

HORIZON MANAGEMENT COMPANY

THE VILLAGE CONDOMINIUM OWNERS ASSOCIATION

BYLAWS

BY-LAWS
OF
THE VILLAGE CONDOMINIUM OWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE VILLAGE CONDOMINIUM OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located in the City of Redondo Beach, County of Los Angeles, but meetings of members and directors may be held at such other places within the County of Los Angeles, State of California as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Declarant" shall mean and refer to Lincoln Property Company No. Thirty-Three, Inc., a California corporation.

Section 2. "Owner" shall mean and refer to the record owner, or owners if more than one, of a Condominium, including Declarant.

Section 3. "Project" shall mean and refer to the real property subject to the Declaration divided or to be divided into Condominiums, together with all structures now or hereafter constructed on said real property.

Section 4. "Condominium" shall mean and refer to an estate in real property consisting of an undivided 1/324 interest in the Common Area, together with a separate interest in a Unit, as more particularly defined in Civil Code Section 783 and in the Declaration.

Section 5. "Unit" shall mean and refer to the elements of a Condominium which are not owned in common with the other Owners.

Section 6. "Common Area" shall mean and refer to the Project, excepting all Units therein granted or reserved.

Section 7. "Member" shall mean and refer to every person or entity holding membership in the Association.

Section 8. "Mortgage" shall mean and refer to a mortgage or deed of trust of record encumbering a Condominium. The term "Mortgages" shall include the beneficiary under a deed of trust.

Section 9. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, recorded as Instrument No. 2284 on June 8th, 1973, Official Records of Los Angeles County, as the same may be supplemented or amended from time to time.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a Condominium which is subject by covenants of record to assessment by the Association, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from the ownership of any Condominium which is subject to assessment by the Association. Ownership of such Condominium shall be the sole qualification for membership.

Section 2. Transfer. The membership held by any Owner of a Condominium shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Condominium, and then only to the purchaser or mortgagee of such Condominium. Any prohibited transfer shall be void, and shall not be reflected upon the books and records of the Association. In the event the Owner of any Condominium shall fail or refuse to transfer the membership registered in his name to the purchaser of such Condominium, the Association shall have the right to record the transfer upon the books of the Association.

Section 3. Suspension of Membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights 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 of Directors governing the use of the Common Area and facilities.

ARTICLE IV

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 of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such Member shall notify the Secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member.

ARTICLE V

BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association. The number of directors may be increased or decreased from time to time (but in no event shall there be less than five (5) directors) by the amendment of these By-Laws by the Members as hereinafter provided or by amendment to the Articles of Incorporation.

Section 2. Election. At the first annual meeting, the Members shall elect five (5) directors for a term of one (1) year; and at each annual meeting thereafter, the Members shall elect five (5) directors for a term of one (1) year.

Section 3. 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 shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should such a meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present, shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be of Members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. 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. Directors shall be elected or removed by cumulative vote of the Members.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon;

(b) 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, the Articles of Incorporation, or the Declaration;

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

(d) To employ a manager, an independent contractor, managing agent (which may be a corporation) or such other employees as it deems necessary, and to prescribe their duties, provided that any managing agent or manager selected prior to the first annual election, as provided in Article X, Section 1. hereof, shall be employed to manage only until such first annual election, at which time the continuance of the same or the selection of another managing agent shall be determined by majority vote of the Members;

(e) To establish, levy and assess, and collect the assessments or charges referred to in the Declaration in the manner set forth in the Declaration; and

(f) 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 year, except with the approval of a majority of the voting power of the Association.

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

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fifth (1/5) of the membership entitled to vote;

(b) To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration:

(1) To fix the amount of the regular assessment against each condominium at least thirty (30) days in advance of each regular assessment period, and

(2) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each such annual assessment period;

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge not to exceed \$10.00 may be made by the Board for the issuance of such certificates. Such certificate shall be conclusive evidence that any assessment therein stated to have been paid was in fact paid;

(e) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property under control of the Association;

(f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) To cause the Common Area to be maintained.

ARTICLE IX

COMMITTEES

Section 1. The Association shall appoint an Architectural Committee as provided in the Declaration, and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as, but not limited to:

(a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program 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 of Directors on all matters pertaining to the maintenance, repair or improvement of the Project 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 of Directors, make such public releases and announcements as are in the best interests of the Association; and

(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 expenditures to be presented to the membership at its regular annual meeting. The Treasurer shall be an ex officio member of the Audit Committee.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held not later than six (6) months after the sale of the first Condominium in the Project. Each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock p.m. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fifth (1/5) of all the votes of the entire membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the discretion of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice postage prepaid, at least ten (10) days, but not more than sixty (60) days, before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, at least fifty percent (50%) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present in person or by proxy at any such meeting the Members entitled to vote thereat shall have power to adjourn the meeting without notice other than announcement at the meeting, to a time not less than forty-eight (48) hours 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 votes of the entire membership.

Section 5. Proxies and Voting. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Condominium. Except as otherwise provided in the Articles of Incorporation, By-Laws or Declaration, a majority of the voting power present, in person or by proxy, shall prevail at such meeting.

Section 6. Voting Rights. There shall be one vote for each Condominium. The vote for each Condominium shall be cast as a unit; fractional votes shall not be allowed. If more than one person is the Owner of a Condominium, and such persons are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any such person or persons jointly owning a certain Condominium cast a vote representing that Condominium, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other such persons. In the event more than one vote is cast for a particular Condominium, such votes shall be void and shall not be counted.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the 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 by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first regular meeting of the Board of Directors following each annual meeting of the Members.

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

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

Section 5. Resignation and Removal. Any officer may be removed from 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 Offices. Only the offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4. of this Article.

Section 8. Duties. The duties of the officers are as follows:

(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 written instruments and shall co-sign all checks and promissory notes.

(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.

(c) - The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it to all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses; and shall perform such other duties as required by the Board.

(d) 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 checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year and have same available to members of the Association for inspection within thirty (30) days after the completion of said audit; and shall prepare an annual budget and a statement of income and expenditures and report to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members, within thirty (30) days after its completion.

ARTICLE XII

BOOKS AND RECORDS

Section 1. Inspection. The books, records and papers of the Association shall be kept at the principal place of business of the Association, and shall at all times, during reasonable business hours, be subject to inspection by any Member.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association, its date of incorporation, and such other matters as may be required by the laws of the State of California.

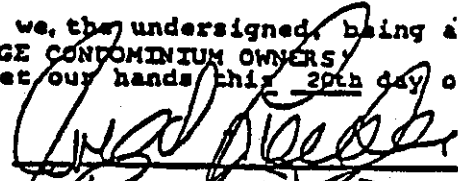
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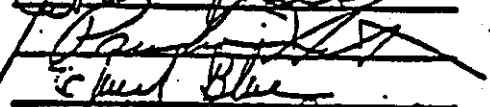
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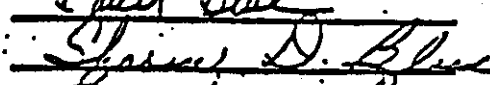
AMENDMENTS

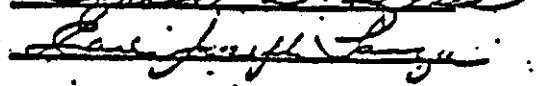
These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except in those matters where the Declaration, Articles of Incorporation or these By-Laws specify a greater percentage for action, in which case such greater percentage shall be required for amendment. In the event of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in the event of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, we, the undersigned, being all of the Directors of THE VILLAGE CONDOMINIUM OWNERS ASSOCIATION, INC., hereunto set our hands this 20th day of April, 1973.









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CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of THE VILLAGE CONDOMINIUM OWNERS' ASSOCIATION, INC., a California corporation, and

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 20th day of April, 1973.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this 20th day of April, 1973.

Chuck Blue

Secretary