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AN UNINCORPORATED ASSOCIATION

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BY-LAWS OF
VILLA WASHINGTON HOMEOWNERS ASSOCIATION
AN UNINCORPORATED ASSOCIATION

ARTICLE I

NAME, PURPOSE AND LOCATION

1. Name. The name of this Association is VILLA WASHINGTON Homeowners Association, An Unincorporated Association.
2. Purpose. This Association shall be formed and shall be operated as an unincorporated association. An organizational meeting of members shall take place within forty-five (45) days after the close of sale of fifty-one (51%) percent of the units authorized for sale under the first Public Report, but no later than six (6) months after the close of sale of the first unit in the project. The purpose of the Association is to perform the powers and duties set forth in both in these By-Laws and in the Declaration of Covenants, Conditions and Restrictions, hereinafter referred to as the "Declaration", heretofore recorded for the benefit of the project and for the benefit of all purchasers and owners of residential units in the project. Should there be any inconsistency between the provisions of these By-Laws and the Declaration, the provisions of the Declaration shall control.
3. Location. The Association shall have its principal office at the project site, in the City of Santa Monica, County of Los Angeles, State of California, or as close thereto as practicable within said City as the Board may determine or as the affairs of the Association may require from time to time.

ARTICLE II

DEFINITIONS

1. Association. Shall mean Villa Washington Homeowners Association, An Unincorporated Association.
- 2 Properties. Shall mean and refer to all of Lot 1 of Tract 36782, in the City of Santa Monica, County of Los Angeles, State of California, pursuant to the Declaration recorded in the Office of the County Recorder of said County, together with five (5) units and Common Area, as more particularly shown and defined on the Condominium Plan that has been recorded in connection with the project.
3. Unit. In said properties shall mean and refer to the elements of a condominium which are not owned in common with other owners of other condominiums in the project. The boundaries of a unit shall be the interior surfaces of the perimeter walls, floors, ceilings, windows and doors of each unit where they exist and otherwise to the vertical or horizontal planes at the limits of the dimensions as shown on the Condominium Plan that has been filed pursuant to Section 1351 of the California Civil Code. The unit shall include both the portions of the building so described and the airspace so encompassed. In interpreting deeds and plans, the existing physical boundaries of a unit reconstructed in substantial accordance with the original plans shall be conclusively presumed to be its boundaries rather than metes and bounds or other description expressed in the deed or plan and those of the building.
4. Common Area. Shall mean the entire project, excepting those portions thereof which lie within the boundaries of any unit as hereinabove defined. The individual unit owners shall have undivided 1/5th interests as tenants-in-common in and to the Common Area. The

Association shall be responsible for the management and maintenance of the Common Area. The Common Area is subject to all easements and rights of use as may be described in the Declaration and in the documents of conveyance through which each original owner acquired his condominium.

5. Condominium. Shall mean a condominium as defined in Section 783 of the Civil Code and shall be an estate in real property consisting of: (a) a separate fee interest in the space within a unit; (b) an undivided 1/5th interest in the Common Area as a tenant-in-common.

Additionally, each owner of a condominium shall receive an appurtenant membership in the Association.

6. Member. Shall mean and refer to every person or entity who hold membership in the Association. Ownership of a condominium in the project shall be the sole qualification for membership in the Association.

7. Owner. Shall mean and refer to the record owner, whether one or more persons or entities of a condominium, which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Declarant shall be an owner of any unsold condominium.

8. Declarant. Shall mean Edward R. Butler & Joseph L. Walling, successors and assigns, if such successors and/or assigns should acquire from Declarant more than one condominium for the purpose of sale.

9. Mortgage. Shall mean the conveyance of any unit or other portion of the properties to secure the performance of an obligation, which conveyance shall be void upon due performance of said obligation.

10. Mortgagee. Shall mean a person or entity to whom a mortgage is made; "Mortgagor," shall mean a person or entity who mortgages his or its property to another, i.e., the maker of a mortgage.

11. Deed of Trust. Shall mean "Mortgage," and the same may be

used interchangeably with the same meaning; likewise "Trustor" shall mean "Mortgagor" and "Beneficiary" shall mean "Mortgagee."

12. Organizational Meeting. Shall mean the first meeting of owners which shall occur within forty-five (45) days after the close of sale of fifty-one (51%) percent of the units authorized for sale under the first Public Report, but no later than six(6) months after the close of sale of the first unit in the project, at which meeting a new Board of Directors shall be elected by secret written ballot of members.

13. Declaration. Shall mean the Declaration of Establishment of Covenants, Conditions and Restriction for Villa Washington Street Condominiums recorded in the Office of the County Recorder of Los Angeles County.

14. Condominium Plan. Shall mean the Plan prepared, executed and recorded in connection with the project, in the Office of the County Recorder of Los Angeles County.

ARTICLE III

MEMBERSHIP

1. Qualification and Initiation. Every person or entity who is a record owner of a unit which is subject by covenants of record to assessment by the Association, shall be a member of the Association. If a given unit is owned by more than one owner, all of such owners shall be members of the Association. However, for the purposes of representation of such unit, such unit shall be represented by only one (1) vote. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to assessment by the Association. Ownership of such unit shall be the sole qualification for membership. Declarant, its successors and assigns, shall be deemed

the record owner of all units retained or unsold by Declarant.

2. Transfer. The membership of any owner of a unit shall not be transferred, pledged or alienated in any way except upon the sale of such unit and then only to the purchaser of such unit. The Association membership of each owner is appurtenant to the unit giving rise to such membership and shall be inseparable from ownership of said unit. Any attempt to make a prohibited transfer is void and shall not be reflected on the Association books. In the event an owner of any unit should fail or refuse to transfer the membership registered in his name to the purchaser of such unit, the Association shall have the right to record the transfer on the Association books and shall issue a new certificate to the purchaser and thereupon, the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered. Any transfer of title to a unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

3. Suspension of Membership. In any period during which a member shall be in default in the payment of any annual or special assessments levied by the Association, the voting rights and right to use the recreational facilities of such member may be suspended by the Board until such assessments have been paid. Such suspended member will be afforded, if he so requests, a hearing fifteen (15) days after he is in default in said delinquent payment. Such right of a member may also be suspended after notice and hearing for a period not to exceed thirty (30) days for any single infraction of any rules and regulations established by the Board governing the use of the Common Area and facilities. Notice of said hearing shall be mailed to the accused owner, postage prepaid, not less than fifteen (15) days prior to such hearing and a copy thereof shall be posted in a conspicuous place at or on the member's unit.

4. Owner Voting Rights. The Association shall have one (1) class of membership.

Each owner of a condominium, including Declarant, shall be a member of the Association and be entitled to one (1) vote for each condominium owned. If a given condominium is owned by more than one owner, all such owners shall be members of the Association; provided, however, that for the purpose of the representation of such condominium with regard to the affairs of the Association and the voting of the members of the Association, such condominium shall be represented by and entitled to only one (1) vote which shall be exercised and cast in accordance with the provisions of this Declaration. Ownership of a condominium within the project shall be the sole qualification in the Association.

5. Joint Owner Disputes. The vote for each unit may be cast only as a unit and fractional votes shall not be permitted. In the event joint owners are unable to agree as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any owner casts a vote representing a certain unit it shall thereafter be conclusively presumed for all purposes that he was acting with the consent and authority of all other owners of the same unit. In the event more than one vote is cast for a particular unit, none of said votes shall be counted and all of said votes shall be deemed void.

6. Members' Rights and Duties. Each member shall have the rights, duties and obligations set forth herein and in the Declaration, as the same may be amended from time to time.

ARTICLE IV

MEETINGS OF THE OWNERS

1. Place of Meetings. Owners' meetings shall be held at the project site, or as close thereto as practicable, as may be directed

by vote and resolution of the Board of Directors.

2. Annual Meetings. Regular meetings of Association members shall be held not less frequently than once each calendar year. The first meeting of the Association shall be held within forty-five (45) days after the close of sale of the first unit in the project which represents the fifty-first (51st) percentile interest authorized for sale under the first Public Report, but in no event shall the meeting be held later than six (6) months after the close of sale of the first unit in the project, and each subsequent regular meeting shall be held on the same day of the same month of each year thereafter, at a time to be determined by the Board. If the day for the annual meeting shall be a legal holiday, then the meeting shall be held at the same hour on the first day following which is not a legal holiday. At such meeting, there shall be elected, by secret written ballot, a Board whose duties shall be as hereinafter set forth. The owners may also transact such other business as may properly come before the annual meeting.

3. Special Meetings. A special meeting of members shall be promptly called by the Board upon: (a) the vote for such a meeting by a majority of a quorum of the Board; (b) receipt of written request therefor signed by members representing not less than twenty-five (25%) percent of the total voting power of the Association, or by members representing not less than fifteen (15%) percent of the voting power residing in members other than Declarant.

4. Notice of Meetings. Written notice of each members' meeting shall be given by or at the direction of the Secretary or by the person authorized to call the meeting, by mailing a copy thereof, postage prepaid, at least ten (10) days prior to such meeting, to each member entitled to vote at said meeting, addressed to the members' addresses last appearing on the Association books or supplied by such members

to the reasonable date, time and place of meeting and in the case of a special meeting, the purpose thereof, except as otherwise provided in the Declaration. In the case of the organizational (first annual) meeting, written notice of said meeting may be given by Declarant or by Declarant's representative.

5. Waiver of Notice. The presence of all members in person or by proxy, at any meeting shall render same a valid meeting unless any member shall, at the opening of such meeting, object to the holding of same for non-compliance with provisions of Section 4. hereinabove. Any meeting so held without objection shall, notwithstanding the fact that no notice of meeting was given or that the notice given was improper, be valid for all purposes, and at such meeting general business may be transacted and any action may be taken; provided that where a member has pledged his vote by mortgage, deed of trust or agreement of sale, only the presence of the pledge shall be counted in determining whether notice is waived with regard to business dealing with such matters upon which the member's vote is so pledged.

6. Consent to Members' Meetings. Transactions of any meeting of members, however called and notified shall be valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy and if either before or after the meeting, each member entitled to vote not present in person or by proxy, signs a written waiver of notice or a consent to holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association records or made a part of the meeting minutes.

7. Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by agent(s) duly authorized by written proxy executed by such person or his duly authorized agent(s), and filed with the Secretary of the Association prior

to the commencement of the meeting at which the proxy is to be exercised. Every proxy shall be revocable by the person granting it, announcing its revocation to the Secretary of the meeting at which it would otherwise be exercised, prior to the exercise thereof and shall automatically cease upon the sale or conveyance by the person granting the proxy of his interest in his lot.

8. Order of Business. The order of business at all meetings of the owners shall be as follows:

1. Roll Call
2. Proof of Notice of Meeting or Waiver of Notice
3. Reading of Minutes of Preceding Meeting
4. Reports of Officers
5. Election of Board (Organizational and Annual Meetings Only)
6. Unfinished Business
7. New Business

9. Parliamentary Procedure. All questions of Parliamentary Procedure shall be decided in accordance with Roberts' Rules of Order.

10. Adjournment. Any Association meeting may be adjourned from time to time to such time and place as may be determined by majority vote of members present, whether a quorum is present or not, without notice other than announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

11. Organization. The President, or in his absence, the Vice-President, shall call the meeting of members to order and shall act as chairperson of the meeting. In the absence of the President and Vice-President, members shall appoint a chairperson for such meeting. The Secretary of the Association shall act as Secretary at all meetings of members but in the absence of the Secretary at any members' meeting, the presiding officer may appoint any person to act as Secretary thereof.

12. Inspectors of Election. Prior to any members' meeting, the

Board may, if it so desires, appoint inspectors of election to act at such meetings or any adjournment thereof. If inspectors are not so appointed, the chairperson of any meeting any and upon request of any member or his proxy shall, make such appointment at the meeting. The number of inspectors shall be either one, three or five.

13. Quorum. A quorum for the transaction of business at an Association meeting through the presence in person or by proxy of such members, shall be established at fifty-one (51%) percent of the total voting power of the Association. In the absence of a quorum at Association meetings, a majority of those present in person or by proxy, may adjourn the 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) or more than thirty (30) days from the original date and the quorum for such later meeting shall be twenty-five (25%) percent of the total voting power of the Association.

ARTICLE V

OFFICERS

1. Designation. The officers of this Association shall be a President and a Vice-President who shall at all times be members of the Board, a Secretary and a Treasurer and such other officers as the Board may from time to time by resolution create.

2. Election and Tenure of Officers. Officers shall be elected by and from the Board within seven (7) days after the first meeting of owners (organizational meeting) at which meeting said Board members were elected by secret written ballot and both Board members and officers shall hold office for one (1) year unless sooner removed.

3. Removal of Officers. On affirmative vote of fifty-one (51%) percent of the Board present and entitled to vote in any duly constituted meeting, any officer may be removed either with or without cause and his successor elected at any regular or special meeting of the

Board called for that purpose. Any such person removed from his post as an officer may remain on the Board subject to the will of the owners pursuant to Article VI.

4. Vacancies. In the event of vacancy in any office because of death, incapacity, resignation, removal or any other cause, such vacancy shall be filled as promptly as possible by vote of the Board in the manner prescribed herein for regular election to such office.

5. President. The President shall preside at all meetings and shall have all powers and duties which are usually vested in the office of President of a non-profit corporation, including but not limited to, the power to appoint committees from among the owners from time to time and he may, in his discretion, decide what is appropriate in connection with the management of the project. He shall be the principal executive officer of the Association and subject to control of the Board, shall supervise all business and affairs of the Association and officers thereof.

6. Vice-President. The Vice-President shall act in the place of the President in the event of his absence, inability or refusal to act and shall exercise and discharge such duties as may be required of him by the Board.

7. Secretary. The Secretary shall keep a record upon which shall be kept the minutes of all regular and special meetings of the owners and an informal summary of all actions taken at meetings of the Board. The Secretary shall also send out or deliver notices of all regular and special meetings of owners and of the Board. Further, he shall have all powers and duties vested in the Secretary of a non-profit corporation or assigned to him from time to time by the President or by the Board.

8. Treasurer. The Treasurer shall maintain an accurate record of all receipts and reimbursements in connection with the operation of

the project. At such time as professional management agent is not managing the project, he shall collect maintenance fees periodically from each other, give proper receipt therefor and promptly deposit same in a joint bank account of the Association. Additionally, he shall cause an annual operating statement to be distributed to each unit owner no later than ninety (90) days after the end of the fiscal year and shall perform such other duties as from time to time are assigned to him by the President or by the Board.

9. Subordinate Officers. The Board may appoint subordinate officers, each of whom shall hold office at the discretion of the Board.

10. Signing of Checks. All checks for payment of obligations and expenses of the owners as a whole, shall be signed by no fewer than two (2) officers. Until such time as a management agent may be employed, the Treasurer shall draw and sign all checks and the President shall countersign same, when he is available. In the absence of the President or Treasurer, the Secretary may sign and/or countersign checks. Further, during such a time as a management agent may be employed, the Treasurer shall act as liason officer between the Board and professional management agent, if any.

11. Non-Liability of Officers and Directors. No Officer or Director of the Association shall be liable for acts or defaults of any other officer or member, or for any loss sustained by the Association, or any member thereof, unless the same has resulted from his own willful and wanton misconduct or negligence. Every officer, director and member of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities, including attorney's fees and court costs, actually or necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which he may be involved as a part or otherwise by reason of his having been

an officer, director or member of the Association, whether or not he continues to be such at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by opinion of legal counsel, selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights and shall inure to the benefit of the legal representatives of such person.

12. Fidelity Bonds. All officers and employees of the Association handling or responsible for any funds received or collected by the Association, shall furnish adequate fidelity bonds. The premiums on said bonds shall be paid by the Association as a common expense.

ARTICLE VI

BOARD OF DIRECTORS

1. Powers, Duties and Term of Board. The Board shall consist of three (3) members, all of whom shall be owners. Representatives of Declarant, such as employees and agents may be members of the Board. The powers, duties and term of the Board shall be as follows:

(a) Powers.

1. Adoption of Rules. To adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of members and their guests thereon.

2. Exercise of Powers. To exercise for the Association all powers, duties and authority vested in or delegated to this Association, not reserved to the membership by other provisions of these By-Laws or the Declaration.

3. Declare Office of Director Vacant. 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 regular meetings of the Board.

4. Collect Assessments. To establish, levy, assess and collect assessments or charges.

5. Enforce Restrictions. To enforce the applicable provisions of the Declaration, these By-Laws and other instruments for the management and control of the project, including reasonable rules and regulations that may be promulgated by the Board.

6. Pay Taxes on Common Area. To pay taxes and assessments which are or could become a lien on the Common Area or any portion thereof.

7. Delegate Powers. To delagate its powers to committees, officers, employees or a professional property manager.

8. Contract for Materials and Services. To contract for materials and/or services for the Common Area or the Association, with the term of any service contract limited to a duration of one (1) year except with approval of a majority of members of the Association, other than Declarant.

9. Contract for Insurance. To contract for fire, casualty, liability and other insurance on behalf of the Association.

10. Contracts - Execution - Limitations. The Board, except as in these By-Laws may be otherwise provided, may authorize any officer(s) or agent(s) to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

11. Right of Entry. To enter in or upon any privately owned unit where necessary in connection with construction, maintenance or repair for the benefit of the Common Area for the owners in common after reasonable notice to the owner prior to entry.

(b) Duties. It shall be the duty of the Board:

1. Records. To cause to be kept a complete record of all its acts and affairs and to present a statement thereof to members at the annual meeting of members or at any special meeting when such statement is required in writing by 1/5th of the membership entitled to vote.

2. Supervise. To supervise all officers, agents, and employees of the Association and to see that their duties are properly performed.

3. As more fully provided for herein and in the Declaration.

1. Fixing Assessments. To fix the amount of regular assessments against each unit at least sixty (60) days in advance of each regular assessments period as hereinafter provided.

2. Notice of Assessment. To send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.

3. Certificate of Assessment. To issue or cause to be issued, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made for issuance of such certificate by the Board. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

4. Common Area Insurance. To procure and maintain adequate liability insurance and to procure adequate hazard insurance on property under the control of the Association.

5. Bonds. To cause all officers or employees having fiscal responsibility to be bonded as it may deem appropriate.

6. Maintenance of the Common Area. To cause the Common Area to be maintained in a first class condition.

7. Maintenance of Exteriors. To cause the exterior to all units to be maintained in a first class condition and to the extent provided for in the Declaration.

8. Employment of Managing Agent. To employ an independent contractor or such other employees as it deems necessary and to prescribe their duties. A managing agent may be selected prior to the first annual meeting after the organizational meeting.

9. Insurance. The Board, on behalf of the Association, at its common expense, shall at all times keep the building of the project insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in California, in an amount as near as practicable to the full replacement value thereof without deduction for depreciation, in the name of the Board as trustee for all owners and mortgagees, according to the loss or damage to their respective units and appurtenant common interest and payable in case of loss to such bank or trust company authorized to do business in California, as the Board shall designate for the custody and disposition as herein provided of all proceeds of such insurance and, from time to time, upon receipt thereof, cause to be deposited promptly with the owners and mortgagees of units or interests therein, trust copies of such insurance policy or policies, or current certificates thereof, without prejudice to the right of each owner to insure his own unit for his own benefit. In every case of such loss or damage, all insurance proceeds shall be used as soon as reasonably possible by the Association, for rebuilding, repairing or otherwise reinstating the same building(s) in good and substantial manner according to the original plans and elevation thereof, or such modified plans conforming to the laws and ordinances in effect as shall be first approved by the Association at its common expense. Every such policy or insurance shall:

(a) Provide that the liability of the insurer thereunder shall not be affected by and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration or contribution by reason of any other insurance obtained by or by any unit owner.

(b) Contain no provisions relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board or because of any breach or warranty or condition or any other act or neglect by the Board or any owner or any other person under either of them.

(c) Provide that such policy may not be cancelled (whether or not requested by the Board), except by the insurer giving at least thirty (30) days prior written notice thereof to the Board, owners and every other person in interest who shall have requested such notice of the insurer.

(d) Contain a waiver by the insurer of any right of subrogation to any right of the Board, or owners against any of them or any other person under them.

(e) Contain a standard mortgage clause which shall:

(1) provide that any preference to a mortgage in such policy shall mean and include all holders of mortgagees of any unit in the project in their respective order and preference, whether or not named therein;

(2) provide that such insurance as to the interest of any mortgagee, shall not be validated by any act or neglect of the Board or owners, or any person under any of them:

(3) waive any provision invalidating such mortgagee clause by reason of failure of any mortgagee to notify the insurer of any hazardous use or vacancy and requirement that the mortgagee pay any premium thereon and any contribution clause;

(4) provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to said bank or trust company designated by the Board. The Board, on behalf of the Association, at its common expense, shall also effect and maintain at all times, comprehensive general liability insurance covering all owners with respect to the project in a reasonable insurance company with minimum limits of not less than

\$500,000.00 for injury to one person and \$1,000,000.00 for injury to more than one person in any one accident or occurrence and \$500,000.00 property damage and, from time to time, upon receipt thereof, deposit promptly with the owners, current certificates of such insurance without prejudice to the right of any owner to maintain additional liability insurance for his respective unit.

2. Election of Board of Directors. A new Board shall be elected by the owners at the organizational meeting and at each annual meeting thereafter. Every owner entitled to vote at any election of the Board may cumulate his or her vote for one or more candidates for the Board if the candidate's name has been placed in nomination prior to voting and if the member has given notice at the meeting prior to the voting of his or her intention to cumulate votes. To assure resident owners representation on the Board, at least one (1) member of the Board shall be elected solely by votes of the owners, other than Declarant, at all elections where the owners (other than Declarant) do not have a sufficient percentage or voting power to elect at least one (1) member of the Board through cumulative voting of all their votes.

3. Removal of Board of Directors. The entire Board may be removed from office by affirmative vote of the Association members. However, unless the entire Board is removed, no individual director shall be removed prior to the expiration of his term, if the votes cast against removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the most recent election of the directors were then being elected. If any or all of the directors are so removed, new directors may be elected at the same meeting, provided that a Board member who has been elected to office solely by the votes of members of the Association, other than the Declarant, may be removed from office prior to the expiration of his term only by the vote of at least a simple majority of the voting power residing in members other than Declarant.

4. Meetings. The Board shall meet not less than every three

(3) months but shall also meet at the call of the President or if he is absent or unable or refuses to act, by any two (2) directors. The Secretary shall keep summerized written minutes of such meetings of the Board. Regular meetings of the Board shall be held at a time and place within the project fixed by the Board. Notice of the time and place of such meetings shall be posted in a prominent place within the Common Area. A special meeting of the Board may be called by written notice signed by the President of the Association or by any two (2) members of the Board other than the President. The notice shall specify the time, date and place of meeting and nature of the special business to be considered. The notice shall be sent to all Board members and posted in a manner similar to that for regular meetings not less than seventy-two (72) hours prior to the scheduled time of the special meeting. Regular and special meetings of the Board shall be open to all the members of the Association, provided 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 may, with approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnal matters, litigation in which the Association is or may become involved, and orders order 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.

5. Voting. A majority of the members of the Board shall constitute a quorum for the transaction of business, but no question shall be secided upon the vote of fewer than two (2) of the members.

6. Vacancies. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and he shall serve for the unexpired term of his predecessor.

ARTICLE VII

ASSOCIATION RECORDS AND REPORTS - INSPECTION

The membership register, books of account and minutes of meetings of members of the Board and of committees of the Board or of the Association, shall be made available for inspection and copying by any member of the Association or by 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. The Board shall establish reasonable rules with respect to:

- (a) notice to be given the custodian of the records by the member to make the inspection;
- (b) hour(s) and day(s) of the week when such inspection may be made; and
- (c) payment of costs of reproducing copies of documents requested by a member.

Every director shall have the absolute right, at any reasonable time, to inspect all books, records and documents of the Association and physical properties owned or controlled by the Association. The right of inspection by a director shall include the right to make extracts and copies of documents.

ARTICLE VIII

COMMITTEES

The Board may appoint committees as deemed appropriate in carrying out its purposes, including but not limited to:

- (a) A Recreation Committee which shall advise the

Board on all matters pertaining to the recreational programs and activities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

(b) A Maintenance Committee which shall advise the Board on all matters pertaining to maintenance and repair of improvements of the properties, and shall perform such other functions as the Board, in its discretion, determines.

(c) A Publicity Committee which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board, make such public releases and announcements as are in the best interests of the Association.

(d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditure to be presented to the membership at its regular annual meeting. The Treasurer shall be an exofficio member of this Committee.

(e) An Architectural Control Committee which shall consist of not less than three (3) nor more than five (5) members. Declarant may appoint all of the original members of this Committee and all replacements, until the first anniversary of the issuance of a Public Report for the project. Declarant may reserve to itself, the power to appoint a majority of members of this Committee until ninety (90%) percent of all the subdivision interests in the overall project have been sold, or until the fifth (5th) anniversary of the issuance of the Final Public Report for the project, whichever occurs first. One year after the date of the Final Report for the project, the Board shall have the power to appoint one member of this committee until ninety (90%) percent of all subdivision interests in the overall project have been sold or until the fifth anniversary date of the issuance of the Final Report for the project, whichever occurs

first. Thereafter, the Board shall have the power to appoint all members of this committee. Members appointed to the committee by the Board shall be from the membership of the Association; members appointed to the committee by Declarant need not be members of the Association.

ARTICLE IX

ASSESSMENTS

1. Creation of Lien - Personal Obligation of Assessments.

Subject to the provisions of the Declaration, each member is deemed to covenant and agree to pay to the Association (a) regular monthly assessments or charges; (b) special assessments for capital improvements; and (c) emergency assessments. The regular, special and emergency assessments, together with such interest thereon and costs of collection thereof shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. However, any holder of a mortgage who comes into possession of the condominium pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, shall take the property free of any claim for unpaid assessments or charges against the mortgaged condominium which accrue prior to the time such person comes into possession of the condominium. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property when the assessment fell due.

2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of members of the Association and in particular, for improvement and maintenance, in a first class condition a good state of repair, the properties, services and facilities devoted to this purpose and related to the use and enjoyment

of the Common Area and facilities and, to the extent provided for herein, of the units situated upon the properties. Additionally, the purpose of assessments shall not only be for the benefit of each of the owners of the properties, but shall also run in favor of the City as well as for the benefit of the entire project and of each person having an interest therein.

3. Basis of Regular Assessments.

(a) Within sixty (60) days prior to the beginning of each calendar year, the Board shall estimate the charges required to be paid by the Association in performing its functions for the project during such calendar year, including a reasonable provision for contingencies and reserves and less any surplus from the prior year's funds. Said estimated cash requirement shall be assessed to all owners in the same proportionate share as their respective interests in the Common Area, in December of each year for the following year. If said estimated sum proves inadequate for any reason, including non-payment of any owner's assessments, the Board may at any time levy a further assessment which shall be assessed to the owners in the same manner. Each owner shall be obligated and by accepting his deed to a unit agrees, to pay assessments levied pursuant to this Article, to the Board in equal monthly installments commencing on the first day of January in the calendar year following assessment.

(b) As promptly as possible following its election, the Board shall determine the estimated cash requirement, as hereinabove defined, for the balance of the calendar year. Assessments shall be levied against the then owners in the manner provided herein. Any such assessments charged or levied and which become payable with respect to the unit prior to the initial sale thereof by Declarant, shall be the obligation of Declarant, as the owner thereof.

(c) All funds hereunder, together with special and emergen-

cy assessments or charges shall be controlled by Declarant prior to the organizational meeting of members and thereafter by the Board and shall constitute the maintenance fund as of the end of such year.

4. Special Assessments for Capital Improvements. In addition to the regular assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying, in whole or part, the cost of any construction, reconstruction, unexpected repair or replacement of a described capital improvement on the Common Area, including the necessary fixtures and personal property related thereto; provided however that, on any proposed special assessment in any fiscal year, the Board may not, without the vote or written assent of a majority of the voting power residing in members other than Declarant, levy special assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceeds five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

5. Emergency Assessments. In case the regular assessments described in Section 3. are insufficient for any reason, the Board shall have authority to levy an emergency assessment to make up the deficiency in the maintenance fund on the same basis as a special assessment for Common Area capital improvements.

6. Equal Rate of Assessment. Both regular and special assessments shall be fixed equally. As and when the Association's budget shall increase or decrease, such assessments shall be adjusted so that the owners of each unit bear the same relative proportion of the total budget as that initially borne. An owner shall also bear the same relative proportion of any special assessment.

7. Date of Commencement of Regular Assessments. Regular assessment provided for herein shall commence as to all units covered by the Declaration, including those units owned by Declarant, on the

first day of the month following the close of the first sales escrow.

8. Certificate of Payment. The Association shall, on demand, furnish to any owner liable for assessments, a certificate in writing signed by an officer of the Association, setting forth whether the regular, special or emergency assessments on a specified unit have been paid and the amount of delinquency, if any. A reasonable charge may be made by the Board for issuance of the certificates. Such certificate shall be conclusive of any assessments therein stated to have been paid.

9. Effective of Non-Payment of Assessments - Remedies. Any assessment provided for herein or in the Declaration, which is not paid on the due date as established by the Board, shall be delinquent. With respect to each assessment not paid within fifteen (15) days after its due date, the Board may, at its election, require the delinquent owner to pay a late charge of not less than ten (\$10.00) dollars or ten (10%) percent of the amount of the delinquent assessment, whichever is greater, together with interest at the maximum rate permitted by law on the delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association. If any assessment is not paid within thirty (30) days after the delinquency date, the Association may, at its option, bring an action at law against the owner personally obligated to pay the same, or upon compliance with the notice provisions of the Declaration, foreclose the lien against the unit and there shall be added to the assessment amount, costs of preparing and filing the complaint in the action, and in the event a judgement is obtained, the judgement shall include interest and a reasonable attorney's fee, together with the costs of the action. Each owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosures against the owner or other owners for collection of delinquent

assessments. No owner may waive or otherwise escape liability for assessments provided for herein by non-use of the Common Area or by abandonment of his condominium.

ARTICLE X

MAINTENANCE AND REPAIR - OBLIGATIONS OF OWNERS

(a) Every owner must perform promptly all maintenance and repair work within his own condominium which if omitted would affect the project as a whole or in a part belonging to other owners, and is expressly responsible for damages and liabilities that his failure to do may engender.

(b) All repairs of internal installation of the unit, such as water, power, sewage, telephone, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area, shall be maintained at the owner's expense.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing the Common Area facility damaged through such owner's fault.

ARTICLE XI

FISCAL YEAR

The fiscal year for the operation of the project shall be the calander year, unless and until changed by action of the Board at a duly constituted meeting.

ARTICLE XII

LEASING

Liability of any owner under these By-Laws, the Declaration and under the covenants of his deed, shall continue notwithstanding the fact that he may have leased his unit for any period of time to another person(s). It shall be an express condition of the leasing of any unit that grantees or lessees thereof read and agree to abide by all of the provisions of the Declaration.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

1. Successors. Each successive owner of each unit shall be furnished with a copy of these By-Laws.
2. Amendment or repeal of By-Laws. These By-Laws and any provisions hereof may be amended or repealed by the vote or written consent of at least a bare majority of a quorum; and at least a bare majority of the votes of members other than the Declarant. Notwithstanding the above, the percentage of a quorum or of the voting power of the association or of members other than the declarant necessary to amend a specific clause or provision in these By-Laws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.
3. Property Rights - Rights of Enjoyment. Each member shall be entitled to the use and enjoyment of the Common Area and facilities, as provided in the Declaration. Any member may delegate his rights of enjoyment in the Common Area and facilities to members of his family, his tenants or contract purchasers who reside on the property. Such member shall notify the Secretary of the Association in writing of any such delegee. The rights and privileges of such delegee(s) are subject to suspension to the same extent as those of the member.
4. Right of Entry. Any person authorized by the Board shall have the right to enter each unit in case of any emergency originating in or threatening such unit, whether or not the owner or occupant is present at the time. Every unit owner and occupant when so required, shall permit other unit owners or their representatives to enter his unit at reasonable times for purposes of performing authorized installations, alterations or repairs to the common elements therein, provided that requests for such entry are made in advance.
5. Conflicts. If there are any conflicts or inconsistencies between the provisions of the Declaration and these By-Laws, the terms and provisions of the Declaration shall control.

6. Applicability. The provisions of these By-Laws are applicable to the project, its operation, occupancy, ownership, maintenance and use and to all present and future owners, members of their families, guests, tenants, agents, employees or licensees and to any other person or persons who may use the project or its facilities in any manner. The acceptance of a deed to any condominium and/or the entering into occupancy or use of any condominium in the project, shall constitute an acceptance and ratification of these By-Laws and the Declaration, as either or both may from time to time be supplemented and/or amended.

CERTIFICATION

I, the undersigned, hereby certify:

That I am the duly elected and acting Secretary of
Villa Washington Street Homeowners Association, and

That the forgoing Bylaws constitute the original By-Laws
of said Association, as duly adopted at a meeting of the Board
thereof, held on the 14 day of March , 1980.

IN WITNESS WHEREOF, I have hereunto subscribed my name
as the Secretary of said Association this 14 day of March , 1980.

SECRETARY