

BY-LAWS OF  
OCEAN PALMS  
HOMEOWNERS ASSOCIATION  
A Non-Profit Mutual Benefit Corporation

ARTICLE I

Name

The name of the Association is OCEAN PALSM HOMOWNERS ASSOCIATION, a non-profit mutual benefit corporation, hereinafter referred to as the “Association.

ARTICLE II

Non-Profit Mutual Benefit Corporation

This Association is organized pursuant to the provisions of Section 7110 through 8910 of the Corporations Code of the State of California as amended.

ARTICLE III

Project Location

OCEAN PALMS Condominium project is located at 645 Ohio Avenue in the City of Long Beach, California.

ARTICLE IV

Applicability of By-Laws

All present or future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws of OCEAN PALMS HOMEOWNERS ASSOCIATION.

The mere acquisition or rental of any of the family units (hereinafter referred to as “units”) of the project or the mere act of occupancy of any of said units will signify that these By-Laws of OCEAN PALS HOMEOWNERS ASSOCIATION are accepted, ratified and will be complied with.

ARTICLE V

Purpose and Powers

The purposes for which this Association is formed are:

(1) The specific and primary purpose is to further and promote the interests and welfare of the owners of condominiums situation in that certain subdivision located in the City of Long Beach, County of Los Angeles, State of California, known as OCEAN PALMS HOMEOWNERS ASSOCIATION, to operate, maintain and improve the common areas in the subdivision. Said subdivision is more particularly described as all of those portions of Tract 44053 as per map recorded of said county, shown and defined as

Units 201 – 207, 301 – 307, 401 – 407, inclusive, and the “Common Area” on the condominium Plan, recorded as Instrument No.

(2) The general purposes and powers are:

(a) To provide all types of services, facilities and improvements deemed useful, beneficial and helpful to said owners; to enforce restrictions, conditions, liens, charges and covenants pertaining to said condominiums; to purchase, lease, construct and contract for, develop or otherwise acquire such property, real or personal, tangible or intangible, as may be necessary to or convenient to carry out said primary objects and purposes, to care for or raise money or contract indebtedness by giving any form of obligation and security therefore; to appoint such committees as may be necessary to or convenient in carrying out said primary objects and purposes; to make and collect charges and assessments by which to further said primary objects and purposes; to sell, convey, assign, lease or license real or personal property, and to enter into, make or perform contracts of every kind with any person, firm, association, corporation, municipality, county, state, body, politic, or government conducive to the attainment of any of the objects or purposes of the corporation.

(b) To have an exercise all rights and powers, and to do any and all things that a corporation can do for the benefit of its members.

## ARTICLE VI

### Voting, Majority of Owners, Quorum, Proxies

SECTION 1. Voting. Voting shall be on the basis of ownership of a condominium. Each condominium shall be entitled to one vote. The votes shall be cast as the owners of the condominium decide among themselves and in the event they are unable to decide on how to cast their vote they shall lose their right to vote on the issue in question.

SECTION 2. Majority of Owners. As used in these By-Laws, the term “majority of owners” shall mean those owners holding 51 % of the votes inclusive of Declarant in accordance with ownership of the condominiums as set forth in the Declaration of Restrictions.

SECTION 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a “majority of owners” as defined in Section 2 of this Article shall constitute a quorum.

SECTION 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three years from the date of execution. Every proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided in this section. Such revocation may be effected by a writing delivered to the corporation stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting or as to any meeting by attendance at such meeting and voting in person by the person executing

the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed.

## ARTICLE VII

### Administration

SECTION 1. Association Responsibilities. The owners of the units will constitute the Association of Owners who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and contracting for the management of the project pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of owners.

SECTION 2. Place of Meetings. Annual and special meetings of the Association shall be held at the principal office of the project or as close thereto as practicable in the County of Los Angeles.

SECTION 3. Annual Meetings. The first annual meeting of the Association, whether a regular or special meeting, shall be held within 45 days after the closing of the sale of the subdivision interest which represents the 51<sup>st</sup> percentile interest authorized for sale under the first public report for the project, but in no event shall the meeting be held later than six (6) months after the closing of the sale of the first subdivision interest. Thereafter, the annual meetings of the Association shall be held not less frequently than once each calendar year at a time to be determined by them at the organization meeting. At such meetings there shall be elected by secret written ballot of the owners all of the members of the Board of Directors in accordance with the requirements of Section 5 of Article VIII of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

SECTION 4. Special Meetings. Special meetings of the owners may be called at any time for the purpose of considering matters which require the approval of all or some of the owners, or for any reasonable purpose. Said meetings shall be promptly called by the board of Directors upon (a) the vote for such a meeting by a majority of a quorum of the board of (b) receipt of a written request for a special meeting signed by members representing at least 5% of the total voting power of the Association.

SECTION 5. Notice of Meetings. Written notice of regular and special meetings shall be given to members by the Board of any means which is appropriate given the physical set up of the subdivision. This notice shall be given not less than 10 nor more than 90 days before the date of any meeting at which members are required or permitted to take any action. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

SECTION 6. In the absence of a quorum at a members' meeting 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 by those in attendance shall be to a date not less than five days and not more than 30 days from the original meeting date. The quorum for an adjourned meeting shall be 25 percent of the total voting power of the Association. If a time and place for the adjourned meeting is not

fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

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

SECTION 7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Election or inspectors of election.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.

## ARTICLE VIII

### Board of Directors

SECTION 1. Number of Qualifications. The affairs of the Association shall be governed by the board of Directors composed of three (3) persons, all of whom must be owners of units in the project.

SECTION 2. Powers and duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or these By-Laws directed to be exercised and done by the owners.

SECTION 3. Other Duties. In addition to duties imposed by these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (1) Enforcement of applicable provisions of the Declaration, By-Laws, and other instruments for the ownership, management, and control of the subdivision.
- (2) Payment of taxes and assessments which are, or could become, a lien on the common area or a portion hereof.
- (3) Contracting for casualty, liability and other insurance on behalf of the Association.
- (4) Contracting for goods and services for the common areas, facilities, and interest or for the Association.
- (5) Delegation of its powers to committees, officers, or employees of the Association as expressly authorized by the governing instruments.

- (6) Preparation of budgets and financial statements for the Association as prescribed in the governing instruments.
- (7) Formulation of rules of operation of the common areas and facilities owned or controlled by the Association.
- (8) Initiation and execution of disciplinary proceedings against members of the Association for violations of provisions of the governing instruments in accordance with procedures set forth in the governing instruments.
- (9) Entering upon any privately-owned subdivision interest as necessary in connection with construction, maintenance, or emergency repair for the benefit of the common area or the areas in common.
- (10) Election of officers of the governing body.
- (11) Filling of vacancies on the Board except for a vacancy created by the removal of a member of the Board.
- (12) Make available to any prospective purchaser of a condominium, any owner of a condominium, any first mortgagee, and the holders, insurers, and guarantors of a first mortgage on any condominium, current copies of the Declaration, the Articles of Incorporation,, the rules governing the condominium, and all other books, records, and financial statements of the Association.
- (13) To permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development and operation of a project.

SECTION 4. Management Agent. The board of Directors may contract for the Association a management agent to furnish materials and/or services for the Common Area or the Homeowners Association at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Provided, however, that the term of any service contract shall be limited to a duration of one (1) year.

SECTION 5. Election and Term of Office. At the first annual meeting of the Association, the term of office of all the Directors shall be fixed for a period of one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of one (1) year. The directors shall hold office and serve concurrent terms until their successors have been elected and hold their first meeting.

The methods of election to the Board of Directors shall be as herein provided. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Voting at any election for directors shall have the right to cumulate his votes and given one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his memberships are entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

No member shall be entitled to cumulate votes for a candidate or candidates unless such candidate's name or candidates' names have been placed in nomination prior to the voting and the member has given notice at the meeting prior to the voting of the member's intention to cumulate votes. If any one member has given such notice, all members may cumulate their votes for candidates in nomination.

SECTION 6. Vacancies. Vacancies on the board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

SECTION 7. Removal of Directors. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a vote of the owners in the same manner as such votes may be cast for the election of directors as set forth in Article VIII, Section 6 hereof, and a successor may then and there be elected solely by the owners to fill the vacancy thus created. Provided, however, unless the entire Board is removed from office by the vote of the Association members, an individual director shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal is greater than may be cast under cumulative voting procedures by a divider equal to 1 plus the authorized number of directors. Provided, however, a director who has been elected to office solely by the votes of members of the Association other than the subdivider may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in members other than the Declarant. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

SECTION 8. Organization meeting. The first meeting of a newly elected board of Directors shall be held within seven (7) days of adjournment of the annual meeting of owners. Notice shall be communicated to all members of the board and posted in the same manner prescribed for notice of regular meetings not less than 4 days prior to the time scheduled for the meeting.

SECTION 9. Regular meetings. Regular meetings of the Board of Directors shall be held at a time and at a place within the subdivision as fixed by the board of Directors from time to time, but meetings shall be conducted not less frequently than every six (6) months. Notice of the time and place of a regular meeting shall be posted at a prominent place or places within the Common Area and shall be communicated to members of the board not less than four (4) days prior to the meeting unless the time and place of the meeting is fixed by the within By-Laws or a subsequent amendment thereto. Provided, however, that notice of a meeting need not be given to any member of the board who has signed a waiver of notice or a written consent to the holding of the meeting.

SECTION 10. Special meetings. A special meeting of the Board of Directors may be called upon a request signed by members representing at least five percent (5%) of the total voting power of the Association. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice shall be posted in a manner prescribed for notice of regular meetings and shall be sent to all members of the Board not less than 72 hours prior to the scheduled time of the meeting.

Provided, however, that notice of the meeting need not be given to any member of the Board who signed a waiver of notice or a written consent to the holding of the meeting.

SECTION 11. Attendance at Meetings. Regular and special meetings of the board shall be open to all members of the Association provided, however, that Association members who are not on the board of Directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the governing body.

SECTION 12. Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum of the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 13. Meeting in Executive Session. The Board of Directors may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

SECTION 14. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the association.

SECTION 15. Director's Right of Inspection. Every Director shall have the absolute right of 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.

SECTION 16. Governing Body Meetings. The governing body may take actions without a meeting if all of its members consent in writing to the action to be taken.

If the governing body resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the common area within three days after the written consents of all governing body members have been obtained.

## ARTICLE IX

### Officers

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

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.

SECTION 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he 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 whom shall hold office for such period, having 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 office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any 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 in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7. Multiple Officers. The offices of Secretary and Treasurer may be held by the same person. Nor 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. The duties of the officers are as follow:

President

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

Vice-President

- (b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

Secretary

- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; service notice of meetings of the Board and of the members; keep, or cause to be kept, appropriate current records and showing the members of the Association together with their addressees, and shall perform such other duties as required by the Board.

Treasurer

- (d) 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.



ARTICLE X

OBLIGATIONS OF THE OWNERS

SECTION 1. Assessments. All owners are obligated to pay monthly assessments imposed by the Association to meet all project communal expenses, which may include a liability insurance policy premium and an insurance premium from a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake, or other hazard. The assessments shall be made and enforced in the manner stipulated in the Declaration of Restrictions.

SECTION 2. Maintenance and Repair.

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

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

(c) An owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common area and facility damaged through his fault.

SECTION 3. Use of Family Units – Internal Changes.

(a) An owner shall not make structural modification or alterations in his unit or installations located therein without previously notifying the Architectural Control Committee in writing, through the Management Agent, if any, or through the President of the Board of Directors., if no management agent is employed. The committee shall have the obligation to answer within thirty (30) days and failure to do so shall be construed as a no objection to the proposed modification or alteration.

SECTION 4. Use of Common Areas and Facilities and Restricted Areas and Facilities.

(a) An owner shall not place or cause to be placed in the lobbies, vestibules, stairways, and other project areas and facilities of a similar nature both common and restricted, any furniture, packages, or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

SECTION 5. Rules of Conduct.

(a) No resident of the project shall post any advertisements or posters of any kind in or on the project except as authorized by the Association, and as permitted by the Declaration of Restrictions.

(b) Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television, and amplifiers that may disturb other residents. Keeping domestic animals will be subject to the conditions as set forth in the Declaration of Restrictions.

(c) It is prohibited to hang garments, rugs, etc., from the windows or from any of the facades of the project.

(d) It is prohibited to dust rugs, etc., from the windows, or to clean rugs, etc., by beating on the exterior part of the project.

(e) It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service areas.

(f) No owner, resident, or lessee shall install wiring for electrical or telephone installation, television antenna, machines, or air conditioning units, etc., on the exterior of the project or that protrude through the walls or the roof of the project except as authorized by the Association.

## ARTICLE XI

### Mortgagees

SECTION 1. Notice to Association. An owner, who mortgages his unit, shall notify the Association through the Management Agents, if any, or the President of the Board of Directors in the event there is no Management Agent, the name and address of his mortgagee and the Association shall maintain such information in a book entitled "Mortgagees of Units".

SECTION 2. Notice of Unpaid Assessments. The Association shall at the request of a mortgagee of a unit, report any unpaid assessments due from the owner of such unit.

## ARTICLE XII

### Compliance

These By-Laws are set forth to comply with the statutes set forth in Sections 21000 through 24007 of the Corporations Code of the State of California. In case any of these By-Laws conflict with the provisions of said statutes, it is hereby agreed and accepted that the provisions of the By-Laws will apply.

## ARTICLE XIII

### AMENDMENT OF BY-LAWS

During the period of time prior to conversion of a Class B membership of the Association to Class A membership, new By-Laws may be adopted or these By-Laws may be amended or repealed by the vote of members entitled to exercise a majority or more of the voting power of each class of members of the Association or by the written assent of such members. After conversion of a Class B membership to Class A membership, these By-Laws may be amended or repealed by the vote of (i) members entitled to exercise a majority of the voting power of the Association, and (ii) at least a majority of the voting power of members of the Association other than Declarant.

So long as there is a Class B membership in the Association, any amendment to these By-Laws shall require the prior approval of the Veterans Administration. A draft of any amendment should be submitted to the Veterans Administration for its approval prior to its approval by the membership of the Association.

CERTIFICATE OF ADOPTION OF BY-LAWS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Secretary of OCEAN PALMS HOMEOWNERS ASSOCIATION, a California non-profit mutual benefit corporation, does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Directors of said Association on July 25<sup>th</sup>, 1986, and that they now constitute said By-Laws.

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Secretary

EXHIBIT "B"

ARTICLE XXI

USE OF REQUIRED OFF-STREET PARKING

Thirty-two (32) resident parking spaces and four (4) guest parking spaces shall be permanently maintained as parking facilities. Parking spaces must be used solely for the parking of personal vehicles. Resident parking spaces shall not be leased, sub-leased, sold or given to others not a resident(s) of a condominium unit within the development. One (1) parking space to be conveyed to each purchaser of an individual condominium unit. No resident of the development to be allowed more than three (3) parking spaces per individual condominium unit. Guest parking spaces shall not be converted to residents parking or other use.

ARTICLE XXII

MAINTENANCE OF COMMON AREA AND FACILITIES

In order to protect the public health, safety and welfare provision shall be made both for annual assessments for maintenance and special assessments for capital improvements. The amount of the regular annual assessment and the procedure for its change shall be specified. The manner in which special assessments may be levied for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the common area shall be specified. Both annual and special assessments may be collected on a monthly basis. The remedies which the association may bring for the non-payment of assessments shall be specified and may include penalties for late payment.

The Homeowners Association shall be responsible for the maintenance of the common areas and facilities and the abutting street streets.

ARTICLE XXIII

SEWER SYSTEM

The Homeowners Association shall be responsible for the operation and maintenance of the private sewer system connected to the public sewer and site drainage system.