

*First Amendment to Bylaws  
of  
High Country West Property Owners Association*

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**FIRST AMENDMENT TO BYLAWS  
OF  
HIGH COUNTRY WEST PROPERTY OWNERS ASSOCIATION**

THIS FIRST AMENDMENT TO BYLAWS is amended by the owners of the corporation as follows:

**ARTICLE I**  
Office

The office of this corporation shall be located in the County of San Diego, State of California.

**ARTICLE II**  
Definitions

Section 1. "Articles" shall mean and refer to the Articles of Incorporation of the Association as they may from time to time to be amended.

Section 2. "Association" shall mean and refer to HIGH COUNTRY WEST PROPERTY OWNERS ASSOCIATION, a California corporation not for profit, its successors and assigns.

Section 3. "Board" shall mean and refer to the Board of Directors of the Association.

Section 4. "Bylaws" shall mean and refer to the Bylaws of the Association as they may from time to time be amended.

Section 5. "Common Maintenance Area" shall mean and refer to those portions of Lots over which easements for common maintenance are conveyed to the Association and those portions of public streets the maintenance of which is the responsibility of the Association, pursuant to Agreements entered into by The City of San Diego and the Association, or which are assigned to the Association.

Section 6. Definitions. Delete section 6 ("Declarant" shall mean and refer to AVCO COMMUNITY DEVELOPERS, INC., a California corporation, its successors and assigns').

Section 7. "Declaration" shall mean and refer to the Declaration or Declarations of Restrictions recorded with the Office of the County Recorder of San Diego County, California, covering the Real Property or any part thereto, including such amendments thereto as may from time to time be recorded.

Section 8. "Lot" shall mean and refer to any plot of land shown as such upon any recorded Final Subdivision Map or Parcel Map covering the Real Property or any portion thereof, the owners of which are required by the Declaration to be members of the Association, with the exception that in the event a Condominium Plan has been recorded over any such Lot pursuant to California Civil Code Section 1351, then in such event "Lot" shall mean and refer to each Condominium described on the Condominium Plan.

Section 9. "Member" shall mean those persons entitled to membership in the Association as provided in the Declaration and these Bylaws.

Section 10. "Mortgage" shall mean and refer to a deed of trust as well as a mortgage encumbering any Lot.

Section 11. "Mortgagee" shall mean and refer to the beneficiary of a deed of trust' its successors and assigns as well as a mortgagee of a mortgage encumbering a Lot.

Section 12. "Owner" shall mean and refer to the record owners, whether one (1) or more persons or entities of fee simple title to any Lot, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Real Property" shall mean and refer to that certain real property located in the City of San Diego, San Diego County, California, described as such in the Declaration recorded in the Office of the County Recorder of San Diego County, California, Owners of Lots in which are required to be Members of the Association, and such additions thereto as may thereafter be brought within the jurisdiction of the Association.

Section 14. "Recreation Area" shall mean and refer to all real property (including improvements thereon and interests therein) owned by the Association.

### **ARTICLE III** **Members**

This Association shall have one (1) class of voting membership. Members shall be all Owners, each of whom shall be entitled to one (1) vote for each Lot owned; provided, however, co-owners of a Lot shall not be entitled to divide their vote and not more than one (1) vote may be cast with respect to any Lot.

The transfer of title to any Lot shall automatically transfer the membership appurtenant to such Lot to the transferee.

**ARTICLE IV**  
Membership Assessments and Lien Rights

Section 1. REGULAR ASSESSMENTS. The Board shall fix and determine from time to time regular assessments to be paid by each Owner for the purpose of operating, maintaining and repairing the Recreation Area and Common Maintenance Area, paying the necessary expenditures of the Association as provided in these Bylaws and the Declaration and establishing an operating reserve fund and reserve for replacement; provided, however, that the Board may not impose a regular assessment that is more than twenty percent (20%) greater than the regular assessment for the Association's preceding fiscal year without the approval of owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the Corporations Code. For the purposes of this section, quorum means more than fifty percent (**50%**) of the owners of an association. Such assessments shall be assessed against and paid by each Owner monthly, or upon such other periodic basis as the Board may determine. Regular assessments shall be levied upon each Owner as set forth in the Declaration and shall be the same for each Lot and shall be in an amount sufficient to include an adequate reserve fund for maintenance, repair and replacement of those elements of the Recreation Area and Common Maintenance Area that must be replaced on a periodic basis.

Section 2. SPECIAL ASSESSMENTS. In addition to the regular assessments authorized above, the Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of any capital improvement to the Recreation Area or Common Maintenance Area or such other purpose as may be determined by the Board. The Board may not impose special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7.510) of Part 3 of Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code. For purposes of this section, quorum means more than fifty percent (50%) of the owners of an association. All such special assessments shall be levied upon each Owner as set forth in the Declaration and, except as otherwise provided herein, shall be the same for each Lot. The provisions of this section do not limit assessment increases necessary for emergency situations. For purposes of this section, an emergency situation is any one of the following:

- (1) An extraordinary expense required by an order of a court.
- (2) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the association is responsible where a threat to personal safety on the property is discovered.

- (3) An extraordinary expense necessary to repair or maintain the common interest development or any part of it which the association is responsible that could not have been reasonably foreseen by the board in preparing and distributing the proforma operating budget under Article IX, Section 6 of this Declaration. However, prior to the imposition or collection of an assessment under this subdivision, the board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with notice of assessment.

The Board may also levy special assessments against individual Owners to reimburse the Association for costs and expenses incurred in enforcing compliance by such Owner or his Lot with the provisions of the Declaration, the Articles and Bylaws and the rules and regulations adopted by the Board. The provisions of the preceding paragraph of this section 2 shall not apply to such special assessments.

Section 3. LIEN RIGHTS. As provided in the Declaration, the Association shall have a lien against the interest of each Owner to secure the full and prompt payment of all assessments levied by the Association in compliance with the Bylaws, and in the event of default by any Owner, the interest of the Owner may be foreclosed by the Association in the same manner as a realty mortgage or may be enforced by sale pursuant to Sections 2924, 2924(b) and 2924(c) of the California Civil Code, and to that end, a power of sale is hereby conferred upon the Association, and any redemption thereafter shall be subject to the lien hereby created as to other or future events of default.

Regular and special assessments levied upon each Owner as set forth in the Declaration are delinquent fifteen (15) days after they become due. If an assessment is delinquent the Association may recover all of the following:

- (1) Reasonable costs incurred in collecting the delinquent assessment; including reasonable attorneys fees.
- (2) A late charge not exceeding ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater, unless the Declaration specifies a late charge in a smaller amount, in which case any late charge imposed shall not exceed the amount specified in the Declaration.
- (3) Interest on all sums imposed in accordance with this section, including the delinquent assessment, reasonable costs of collection, and late charges, at an annual percentage not to exceed twelve percent (12%) interest commencing thirty (30) days after the assessment becomes due.

## ARTICLE V

### Membership Rights and Privileges

No Member shall have the right without the prior approval of the Board to exercise any of the powers or to perform any of the acts by the Bylaws delegated to the Board as in Article VII of the Bylaws more fully provided. Unless otherwise provided in the Declaration and subject to the rules and regulations adopted by the Board each Member of the Association, his immediate family, guests and tenants shall have the right to use and enjoy the Recreation Area; provided, however, that no Owner or his family or guests may use such Area during the period of time such use has been delegated to tenants or contract purchasers.

The membership rights and privileges, together with the voting rights of any Member of the Association, may be suspended by the Board for any period of time during which such Member is determined by the Board to be in breach of the Declaration or has not complied with his obligations imposed by these Bylaws or the rules and regulations adopted by the Board. The Board may adopt rules and regulations imposing reasonable monetary penalties for such breach or noncompliance; provided, however, that no such suspension or monetary penalty shall be effective until the Board gives to such Member the opportunity of a hearing before the Board, which hearing shall be held not sooner than ten (10) days following the delivery to such Member of written notice thereof, and no suspension imposed by reason of a violation of the rules and regulations adopted by the Board shall exceed a period of thirty (30) days.

## ARTICLE VI

### Meeting of Members

Section 1. PLACE OF MEETING. All meetings of Members shall be held at the Real Property or at such other location in San Diego County, California, in reasonable proximity to the Real Property, as may be designated in the notice of meeting.

Section 2. ANNUAL MEETING OF MEMBERS. Annual meetings of Members shall be held on the second Wednesday of July. Should annual meeting day fall upon a legal holiday, then such annual meeting of Members shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday.

Written notice of each such annual meeting shall be given to each Member and, upon written request therefore, to all first Mortgagees either personally or by sending a copy of the notice through the mail or by telegraph, charges prepaid, to his address appearing on the books of the Association or supplied by him to the Association for the purpose of notice. If no address is supplied, notice shall be deemed to have been given him if mailed to the address of the Lot owned by such Member or encumbered by the first Mortgagee, or published at least once in some newspaper of general circulation in the county of said principal office. All such notices shall be sent not less than ten (10) days (except in emergency situations in which case as much

advance notice shall be given as is reasonably possible) and not more than ninety (90) days before each annual meeting, and shall specify the place, day and hour of such meeting and, in the case of special meeting, the purpose of such meeting.

Section 3. SPECIAL MEETING. Special meetings of Members, for any purpose or purposes whatsoever, may be called at any time by the president or by a majority of a quorum of the Board, or by the written request of five percent (5%) or more of the Members. Except in special cases where other express provision is made by statute notice of such special meetings shall be given in the same manner as for annual meetings of Members. Notices of any special meetings shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

Section 4. ADJOURNED MEETINGS AND NOTICE THEREOF. Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power present in person or represented by proxy, but in the absence of a quorum no other business may be transacted at any such meeting.

When any membership meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting other than by an announcement at the meeting at which such adjournment is taken.

Section 5. MORTGAGEE REPRESENTATION. First Mortgagees shall have the right to attend all membership meetings through a representative designated in writing and delivered to the Board.

Section 6. VOTING. Voting of the Members may be given *viva voce* or by ballot provided that subject to the power of the Board to conduct such election by mail as provided herein, all elections for directors shall be by secret written ballot upon demand made by any Member at any election before the voting begins. At an election, the Members or their proxies may cast only one vote for each *vacancy*. The persons receiving the highest number of votes shall be elected. Cumulative voting shall not be authorized for the election of directors or any other purpose. Any director elected to office solely by the votes of Members may be removed from office prior to the expiration of his/her term only upon the vote of a simple majority of the voting power of Members. In the event the election of directors is held at any meeting of members, each Member shall have the right to nominate from the floor candidates for the office of director. In the event the election of directors is held by mail, the directors shall appoint a nominating committee composed of at least one (1) member of the Board and not less than two (2) Members who are not directors. Such committee shall nominate and place on the ballot at least as many candidates as there are directors to be elected, and write-in candidates shall be permitted.

Section 7. QUORUM. The presence in person or by proxy of thirty-three and one-third percent (33 1/3%) of the Members entitled to vote at any meeting shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough voting power to leave less than a quorum. In the event any Meeting of Members cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be twenty-five percent (25%) of the voting power of the membership of the Association.

Notwithstanding anything herein to the contrary, for purposes of obtaining membership approval of special assessments or increases in annual assessments as may be required by Article IV, sections 1 and 2 of the Bylaws, a "quorum" means more than fifty percent (50%) of the Members of the Association.

Section 8. CONSENT OF ABSENTEES. The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy and if either before or after the meeting, each of the Members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of this minutes of the meeting.

Section 9. PROXIES. Every person entitled to vote or execute consents shall have the right to do so either in person or by a written proxy executed by such person and filed with the secretary of the Association. All proxies shall be revocable and shall automatically terminate upon transfer of title of a Lot by the Owner.

## **ARTICLE VII** **Directors**

Section 1. POWERS AND DUTIES. Subject to the Declaration and to the limitations of the Articles, these Bylaws, and the California Corporations Code as to action to be authorized or approved by the Members, and subject to the duties of directors as prescribed by the Declaration and these Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board. Without prejudice to such general powers but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers and duties:



(a) To select and remove all the officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, the Articles, the Bylaws or the Declaration, and, subject to the provisions of Section 13 of this Article VII of the Bylaws, to fix their compensation.

(b) To conduct, manage and control the affairs and business of the Association, and to make such rules and regulations therefor not inconsistent with law, the Articles, the Bylaws or the Declaration as they deem best, including rules and regulations for the operation of the Recreation Area and facilities owned or controlled by the Association.

(c) To change the principal office for the transaction of the business of the Association from one location to another within the same country; to designate any place within the County of San Diego, State of California, for the holding of any membership meeting or meetings and to adopt, make and use a corporate seal, and to alter the form of such seal from time to time as in their judgment they may deem best, provided such seal, at all times, comply with the provisions of law.

(d) To borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debts and securities therefor; provided, however, that the Board shall not have the power to borrow money for the Association during any fiscal year in excess of the aggregate sum of, nor to sell during any fiscal year property of the Association having an aggregate fair market value greater than, five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the vote or written assent of a majority of the voting power of Members of the Association.

(e) To contract and pay for fire, casualty, liability, fidelity and other insurance adequately insuring the Association and Owners with respect to the Recreation Area and Common Maintenance Area and the affairs of the Association, which may include bonding of the members of any management body. Notwithstanding any provisions to the contrary herein, so long as the Federal National Mortgage Association ("FNMA") holds a mortgage on a Lot or owns a Lot, the Association shall continuously maintain in effect such casualty and liability insurance and fidelity bond, meeting all requirements and containing such coverage and endorsements as may be required from time to time by FNMA. Such casualty insurance shall include, but not be limited to, a master or blanket policy with full replacement cost coverage and an agreed value endorsement.

(f) To pay all charges for water, electricity, gas, CATV and other utility services for the Recreation Area and Common Maintenance Area.

(g) To manage, operate, maintain and repair the Recreation Area and Common Maintenance Area, including the restoration and replacement of any or all of the buildings, structures or improvements which are part thereof at any time and from time to time as the Board may determine desirable or necessary, and to make capital expenditures for and on behalf of the Association; provided, however, that no single capital expenditure may be made during any fiscal year of the Association in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the vote or written assent of a majority of the voting power of Members of the Association.

(h) To enter onto any Lot as may be necessary for the purpose of carrying out any of the powers or duties of the Board as herein set forth or as set forth in the Declaration, including such entry as may be necessary in connection with the construction, maintenance or emergency repair of the Recreation Area or Common Maintenance Area, at any reasonable hour and, except in the case of emergency, after reasonable notice.

(i) To enforce the provisions of the Declaration (as set forth in the Declaration), the Articles of Incorporation and Bylaws, the rules and regulations adopted by the Board and the provisions of any agreement to which the Association is a party.

(j) To contract and pay for maintenance, gardening, utilities, materials, supplies and services relating to the Recreation Area and Common Maintenance Area, and to employ personnel necessary for the operation and maintenance of the same, including legal and accounting services; provided, however, that the term of any contract with a third person for supplying goods or services to the Recreation Area or Common Maintenance Area or for the Association shall not exceed a term of one (1) year unless a longer term is approved by a majority of the voting power of Members of the Association, except that a contract with a public utility company for materials or services the rates for which are regulated by the Public Utilities Commission may exceed a term of one (1) year so long as it does not exceed the shortest term for which the public utility will contract at the regulated rate, and a contract for prepaid casualty and/or liability insurance policies may be for a term of not to exceed three (3) years provided that the policy permits short rate cancellation by the Association. Anything contained herein to the contrary notwithstanding, the Board shall not terminate professional management of the Recreation Area and Common Maintenance Area and assume self-management without the prior written approval of Mortgagees holding seventy-five percent (75%) or more of the first Mortgages on Lots and any agreement for management of the Recreation Area and Common Maintenance Area shall be terminable for cause upon thirty (30) days written notice, and by either party without cause or payment of a termination fee on ninety (90) days, or fewer, written notice and shall be for a term not to exceed three (3) years.

(k) To pay any taxes and governmental special assessments which are or could become a lien on the Recreation Area or any portion thereof except that the Association shall not be responsible for any taxes or assessments on any Lot.

(l) To initiate and execute disciplinary proceedings against Members of the Association for violations of the provisions of the Articles and Bylaws, the Declaration and the rules and regulations adopted by the Board.

(m) To prepare budgets and financial statements for the Association as provided in these Bylaws.

(n) Upon the written request of the holder of any first Mortgage encumbering any Lot, to notify the same in writing of any default by the Owner of such Lot in the performance of the Owner's obligations under these Bylaws or the Declaration which is not cured within thirty (30) days.

(o) To give notice in writing to the Federal Home Loan Mortgage Corporation ("FHLMC") in care of the servicers of FHLMC loans on Lots of any loss to or taking of the Recreation Area or Common Maintenance Area if such loss or taking exceeds \$ 10,000.00.

(p) To give timely written notice to all first Mortgagees of any substantial damage to or destruction of any Lot or any part of the Recreation Area and, if any Lot or any portion thereof or the Recreation Area or any portion of either is made the subject of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, to give timely written notice to all first Mortgagees of any such proceeding or proposed acquisition and to give timely written notice to all first Mortgagees of any material amendment to the Articles, Bylaws or Declaration.

(q) To prosecute or defend, in the name of the Association, any action affecting or relating to the Recreation Area or Common Maintenance Area or other property owned by the Association and and action in which all or substantially all of the Owners have an interest.

(r) As permitted in the Declaration, to sell the Recreation Area for the benefit of all of the Owners and their Mortgagees, as their interests may appear, at such price and upon such terms as the Board may determine reasonable.

(s) To delegate any of its powers hereunder to others, including committees, officers and employees.

Section 2. NUMBER AND OUALIFICATIONS OF DIRECTORS. The Board shall consist of five (5) directors until changed by amendment to this section of the Bylaws. Directors must be Members of the Association.

Section 3. ELECTION AND TERM OF OFFICE. Directors shall be elected at each annual meeting of Members to fill the vacancies of those directors whose term then expires and the term of each such director so elected shall be two (2) years. If any annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of the Members held for that purpose. All directors shall hold office until their successors are elected. The election of directors may be conducted by mail in such manner as the Board may determine.

Section 4. VACANCIES. Vacancies in the Board created by death or resignation may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office until his successor is elected at an annual meeting of Members or at a special meeting called for that purpose. Vacancies in the Board created by removal upon vote of the Members shall be filled by the vote of the Members as herein provided.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any director, or if the Members shall increase the authorized number of directors but shall fail at the meeting at which such increase is authorized, or at any adjournment thereof, to elect the additional directors so provided for, or in case the Members fail at any time to elect the full number of authorized directors.

The Members may at any time elect directors to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of directors.

If any director tenders his resignation to the Board, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 5. PLACE OF MEETING. All meetings of the Board shall be held within the Real Property.

Section 6. ORGANIZATION MEETINGS. Immediately following each annual meeting of Members, the Board shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 7. OTHER REGULAR MEETINGS. Other regular meetings of the Board shall be held without call bi-monthly at such time as the Board shall determine, provided, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board shall be posted at a prominent place within the Recreation Area but otherwise is hereby dispensed with.

Section 8. SPECIAL MEETINGS. Special meetings of the Board for any purpose or purposes shall be called at any time by the president, or if he is absent or unable to act, by any vice president, or by any two (2) directors other than the president.

Written notice of the time and place of special meetings and the nature of any special business to be considered shall be delivered personally to the directors or sent to each director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the Association, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the Association is located at least seventy-two (72) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director. Written notice of all special meetings shall also be posted in a manner prescribed for notice of regular meetings not less than seventy-two (72) hours prior to the scheduled time of the meeting.

Section 9. NOTICE OF ADJOURNMENT. Notice of adjournment of any director' meeting, either regular or special, need not be given to absent directors if the time and place are fixed at the meeting adjourned.

Section 10. ENTRY OF NOTICE. Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall constitute a rebuttable presumption that due notice of such special meeting was given to such director as required by law and these Bylaws.

Section 11. QUORUM. A majority of the directors shall be necessary to constitute a quorum for the transaction of business, except as to adjourn as hereinafter provided. Every act or decision done-or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board.

Section 12. ADJOURNMENT A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at the directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 13. COMPENSATION AND FEES. Neither the directors nor the officers of the Association shall receive any monetary compensation for their services performed in the conduct of the business of the Association, except upon the vote or written consent of a majority of the voting power of Members of the Association. Nothing herein contained shall be construed or preclude any director or officer from serving the Association in any other capacity as an agent,

employee or otherwise and receiving compensation therefor. Directors and officers of the Association may be reimbursed for expenses incurred in carrying on the business of the Association.

Section 14. ATTENDANCE AT MEETINGS AND EXECUTIVE SESSIONS.

Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that 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, upon the vote of a majority of a quorum, 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 and other matters of business of a similar nature. Only Members of the Board shall be entitled to attend executive sessions. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 15. EXECUTIVE COMMITTEE. The Board shall have the power to appoint an Executive Committee and to delegate to such Committee any of the powers and authorities of the Board in the management of the business and affairs of the Association, except the power to adopt, amend or repeal Bylaws. The Executive Committee shall be composed of three (3) or more directors, one of whom shall also be the president.

## ARTICLE VIII Officers

Section 1. OFFICERS. The officers of the Association shall be a president, a vice president, a secretary and a treasurer. The Association may also have, at the discretion of the Board, one (1) or more assistant secretaries, one (1) or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Officers other than the president need not be directors. One (1) person may hold two (2) or more offices, except those of president and secretary.

Section 2. ELECTION. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article VIII, shall be chosen annually by the Board, and each shall hold his office until he shall resign, or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS. The Board may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board may from time to time determine.

Section 4. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board or, except in case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Board or the president, or to the secretary of the Association. Any such resignation shall take effect at the date of the 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 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 6. PRESIDENT. The president shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. He shall preside at all meetings of the Members and at all meetings of the Board. He shall be ex-officio a member of all standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board or by the Bylaws.

Section 7. VICE PRESIDENT. In the absence or disability of the president, the vice president shall perform all the duties of the president, and when so acting shall have all powers of and be subject to all the restrictions upon the president. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board or by the Bylaws.

Section 8. SECRETARY The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board may order of all meetings of directors and Members, with the time and place of holding, whether regular or special and if special how authorized, the notice thereof given, the names of those present at the directors' meetings, the number of memberships present or represented at Members' meetings and the proceedings thereof.

The secretary shall give, or cause to be given, notice of all the meetings of the Members and of the Board required by the Bylaws or by law to be given, and he shall keep other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Section 9. TREASURER. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The books of account shall at all times be open to inspection by any director.

The treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He shall disburse the funds of the Association as may be ordered by the Board, shall render to the president and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

## **ARTICLE IX** **Miscellaneous**

Section 1. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by resolution of the Board.

Section 2. CONTRACTS, ETC. HOW EXECUTED. The Board, except as in the Bylaws otherwise provided, may authorize any officer or officers or agent or agents 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 any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 3. INSPECTION OF BOOKS AND RECORDS. The Association shall keep in its principal office for the transaction of business or at such other place within the Real Property as the Board shall prescribe the original or a copy of the Bylaws as amended or otherwise altered to date, certified by the secretary, a membership register, books of account and copies of minutes of all membership, Board and Committee meetings, all of which shall be made available for inspection and copying by any Member of the Association or by any Member's duly appointed representative and by all first Mortgagees, at any reasonable time and for a purpose reasonably related to his interest as a Member or Mortgagee. The Board shall establish reasonable rules with respect to:

- (a) Notice to be given to the custodian of the records by the Member or Mortgagee desiring to make the inspection;
- (b) Hours and days of the week when such an inspection may be made; and
- (c) Payment of the costs of reproducing copies of documents requested.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the Recreation Area. The right of inspection by a director



shall include the right at his expense to make extracts and copies of documents.

Section 4. FISCAL YEAR. The fiscal year of the Association shall be determined by the Board and having been so determined is subject to change from time to time as the Board shall determine.

Section 5. FINANCIAL STATEMENTS. Financial Statements shall be prepared by the Association and distributed to all Members as follows:

(a) A pro forma operating budget, shall be distributed not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of the Association's fiscal year. The budget shall include all of the following:

- (1) The estimated revenue and expenses on an accrual basis.
- (2) The identification of the total cash reserves currently set aside.
- (3) An estimate of the current replacement costs of the estimated remaining useful life of, and the methods of funding used to defray the future repair, replacement, or additions to, those major components which the Association is obligated to maintain.
- (4) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain.

(b) A review of the financial statement of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy for any fiscal year in which the gross income to the Association exceeds seventy-five thousand dollars (\$75,000.00). A copy of the review of the financial statement shall be distributed within 120 days after the close of each fiscal year.

(c) In lieu of the distribution of the financial statement required by subdivision (a), the Board may elect to distribute a summary of the statement to all its members with a written notice that the statement is available at the business office of the Association or at another suitable location within the boundaries of the development and that copies will be provided upon request and at the expense of the Association. If any member requests a copy of the financial statement required by subdivision (a) be mailed to the Member, the Association shall provide the copy to the Member by first class United States mail at the expense of the Association and delivered within five (5) days. The written notice that is distributed to each of the Association Members shall be in at least ten-point bold type on the front page of the summary of the statement.

(d) A statement in describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of its assessments against its Members shall be annually delivered to the Members during the sixty (60) day period immediately preceding the beginning of the Association's fiscal year.

ARTICLE X  
Amendments

Except as otherwise provided herein, new Bylaws may be adopted or these Bylaws may be amended or repealed by the vote of the Members entitled to exercise a majority or more of the voting power of Members of the Association or by the written assent of such members; provided, however, that no material amendment to the Bylaws shall be made without the prior written approval of Mortgagees holding seventy-five percent (75%) of the first Mortgages encumbering Lots.

ARTICLE XI  
Additional Rights of Mortgagees

First Mortgagees may, jointly or severally, pay taxes or other charges which are in default and which may or have become a lien or charge against the Recreation Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of such a policy covering the Recreation Area. Upon making such payments first Mortgagees shall be immediately reimbursed therefor by the Association.

IN WITNESS WHEREOF, this First Amendment To Bylaws is executed by the president of the High Country West Property Owners Association, a California non-profit corporation.

Dated: JUNE 12, 1991

HIGH COUNTRY WEST PROPERTY OWNERS ASSOCIATION

By: Edward J McDougall – President  
EDWARD McDOUGALL  
President

CERTIFICATE OF APPROVAL  
OF AMENDMENT

I hereby certify and declare, under penalty of perjury, that I am the president of the High Country West Property Owners Association and that the foregoing amendment has been approved by the percentage of owners required by the governing document.  
Executed this 12<sup>th</sup> day of June, 1991, at San Diego, California.

Edward J McDougall  
EDWARD McDOUGALL, President  
HIGH COUNTRY WEST  
PROPERTY OWNERS ASSOCIATION

ACKNOWLEDGEMENT

State of California                    )  
  )    ss.  
County of San Diego                 )

On this 12th day of June the year of 1991, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Edward J. McDougall personally known to me [or proved to me on the basis of satisfactory evidence] to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

Susan E. Stone  
NOTARY PUBLIC IN AND FOR THE  
STATE OF CALIFORNIA