, Special, Special Individual Assessment, or Emergency Assessment made or assessed by the Association against an Owner and his or her Lot in accordance with the provisions of the Declaration.

Section 10. “Membership” refers to the legal relationship and status of being a Member of the Association, and an entitlement to the rights and privileges appurtenant thereto as defined herein and in the Declaration. Membership rights and privileges may be limited or suspended as provided in the Governing Documents and by applicable law. “Membership” may also refer to the Members collectively.

Section 11. “Rules” or “Association Rules” means any and all written operating rules, regulations, architectural standards or guidelines and other policies lawfully adopted by the Board, all as the same may be in effect from time to time.

Section 12. “Director” shall mean any natural person elected or appointed to serve on the Board of Directors as set forth herein.

Section 13. “Officer” shall mean any natural person appointed to serve as an Officer of the Association by the Board of Directors as set forth herein.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who or which is an Owner of a fee or undivided fee interest in any Lot which is subject by covenants or record to assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in any Lot in the Project merely as security for the performance of an obligation.

Section 2. Voting Rights. The Association shall have one (1) class of voting membership. Each Membership is entitled to only one (1) vote in any Association election or ballot measure. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 3. Transfer. Ownership of every Lot includes one Membership in the Association, which may not be separated from ownership of the Lot and shall automatically transfer upon any transfer of legal title to the Lot. The Association Membership held by any Owner of a Lot shall not be transferred, pledged, or alienated in any way, except upon the sale or

encumbrance of such Lot. In the event of such sale or encumbrance, the Association Membership may only be transferred, pledged, or alienated to a bona fide purchaser of the Lot, or to the Mortgagee (or third-party purchaser) of such Lot upon a foreclosure sale. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association.

Section 4. Voting in Person; Proxies Prohibited. At all meetings of Members, each Member may vote in person, except for voting on matters where a secret ballot is required by statute. Proxy voting is strictly prohibited.

ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the Members of the Association shall be held not less frequently than once each calendar year, or in any event within fifteen (15) months after the preceding annual meeting, at the time and place prescribed by these Bylaws. The Annual Meeting of Members of the Association shall be held on the first Saturday in May of each year, or such other time as designated by the Board of Directors and permissible under California law, the exact time and place of such meetings to be determined by the Board of Directors.

Section 2. Special Meetings. A Special meeting of the Members of the Association may be promptly called by the President or any Director for any lawful purpose upon:

(a) The vote for such meeting by a majority of a quorum of the Board of Directors, or by the President; or

(b) Receipt of a written request therefore signed by Members representing not less than five percent (5%) of the total voting power of the Association.

No business shall be transacted at a Special meeting except as stated in the notice.

Section 3. Notice of Meetings. Written notice of each Annual and Special meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice by first class mail, postage prepaid to the Members. At least ten (10) days' notice and no more than ninety (90) days' notice of any such meeting shall be provided to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association for the purpose of notice. If the Member has consented in writing to receive notice of meetings by email, the Association may deliver notice by electronic mail, so long as it complies with Corporations Code Section 7511(b) or other comparable superseding statute. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. In the case of a Special meeting, the notice shall also include a general agenda of the business to be transacted; no other business may be transacted at the special meeting.

Section 4. Quorum. The presence in person or by secret written ballot of Owners holding at least fifty-one percent (51%) of the total voting power of the Association shall constitute

a quorum for the transaction of business at all meetings. In the absence of a quorum at a Members meeting, a majority of those present in person may adjourn the meeting to another time, but may not transact any other business. 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. If a meeting is adjourned to a later date due to absence of a quorum, the quorum for such a meeting shall be at least twenty-five percent (25%) of the total voting power of the Association, present in person or by secret written ballot, except for any of the following actions: (i) Amendment of the Governing Documents; (ii) Recall of Directors; or (iii) Levying Assessments legally requiring a membership vote.

Section 5 Meetings of Members. The meetings of the Members shall be held at the Project, or as close thereto as may be designated by the Board of Directors.

(1) The Board may adopt an election operating rule that allows the Association to utilize inspector(s) of elections to conduct an election by electronic secret ballot, except for an election regarding regular or special assessments, consistent with applicable law.

Section 6. Virtual Members Meetings. A Members meeting may be conducted entirely by teleconference, without any physical location being held open for the attendance of any Director or Member, if all of the following conditions are satisfied: (i) The notice for each meeting includes, in addition to other required content for meeting notices as set forth in Section 3 of this Article, all of the following: (i) Clear technical instructions on how to participate by teleconference; (ii) The telephone number and electronic mail address of a person who can provide technical assistance with the teleconference process, both before and during the meeting; (iii) A reminder that a Member may request individual delivery of meeting notices, with instructions on how to do so; (iv) Every Director and Member has the same ability to participate in the meeting that would exist if the meeting were held in person; and (v) Any person who is entitled to participate in the meeting shall be given the option of participating by telephone. This provision does not apply to a meeting at which ballots are counted and tabulated.

Section 7. Mandatory Votes by Secret Written Ballot. Membership votes on the following matters must be taken by secret written ballot pursuant to California Civil Code Sections 5100 - 5145 or any comparable superseding statutes:

- (a) Elections regarding Assessments legally requiring a membership vote;
- (b) Election and removal of directors of the Board;
- (c) Amendments to the governing documents; and
- (d) Grants of exclusive use of Common Area property.

Section 8. Specification of Certain Significant Actions. Notwithstanding the foregoing, if any of the following actions are proposed at any Membership meeting, any Member action on such items is invalid unless the notice of meeting, or written waiver of notice, or written consent, states the general nature of the proposal:

- (a) Removing a director without cause;
- (b) Filling vacancies on the Board, if approval of the Members is required pursuant to these Bylaws;
- (c) Amending the Association's Articles of Incorporation, Bylaws, or Declaration in any manner requiring approval of the Members;
- (d) Approving a contract or transaction between the Association and one or more of its directors, or between the Association and any corporation, firm, or association in which one or more of its directors has a material financial interest;
- (e) Approving any change in the Association's assessments in any manner requiring membership approval under the Declaration or California law; or
- (f) Voting to voluntarily terminate and dissolve the Association.

Section 9. Parliamentary Procedure. Meetings of the Members shall be conducted in accordance with a recognized system of parliamentary procedure or any parliamentary procedures the Association may adopt.

Section 10. Electronic Balloting. The Board may adopt an election operating rule that allows the Association to utilize an Inspector(s) of Elections to conduct an election by electronic secret ballot, except for an election regarding Regular or Special Assessments, consistent with applicable law.

ARTICLE V

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number of Directors. The affairs of the Association shall be managed by the Board of Directors consisting of five (5) Directors, all of whom shall be Members of the Association.

Section 2. Election and Term of Office. The Members shall elect the Directors as provided herein. Unless the office is vacated, each Director shall hold office until his or her term expires and a successor has been elected and qualified. The term of office of each Director shall be for two (2) years. Successor Directors shall be elected at the next Annual Meeting corresponding with the expiration of their respective terms.

Section 3. Removal. Directors may be removed with or without cause by a secret written ballot vote of the Membership pursuant to Corporations Code Section 7222 or any comparable superseding statute, and a successor may then and there be elected to fill the vacancy so created. Directors may be removed by majority vote of the Members casting secret written ballots at a duly noticed election at which at least a quorum of the Members have voted.

Section 4. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum and each Director so appointed shall serve the remaining term of the Director being replaced.

Section 5. Compensation. No Director shall receive compensation for any service he or she may render as a Director, provided, however, he or she may be reimbursed for his or her actual expenses incurred in the performance of his or her duties as a Director.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

The following provisions, rules, procedures and the like deal with and are applicable to Association Elections and are intended to be consistent with the requirements of California Civil Code Sections 5100 through 5145 or any comparable superseding statutes. However, the provisions of the Civil Code shall control and supersede any inconsistent provisions contained herein.

Section 1. Equal Candidate Access to Association Media. In any election campaign, any candidate or Member advocating a point of view is to be provided equal access to association media, newsletters, or internet website during such campaign, for purposes that are reasonably related to that election. Equal access to such media shall be provided to all candidates and Members, including those not endorsed by the Board. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for the content of such statement.

Section 2. Access to Common Area. All candidates and Members shall have access to the common area meeting space, at no cost, including those who are not incumbents and those not endorsed by the Board, who are advocating points of view different from those of the Board (or others), but for purposes reasonably related to the election.

Section 3. Qualifications for Elected Positions; Nominations. There shall be no qualifications to be a Director or any other elected position of this Association other than that such person (i) shall be an owner (or co-owner) of a home in this Planned Development and (ii) is over the age of (18). Any qualified person may be nominated as a Director (or other elective position) by any Association Member (including himself or herself). The Association shall provide general notice of the procedure and deadline for submitting a nomination at least thirty (30) days before any deadline for submitting a nomination. Any Member may nominate any qualified Member as a candidate, including himself or herself, by filing a Candidate Nomination Form with the Secretary or other designated representative of the Association consistent with the Association's election rules and applicable law. This requirement may be satisfied by an announcement of candidacy by an incumbent Director which is recorded in the minutes of a Board meeting and must be done prior to the deadline set forth on the Candidate Nomination Form or otherwise consistent with applicable

law. Nomination of candidates from the floor of Membership meetings is prohibited. Write-in candidates for ballots shall be prohibited.

Section 4. Voting Qualifications; Cumulative Voting Prohibited. The Owner (or Owners) of each Lot in the Association shall be entitled to one (1) vote. Thus, each Lot is entitled to and has 1/84 of the total voting power of the Association. In any election of Directors, each Membership may cast one vote per candidate, up to the number of Director positions open. Cumulative voting is strictly prohibited.

Section 5. Joint Ownership. Each person or entity who is an Owner of an interest in a Lot, as reflected in the Official Records of Ventura County, shall be considered a Member. There shall be no split or fractional balloting with respect to any single Lot. If multiple Owners of a single Lot attempt to separately vote that Lot's Membership, the Secretary or Inspector of Election may refuse to acknowledge any or all votes or ballots pertaining to that Lot.

Section 6. Secret Written Ballots. As prescribed by law, secret ballot procedures shall be used when voting on the following issues: Assessments requiring a vote of the Membership by law; election and removal of Directors; amendments to the Governing Documents; and the grant of exclusive use of Common Area property. In its discretion, the Board may also utilize secret ballot voting for other issues. A "secret ballot" is a ballot which does not identify the voter by name, address, lot or parcel number. All secret ballots, including for election of Directors, must conform to the requirements of applicable law. All pre-election notice and distribution requirements shall also conform to applicable law. A ballot may not be revoked once cast.

Section 7. Inspector(s) of Elections. The Inspector(s) of Elections shall be appointed by the Board of Directors of the Association at least ninety (90) days prior to the meeting when voting shall end as otherwise provided in Section 6 hereof. The Board, with respect to each election, shall appoint either a single Inspector of Elections or three (3) Inspector(s) of Elections. In any election where there is more than one (1) Inspector of Elections, a decision by a majority of the Inspectors of Elections shall be binding on all parties. The Inspector(s) of Elections shall be independent third parties, which include but are not limited to, a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy, or a notary public, provided they are not being currently compensated for services to the Association. A Member of the Association may also be an independent third party and serve as Inspector of Elections, provided he/she is (i) not currently a Director on the Board, (ii) not a candidate for the Board at that time; (iii) not performing any services for the Board or the Association for which compensation is paid or payable, and/or (iv) not related to a member of the Board.

Section 8. Duties of the Inspector(s) of Elections. The Inspector(s) of Elections shall do all of the following:

- (a) Determine the number of Memberships entitled to vote and voting power of each;
- (b) Receive ballots;

(c) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;

(d) Count and tabulate all votes;

(e) Determine when the polls close;

(f) Determine the results of the election;

(g) Perform any acts as may be proper to conduct the election with fairness to all members in accordance with Civil Code Sections 5110, 5120, and 5125 or comparable superseding statutes and all applicable rules of the Association regarding the conduct of the election that are not in conflict with said Civil Code Sections 5110, 5120, and 5125 or comparable superseding statutes.

The Inspector(s) of Election shall perform his/her duties impartially, in good faith, to the best of his/her ability, and as expeditiously as is practical. Any report made by the Inspector(s) of Election is prima facie evidence of the facts stated in the report.

Section 9. Balloting Procedure. The Association shall prepare and cause to be delivered to each Member a ballot and two (2) preaddressed envelopes with instructions on how to return ballots. Such package shall be sent by first-class mail or delivered by the Association to every Member at least thirty (30) days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, unit number on the ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of vote by mail ballots, including all of the following:

(1) The ballot itself is not signed by the voter, but is inserted into the envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter prints and signs his/her name and address that entitles him/her to vote;

(2) The second envelope is addressed to the Inspector(s) of Election, who will tally the votes. The envelope may be mailed or delivered by hand to a location specified by the Inspector(s) of Election. The Member may request a receipt for the delivery.

Section 10. Storage of Ballots Before and After Tabulation; Reporting Results. Prior to the vote, the sealed ballots at all times shall be in the custody of the Inspector(s) of Elections or at a location designated by the Inspector(s) of Elections until after the tabulation of the vote, at which time custody shall be transferred to the Association. After tabulation, election ballots shall be stored by the Inspector(s) of Election in a secure place for no less than one (1) year following the date of the election, at which time custody shall be transferred to the Association. In the event of a recount or other challenge to the election process, the Inspector(s) of Election shall, upon written request, make the ballots available for inspection and review by Association Members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

Section 11. Counting and Tabulation of Ballots; Reporting Results. All ballots shall be counted and tabulated by Inspector(s) of Elections, in public, at a properly noticed open meeting of the Board of Directors or Members. A ballot may not be revoked once cast. Any candidate or other Member of the Association may witness the counting and tabulation of the votes. No person, including a member of the Association or an employee of the Association's management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. The results of the election shall be promptly reported to the Board of Directors of the Association and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by Members of the Association. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all Members.

Section 12. Association Funds Not for Campaign Purposes. Association funds shall not be used for campaign purposes in connection with any Association Board election. Funds of the Association shall not be used for campaign purposes in connection with any other Association election except to the extent necessary to comply with duties of the Association imposed by law. For the purposes of this section "campaign purposes" include but are not limited to, the following: (i) Expressly advocating the election or defeat, of any candidate that is on the Association election ballot or (ii) including the photograph or prominently featuring the name of any candidate on a communication from the Association or its Board, excepting the ballot and ballot materials, within thirty (30) days of an election, provided that this is not a campaign purpose if the communication is one for which subdivision California Civil Code Section 5105 or comparable superseding statute requires that equal access be provided to another candidate or advocate.

Section 13. Determination of Election Results and Succession to Office. The candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected as Directors and shall take office immediately following their election. Any tie vote shall be broken by a runoff election.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular and Special Meetings. Regular meetings of the Board of Directors shall be held at least bi-monthly and on such day and at such hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Notice of the time and place of a regular meeting shall be given by the Secretary to the Board to each Director, personally or by mail or telephone, and shall be posted at a prominent place or places within the Common Area, at least four (4) days prior to the day scheduled for said meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by two (2) Directors, after not less than four (4) days' notice to each Director and shall be posted at a prominent place or places accessible to all Members within the Common Area, if the location has been designated for the posting of general notices by the association in the annual policy statement

prepared pursuant to Civil Code Section 5310 or comparable superseding statute, at least four (4) days prior to the day scheduled for said meeting.

Notice of Board meetings must be given by one or more of the following methods: (a) In accordance with the preferred delivery method specified by the Member pursuant to Civil Code Section 4041 or comparable superseding statute, but if the Member has not provided a valid delivery method accordingly, the Association shall deliver the document by one of the following methods: first-class mail, registered or certified mail, express mail, or overnight delivery by an express service carrier addressed to the recipient at the address last shown on the books of the Association; (b) By inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this Section; (c) By posting the document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices in the annual policy statement; (d) By inclusion in any television programming broadcast by the Association for the purpose of distributing information on Association business to the Members; or (e) If the Association maintains an internet website for the purpose of distributing information on Association business to its Members, by posting the notice on the Association's internet website in a prominent location that is accessible to all Members if designated as a location for posting general notices in the annual policy statement.

The notice shall include an agenda and shall specify the time and place of the meeting and the nature of any special business to be transacted. Notice of a Special meeting shall be sent to all Directors and posted as prescribed for notice of regular meetings. Regular and Special meetings of the Board shall be open to all Members of the Association except for meetings held in executive session; 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 a majority of a quorum of the Board. The Board shall permit any Member to speak at any meeting of the Association or the Board, except for meetings of the Board held in executive session. A reasonable time limit for all Members to speak to the Board or before a meeting of the Association shall be established by the Board. The Board may, with the approval of a quorum of the Directors, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, matters relating to the formation of contracts with third parties, Member discipline, or to meet with a Member, upon a Member's request, regarding the Member's payment of Assessments as specified in California Civil Code Section 5665 or comparable superseding statute, and for no other purpose unless otherwise permitted by law. The nature of any and all business to be considered in executive session shall first be announced in open session and provided to the Members with the published notice of meeting.

Section 2. Emergency Board Meetings. An emergency Board meeting may be called by the President of the Association or by any two (2) Directors other than the President, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impossible to provide notice as otherwise required. The Board shall post the agenda of the meeting in the Common Area as soon as reasonably possible after such agenda has been determined.

Section 3. Meetings of Directors. The meetings of the Directors shall be held at the Project, or as close thereto as possible within the County of Ventura, State of California, as may be designated by the Board of Directors.

Section 4. President; Conduct of Meetings. At the first organization meeting of the Board of Directors following an election, a majority of a quorum of the Directors shall elect a President to preside over all meetings of the Board held during the Board's term of office. In the event the President shall be absent from any meeting, said meeting shall be presided over by such other Director as may be elected by a majority of a quorum of the Directors. The Secretary of the Association shall act as Secretary of the Board of Directors, but in the event the Secretary shall be absent the President or presiding Director may appoint any person to act as Secretary for the meeting.

Section 5. Quorum. A majority of the total number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 6. No Actions Taken Outside of Board Meetings. The Board shall not take action on any item of business outside of a Board meeting.

Section 7. Emergency Meetings. Except for emergency meetings conducted by electronic transmissions as authorized in Section 2 above, the Board shall not conduct a meeting via a series of electronic transmissions, including, but not limited to, electronic mail.

Section 8. Virtual Board Meetings. Except for a meeting at which ballots are counted and tabulated, a Board meeting may be conducted entirely by teleconference, without any physical location being held open for the attendance of any Director or Member, if all of the following conditions are satisfied:

(1) The notice for each meeting includes, in addition to other required content for meeting notices as set forth in Section 1, all of the following:

(a) Clear technical instructions on how to participate by teleconference;

(b) The telephone number and electronic mail address of a person who can provide technical assistance with the teleconference process, both before and during the meeting; and

(c) A reminder that a Member may request individual delivery of meeting notices, with instructions on how to do so;

(2) Every Director and Member must have the same ability to participate in the meeting that would exist if the meeting were held in person.

(3) Any vote of the Directors shall be conducted by a roll call vote.

(4) Any person who is entitled to participate in the meeting shall be given the option of participating by telephone.

Section 9. Subjects of Meeting; Issues Not on Agenda. Except as described below, the Board may not discuss or take action on any item at a nonemergency Board meeting unless the item was placed on the agenda included in the notice of the meeting that was distributed as provided in Section 1 above. This section does not prohibit a Member or resident who is not a Director from speaking on issues not on the agenda.

Notwithstanding the foregoing paragraph, the Board may do any of the following regarding items not placed on the agenda:

(a) Briefly respond to statements made or questions posed by a person speaking at a meeting;

(b) Ask a question for clarification, make a brief report on the person's own activities, whether in response to questions posed by the Member or based upon the person's own initiative;

(c) Direct its Board members or agents to perform administrative tasks that are necessary to carry out this section.

Notwithstanding the foregoing paragraphs, the Board may take action on any item of business not appearing on the agenda distributed pursuant to Section 1 above under any of the following conditions:

(a) Upon a determinate made by a majority of the Board present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the Board that require immediate attention and possible action by the Board, and that, of necessity, make it impracticable to provide notice;

(b) Upon a determination made by the Board by a vote of two-thirds of the Directors present at the meeting, or, if less than two-thirds of the total membership of the Board is present at the meeting, by a unanimous vote of the Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board after the agenda was distributed pursuant to Section 1 above;

(c) The item appeared on an agenda that was distributed pursuant to Section 1 above for a prior meeting of the Board that occurred not more than thirty calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken;

(d) Before discussing any item pursuant to the above exceptions, the Board shall openly identify the item to the Members in attendance at the meeting.

Section 10. Meeting Minutes. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any Board meeting, other than an executive session, shall be available to Members within thirty (30) calendar days of the meeting. The minutes proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement of the Association's costs for making that distribution. The annual policy disclosures shall inform the Members of their right to obtain copies of the Board meeting minutes and of how and where to do so.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) Exercise all powers, duties, and authority vested in the Board by the California Corporations Code, except as otherwise limited in the Declaration and Articles of Incorporation;

(b) Exercise for the Association all powers, duties, and authority vested in or delegated to the Association by the Declaration and not reserved to the Membership by other provisions of these Bylaws or the Declaration;

(c) Adopt and publish rules and regulations governing the use of the Common Area and/or facilities, if any, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(d) Assess monetary penalties against a Member, and/or suspend said Member's right to use the recreational facilities, if any, for the period during which any assessment against said Member's Lot remains unpaid after notice and hearing given and had for any infraction of the Association's Governing Documents;

(e) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(f) The Board may meet in executive session to discuss lien foreclosure for an owner's failure to pay and to discuss legal issues associated with same;

(g) The Board may engage and meet with legal counsel and other professional services.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Perform any and all duties imposed on the members of the Board, individually or collectively, as determined by at least a majority of the Board; by law, by the Declaration, by

the Articles of Incorporation, or by Bylaws. Therefore, all Directors should familiarize themselves with said Governing Documents.

(b) Appoint and remove, employ and discharge, and except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all agents and employees of the Association;

(c) Supervise all Officers, agents and any employees of the Association, to assure that their duties are properly performed;

(d) Meet at such times and places as required by these Bylaws;

(e) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members, or at any Special Meeting when such statement is requested in writing by one-fourth of the Members who are entitled to vote;

(f) Pursuant to California Civil Code Sections 5500 through 5502, or any comparable superseding statutes:

(1) Review, on a monthly basis, a current reconciliation of the Association's operating accounts;

(2) Review, on a monthly basis, a current reconciliation of the Association's reserve accounts;

(3) Review, on a monthly basis, the current year's actual operating revenues and expenses compared to the current year's budget;

(4) Review, on a monthly basis, the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts;

(5) Review, on a monthly basis, an income and expense statement for the Association's operating and reserve accounts;

(6) Review, on a monthly basis, the check register, monthly general ledger, and delinquent assessment receivable reports.

(g) As more fully provided in the Declaration:

(1) Determine the amount of the Regular Assessment against each Lot at least thirty (30) days before the end of the fiscal year;

(2) Send written notice of each Assessment to every Owner subject thereto not less than thirty (30) and not more than sixty (60) days before the end of the fiscal year; and

(3) Declare any Assessment not paid within fifteen (15) days after the due date thereof to be delinquent and pursue collection of said Assessment pursuant to the remedies for non-payment of Assessments as set forth in the Declaration.

(h) Cause an annual budget report to be distributed to each Member of the Association thirty (30) to ninety (90) days before the end of the Association's fiscal year as follows:

(1) A pro forma operating statement (budget), showing the estimated revenue and expenses on an accrual basis;

(2) A summary of the Association's reserves prepared pursuant to California Civil Code section 5565 or comparable superseding statute;

(3) A summary of the reserve funding plan adopted by the Board of Directors as specified in California Civil Code section 5550(b)(5) or comparable superseding statute. The summary shall include notice to Members that the full reserve study plan is available upon request, and the Association shall provide the full reserve plan to any Member upon request;

(4) A statement as to whether the Board of Directors has determined to defer or not undertake repairs or replacement of any major component with a remaining life of thirty (30) years or less as identified pursuant to the reserve study, including a justification for the deferral or decision not to undertake the repairs or replacement;

(5) A statement as to whether the Board of Directors, consistent with the reserve funding plan adopted pursuant to California Civil Code section 5560 or comparable superseding statute, has determined or anticipates that the levy of one or more Special Assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the Special Assessment;

(6) A statement as to the mechanism or mechanisms by which the Board of Directors will fund reserves to repair or replace major components, including Assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms;

(7) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacements, or additions to those major components that the Association is obligated to maintain. The statement shall include, but not be limited to, reserve calculations made using the formula described in California Civil Code section 5570(b)(4) or comparable superseding statute, and may not assume a rate of return in excess of two percent (2%) above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made;

(8) A statement as to whether the Association has any outstanding loans with an original term of more than one year, including payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired;

(9) A summary of the Association's property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any. To the extent that any of the required information is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it with the annual budget report. The summary distributed pursuant to this paragraph shall contain, in at least 10-point boldface type, the following statement:

"This summary of the Association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy, terms and conditions contained in the actual policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage."

(10) A copy of the completed "charges for documents provided" disclosure identified in Civil Code Section 4528 or comparable superseding section. For purposes of this section, "completed" means that the "Fee for Document" section of the form individually identifies the costs associated with providing each document listed on the form.

(i) Cause the following annual disclosures to be made in writing to the Owners;

(1) Annual policy statements pursuant to California Civil Code Section 5310 or any comparable superseding statute;

(2) Reserve planning disclosures pursuant to California Civil Code Sections 5550, 5560, 5565, and 5570 or any comparable superseding statutes;

(3) Collection notice and policy pursuant to California Civil Code Section 5730 or any comparable superseding statute;

(4) Insurance disclosures pursuant to California Civil Code Section 5810 or any comparable superseding statute;

(5) Schedule of monetary penalties pursuant to California Civil Code Section 5850 or any comparable superseding statute;

(6) Internal dispute resolution policies and procedures pursuant to California Civil Code Section 5920 or any comparable superseding statute;

(7) Alternative dispute resolution policies and procedures pursuant to California Civil Code Section 5965 or any comparable superseding statute;

(8) Any mandatory annual disclosures that may hereafter be required by California law.

(j) An external review, as may otherwise be mandated by California law, by an independent certified public accountant shall be required for fiscal year financial statements (other than budgets) for any fiscal year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00).

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The Officers of this Association shall be a President, Vice-President, Secretary, Treasurer, and a member at large to take on any duties as assigned, all of whom shall be elected by the Board of Directors.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members. The Officers shall be chosen by majority vote of the Board, and each shall hold office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor appointed. Any Officer may be removed by majority vote of the Board with or without cause, at any duly noticed meeting.

Section 3. Term. The Officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from his or her position as an Officer at any time with or without cause by a majority of the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at such later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. Otherwise, no person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. Duties of the Officers are as follows:

(a) President: The President shall preside at all meetings of the Members of the Association; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds, and other written instruments, and shall co-sign all checks and promissory notes.

(b) Vice-President: The Vice-President shall act in the place and instead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

(c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; shall sign all contracts, leases, or other instruments executed in the name of or on behalf of the Association; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; keep proper books of account; cause an annual review in accordance with these Bylaws of the Association books to be made by a certified public accountant at the completion of each fiscal year as provided for in the Declaration; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its Annual Meeting, and deliver a copy of such to the Members.

Section 9. Compensation. No Officer shall receive compensation for any service he or she may render as an officer, provided, however, he may be reimbursed for his or her actual expenses incurred in the performance of his or her duties as an Officer.

Section 10. Check Signing. The Directors/Officers shall sign Association checks according to the authorization given from time to time by Board resolution. All checks shall be signed by a minimum of two (2) Directors/Officers.

ARTICLE X
COMMITTEES; MAJOR MODIFICATIONS

Section 1. The Board shall appoint an Architectural Committee, as provided in the Declaration. In addition, the Board of Directors shall, by resolution, create, and/or dissolve other committees and appoint committee members as deemed appropriate to advise or assist the Board in its duties. The resolution shall specify the scope of each committee's duty, and may specify the number and qualifications (if any) of committee members, limit the terms thereof, and the manner and frequency of meetings to be held by the committee, all in its discretion. The Board may delegate actions to a committee that it may delegate to any other agent pursuant to the Governing Documents and applicable law. All members of committees serve at the pleasure of the Board and may be appointed or removed by the Board at any time, with or without cause. If the Board does not appoint a chairperson, the committee members may elect a chairperson.

Section 2. Major Modifications to the Association's Planned Unit Development.

(a) Pursuant to Article VIII, Section 1 of the Declaration, no building, fence, wall or other structure, or any exterior alteration, including among other things, painting, shall be commenced, erected or maintained unless all conditions imposed by the City of Port Hueneme (the "City"), have been satisfied and until the plans and specifications showing the nature, kind, color, shape, dimensions, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Committee (the "Committee"). The Board may adopt, amend and repeal rules and regulations to be known as Architectural and Landscape Guidelines ("Guidelines"). Said Guidelines shall interpret and implement the provisions of the Declaration by setting forth particular standards and procedures for review and approval of proposed improvements; guidelines for architectural design; placement of any improvement; color schemes; exterior finishes; materials; and similar features, which are approved for use within the Property.

Section 3. Procedure for Requesting an Exterior Modification. The procedure that a Member must follow to obtain the consent for an exterior modification to his/her/their home is set forth in the Declaration and Guidelines.

ARTICLE XI
INSPECTION OF BOOKS AND RECORDS

Section 1. The Association's "records" and "enhanced association records" as those terms are Defined in California Civil Code Section 5200 or any comparable superseding statute shall be made available for inspection and copying by any member of the Association, or by his duly-appointed representative, at any reasonable time at the office of the Association or at such other place within the Project as the Board shall prescribe, pursuant to the rules and time limits set forth in California Civil Code Sections 5205 through 5240 or comparable superseding statutes.

Section 2. The Board, subject to California Civil Code Sections 5205 through 5240 or comparable superseding statutes, 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 day of the week when such inspection may be made;
- (c) Payment of the cost of reproducing copies of documents requested by a Member.

Section 3. 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. This right may be limited by privacy concerns or by conflicts of interest.

ARTICLE XII AMENDMENTS

Section 1. The Bylaws, and every part thereof, may be amended by the vote or written consent of Members representing not less than fifty-one percent (51%) of the voting power of the Association, subject only to the specific qualifications set forth in the Declaration, Articles of Incorporation or these Bylaws with respect to particular provisions containing prescribed percentages of voting power required for action to be taken.

Section 2. In the case of any conflict between or among the Governing Documents, the order of priority for interpretation of such conflicts shall be as follows:

1. Declaration;
2. Articles of Incorporation;
3. Bylaws;
4. Rules and Regulations; and then
5. Architectural and Landscape Guidelines

The wording in the higher priority Governing Document shall prevail over the wording in a lesser priority Governing Document.

ARTICLE XIII CORPORATE SEAL

Section 1. The Association shall have a seal in circular form, having within its circumference the words: ANACAPA VIEW BEACH HOMES ASSOCIATION.

ARTICLE XIV
MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the first day of March of each year and end on the last day of February of the following year.

Section 2. Except as otherwise provided by law, *or by resolution of the Board of Directors*, checks and promissory notes, drafts, orders for the payment of money, and other evidences of indebtedness of the corporation shall be signed by any two (2) Directors. Any contract, lease, or other instrument executed in the name of and on behalf of the corporation shall be signed by the Secretary and countersigned by the President.

Section 3. Members' Duty to Provide Notice to Association. Unless otherwise required by law, each Member shall annually provide written notice to the Association of all of the following: (1) The Member's preferred delivery method for receiving notices from the Association, which shall include the option of receiving notices at one or both of the following: (a) A mailing address; and/or (b) A valid email address; (2) An alternate or secondary delivery method for receiving notices from the Association, which shall include the option to receive notices at one or both of the following: (a) A mailing address; and/or (b) A valid email address; (3) The name, mailing address, and, if available, valid email address of the Member's legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the Member's extended absence from the Lot; (4) Whether the Lot is owner-occupied, vacant or is rented out; and (5) Whether the Lot is undeveloped land.

For purposes of this section, a "valid email address" is one that, after a notice is sent, does not result in a bounce or other error notification indicating failure of the message. If the Association delivers a notice to a member's email address and finds that the email address provided is no longer valid, the Association shall resend the notice to a mailing or email address identified by the Member.

Section 4. Association to Solicit Annual Notice from Members. The Association shall solicit the annual notices described in Section 3 of each Member and, at least thirty (30) days prior to distributing the Annual Budget Report and Annual Policy Statement, shall enter the data into its books and records. The Association shall include in the solicitation both of the following: (1) Notification that the Member does not have to provide an email address to the Association; and (2) A simple method for the Member to inform the Association in writing that the Member wishes to change their preferred delivery method for receiving notices from the Association. If a Member fails to provide the notices, the last mailing address provided in writing by the Member or, if none, the property address, shall be deemed to be the address to which notices are to be delivered.

[Signatures to follow]

CERTIFICATE OF SECRETARY

The undersigned, _____, Secretary of the corporation known as ANACAPA VIEW BEACH HOMES ASSOCIATION, does hereby certify that the above and foregoing First Amended and Restated Bylaws was duly adopted by vote of fifty-one percent (51%) the Members of said Association on _____.

ANACAPA VIEW BEACH HOMES ASSOCIATION

_____, Secretary