

**West Campus Point
Homeowners' Association**

**Post Office Box 6970
Santa Barbara, CA 93160**

**AMENDMENT TO BYLAWS
Passed July, 1990, by ballot vote of members**

ARTICLE IV, Section 4.02

Annual Meeting. Annual meetings of the members shall be held no more than 60 days nor less than 30 days prior to the close of the fiscal accounting year of the Association, at a time, date, and place to be determined by the Board of Directors.

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BYLAWS
OF
WEST CAMPUS POINT
HOMEOWNERS' ASSOCIATION

ARTICLE I

Purposes and Definitions

The primary and specific purposes and general purposes of the Association are set forth in the Articles of Incorporation of the Association. In furtherance of these purposes, the Association shall maintain all the common areas and facilities within the development.

All of those definitions contained in that Declaration of Covenants, Conditions and Restrictions recorded on _____ as Instrument No. _____ of the Official Records of Santa Barbara County, California, (herein "Declaration") are hereby incorporated by reference.

ARTICLE II

Principal Office

The principal office for the transaction of the business of West Campus Point Homeowners' Association (herein called "the Association") shall be located within the development or as close thereto as practicable and shall be specified by the Board.

ARTICLE III

Members

3.01. Number of Members. There shall be one (1) membership for each residence lot, excluding residence lots owned by the Association, located within the development. There shall be no classification of membership in the Association, and each membership shall be appurtenant to a residence lot in the development.

3.02. Qualification of Members. Each residence lot in the development shall be entitled to one (1) membership in the Association. That membership, in the case of a residence lot which is leased by a single natural person, shall belong to such person. Where the residence lot is leased by more than one (1) person, or by an entity other than a natural person, such lessee or lessees shall, from time to time, designate one (1) natural person in writing to vote and exercise all of the rights of membership; in the case of a residence lot leased by a number of persons, including residence lots leased in joint tenancy or in a tenancy in common, the person so designated must be one of such joint lessees. In the case of a contract of sale of a residence located on any residence lot in the development, the contract purchaser of such residence shall be entitled to the membership for such residence lot effective upon the transfer of possession to him/her of such residence lot. Any lessee of an interest in any residence lot, even though not designated as the voting member, shall nevertheless be jointly and severally responsible for the dues, assessments and charges levied against, incurred by or attributed to the membership derived from the residence lot in which such lessee has an interest.

3.03. Transfer of Membership. Membership in the Association shall be transferable only when the entire leasehold interest in a given residence lot has been validly conveyed or assigned by written instrument or by operation of law. In connection with any transfer pursuant to this section, the Association may charge the transferor-member a Ten Dollar (\$10.00) transfer fee for each transfer; provided, however, no such charge may be made to the holder of a first deed of trust who acquires title to any residence by foreclosure, trustee's sale or a deed in lieu of foreclosure. The provisions of this section shall not apply to the subdivider, its successors in interest or assigns. The term "successor in interest or assigns" of the subdivider, as used herein, shall not apply to lessees of a residence lot from the subdivider.

3.04. Voting and Majority Rule. Each member shall be entitled to one vote for each membership on all questions provided that there shall be only one (1) vote for each residence lot irrespective of the number of lessees of that residence lot and the term "voting power of the Association" shall mean the total of all such memberships. Except as expressly provided elsewhere in these Bylaws and in the Declaration, a simple majority of the members present, if constituting a quorum, shall prevail on all questions.

ARTICLE IV

Meetings of Members

4.01. Place of Meeting. All annual and other meetings of members shall be held at the development or at such other place as close thereto as practicable. Any meeting is valid wherever held, if held by the written consent of all members entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the Association.

4.02. Annual Meeting. Annual meetings of the members shall be held within a period of thirty (30) days before or thirty (30) days after the anniversary date of the first annual meeting at 8:00 o'clock p.m. local time.

Written notice of each annual meeting shall be given by the Secretary of the Association to each member entitled to vote, either personally or by sending a copy of the notice through the mail or by telegraph, charges prepaid, to his/her address appearing on the books of the Association or supplied by him/her to the Association for the purpose of the notice. If a member supplies no address, notice shall be deemed to have been given to him/her if mailed to the address of the residence lot affected, or published at least once in some newspaper of general circulation in the County of Santa Barbara. All such notices shall be sent to each member entitled thereto not less than ten (10) days nor more than sixty (60) days before each annual meeting, and shall specify the place, the date and the hour of such meeting.

4.03. Organizational Meeting. An organizational meeting of the members shall be held either (i) within six (6) months from the date of sale by the subdivider of the first residence in the development or (ii) within forty-five (45) days after fifty-one percent (51%) of the residences in the development have been sold, whichever first occurs. The term "sale," as used herein, shall mean in addition to purchase and sale as connoted thereby the transfer of possession of a residence by lease with an option to purchase or by contract of sale.

4.04. Special Meetings. Special meetings of members for any purpose or purposes whatsoever shall be called at any time by the President or by the Board, or by a majority of a quorum of directors, or by receipt of a written request therefor signed by members representing not less than five percent (5%) of the voting power of the Association. Except in special cases where other expressed provision is made by statute, notice of such special meetings shall be given in the same manner as for the annual meetings of members. Notices of any special meeting shall specify, in addition to the place, the date and the hour of such meeting, the general nature of the business to be transacted thereat.

4.05. Record Date and Closing Membership Register. The Board may fix a time in the future not exceeding fifteen (15) days preceding the date of any meeting of members, as a record date for the determination of the members entitled to notice of and to vote at such meeting, and in such case, only members of record on the date so fixed shall be entitled to notice of and to vote at such meeting, notwithstanding any transfer of any memberships on the books of the Association after any record date fixed as aforesaid. The Board may close the books of the Association against transfers of memberships during the whole or any part of any such period.

4.06. Adjourned Meetings. Any members' meeting, annual or special, in the absence of a quorum, may be adjourned from time to time by the vote of a majority of the voting power of the Association represented at such meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called. In the absence of a quorum, which at such adjourned meeting shall be not less than one-fourth (1/4) of the voting power of the Association, no other business may be transacted at any such meeting. It shall not be necessary to give any notice of such adjournment or of the business to be transacted at an adjourned meeting other than by

announcement at the meeting at which the adjournment is taken. If for any reason a time and place for the adjourned meeting is not fixed by those in attendance at the meeting at which the adjournment is taken or 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 same manner as for the annual meetings of members.

4.07. Entry of Notice. Whenever any member who is entitled to vote has been absent from any meeting of members, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to each member as required by law and the Bylaws.

4.08. Quorum. Except as provided in Section 4.06 relative to adjourned meetings, the presence in person or by proxy of members entitled to cast in excess of one-third (1/3) of the voting power of the Association 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 members to leave less than a quorum; provided, however, that there shall be deemed a quorum if there are present at the meeting when reconvened pursuant to Section 4.06 at least one-quarter (1/4) of the voting power of the Association.

4.09. Consent of Absentees. The transaction of business at 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, sign 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 records of the Association or made a part of the minutes of the meeting.

4.10. Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the member executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed two (2) years from the date of its execution.

4.11. Balloting. On all questions where a majority of the voting power of the Association deems it necessary, and in any event in the election or removal of members of the Board, ballots shall be cast secretly and in writing, folded in such a manner that the way in which the ballot is marked cannot be seen, and deposited into a receptacle. The ballots shall be counted immediately upon collection thereof by two (2) members selected by the Chairman of the meeting. The Chairman shall announce the results of the balloting immediately, and the ballots may be inspected by any member.

4.12. Action Without a Meeting. 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 in accordance with Corporations Code Section 7513.

ARTICLE V

Directors

5.01. Powers. Subject to limitations of the Articles of Incorporation or the Bylaws or the California Corporations Code as to the action to be authorized or approved by the members and subject to the duties of directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors; 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:

(a) To elect and remove all officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or these Bylaws, fix their compensation and require from them security for faithful service.

(b) To conduct, manage and control the affairs and business of the Association, to provide for internal security, fire protection, water service and such other common services and utilities as they may deem necessary and advisable, to maintain the roads, common areas and common facilities of the Association, including any real or personal property owned by the Association, and to make such rules and regulations therefor not inconsistent with law, the Articles of Incorporation or the Bylaws as they may deem best.

(c) To contract and to levy assessments for the activities herein authorized including such acts as may be incidental to the stated powers and authorities and affairs of the Association.

(d) To adopt, make and use a corporate seal, and to prescribe the forms of certificates of membership, and to alter the form of such seal and of such certificates from time to time as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law.

(e) To authorize the issuance of memberships to such persons as shall be eligible for membership as provided in Article III of the Bylaws.

(f) To appoint an executive committee and to delegate to such committee, subject to the control of the Board, any of the powers and authority of the Board.

(g) To enforce the provisions of these Bylaws, the Articles of Incorporation and the Declaration of Restrictions described in Article I

hereof, and/or to seek recovery of damages for any breach thereof that causes injury or loss to other owners or the Association.

(h) To exercise all the powers and authorities set forth in the Declaration including, without limitation, the assessment powers therein.

(i) To contract and to pay for maintenance, gardening, utilities, materials and supplies and services relating thereto within the development and to employ personnel reasonably necessary for the operation of the project including lawyers and accountants where appropriate.

(j) To enter upon the residence lots and the improvements thereon as necessary in connection with construction, maintenance or emergency repair for the benefit of the common area or of the members in common.

(k) To pay taxes and special assessments which are or would become a lien on the property of the Association, if any.

(l) To contract and pay premiums for fire, casualty, liability and other insurance, including indemnity and other bonds, as required by the Declaration or the Bylaws or as deemed advisable by the Board.

(m) To delegate its powers.

(n) To fill vacancies on the Board.

(o) Pursuant to uniform rules, to suspend the voting rights or any other privileges of membership herein of a member for any period during which any assessment against his/her residence lot remains unpaid or for any period during which any infraction by an owner, his/her family or guests of this Declaration, the Bylaws, Articles of Incorporation or rules continues and up to thirty (30) days after the procedures hereafter enumerated are followed:

[i] Written notice of the proposed suspension and the reasons therefor is given to the members at least fifteen (15) days prior to the effective date of the Board action.

[ii] The member is given an opportunity to submit to the Board his/her oral or written response to the notice not less than five (5) days prior to the effective date of the proposed suspension.

[iii] The notice required above shall be given by first-class mail or registered mail sent to the last address of the owner on the Association's records.

(p) To impose reasonable monetary penalties for any failure to comply with the Declaration, Bylaws or Association rules, provided that such penalty shall be imposed only after notice and an opportunity to be heard are given in the manner prescribed in Section 5.01(o).

5.02. Limitation of Powers. Notwithstanding any or all of the powers

set forth in Section 5.01, without the prior vote or written consent of a majority of the total voting power of the Association, the Board shall not:

(a) Enter into any contracts which bind it or the Association for a period in excess of one (1) year, provided that any management agreement for the development shall further provide that it can be cancelled upon thirty (30) days' written notice by the Association, except for the following:

[i] A management contract, the terms of which have been approved by the Federal Housing Administration or Veteran's Administration;

[ii] Prepaid casualty and/or liability insurance policies for a term not to exceed three (3) years' duration provided that the policy permits a short rate cancellation by the insured.

[iii] Agreements for cable television services and equipment of not to exceed five (5) years duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of ten percent (10%) or more.

[iv] Common Area Lease entered into by the Association and the Regents of the University of California dated _____, 1986.

[v] Utility Services Agreement entered into by the Association and the Regents of the University of California dated _____, 1986

(b) During any one (1) fiscal year sell property of the Association or incur aggregate expenditures for capital improvements to the common area having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(c) Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business except that such persons may be reimbursed for expenses incurred in carrying on the Association's business.

5.03. Number and Qualification of Directors; Quorum. The Board shall consist of at least three (3) and no more than five (5) directors until changed by appropriate amendment. A majority of directors constitute a quorum. The exact number of directors shall be determined by the members at any annual meeting of members, provided that no incumbent director shall have his or her term shortened by such action except as otherwise provided herein.

5.04. Election, Term of Office and Removal. All directors shall be elected at the organizational meeting of members and at each subsequent annual meeting of members to serve for a term of one (1) year, but if any such annual meeting is not held or the directors are not selected thereat, the directors may be elected at any special meeting of members held for that purpose. All directors, unless removed, shall hold office until their respective successors are elected. In any vote for the election of or removal of

more than one (1) director, 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; that is, all or any part of the total number of votes that each member has (based upon one vote per member for each vacancy to be filled or director to be removed) may be cast for the election of or removal of any one (1) director. However, unless the entire Board is removed from office by the vote of members of the Association, no individual director shall be removed prior to the expiration of his/her term of office if the votes cast against removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast and the entire Board authorized at the time of the most recent election of the director were then being elected. The first election shall be held either (i) within six (6) months from the date of sale by the subdivider of the first residence lot in the development, or (ii) within forty-five (45) days after fifty-one percent (51%) of the residence lots in the development have been sold, whichever first occurs. When cumulative voting does not permit the members other than the subdivider to elect one director, then such members shall nevertheless be permitted to elect one director. When a director elected by the members other than the subdivider is to be removed, the consent or vote of a majority of members other than the subdivider must be obtained to effect such removal, subject to the above requirements for removal.

5.05. Vacancies. Vacancies in the Board 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/her successor is elected at an annual meeting of members or at a special meeting called for that purpose. A vacancy or vacancies shall be deemed to exist in case of the death, resignation or sale of his/her residence lot by any director, or if the members shall increase the authorized number of directors but fail at the meeting at which such increase is authorized, or at an 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, or if a director is removed by the members. 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 the 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 in office.

5.06. Place and Notice of Meeting; Right to be Heard. Unless otherwise permitted by law, all meetings of the Board shall be held at such time and at any such place or places within the development as designated at any time by resolution of the Board or by written consent of all members of the Board. Notice of all regular meetings of the Board shall be posted at a prominent place in the common area and communicated to each Director at least four (4) days prior to the meeting; provided, however, that notice of a meeting need

not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Subject to the provisions of Section 5.12, infra, all regular and special meetings of the Board shall be open to all members of the Association; however, such members who are not on the Board shall not have the right to speak unless authorized by a majority of a quorum of the Board.

5.07. Organization Meeting. 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 meetings is hereby dispensed with.

5.08. Other Regular Meetings. Other regular meetings of the Board may be held at such place and day and hour as may be fixed from time to time, subject to the notice requirements contained in Section 5.06, supra. Regular meetings of the Board shall be held at least every three (3) months and more frequently when the business to be transacted by the Board justifies more frequent meetings.

5.09. Special Meetings. Special meetings of the Board for any purpose or purposes whatsoever may be called at any time by the President or any two (2) directors and upon written notice being delivered to each director and posted in the manner prescribed for notice of regular meetings and specifying, in addition to the place, the date and the hour of such meeting, the general nature of the business to be transacted thereat; provided, however, that notice need not be given to any Director who has signed a waiver of notice or consent to holding the meeting.

5.10. Majority Rule. Except as expressly provided elsewhere in these Bylaws, a simple majority of the directors present at any meeting duly held at which a quorum is present shall prevail on all questions.

5.11. Election of Officers. All officers shall be chosen by vote of the Board, except such officers as may be appointed in accordance with Sections 6.03 and 6.04.

5.12. Executive Sessions. Upon the vote of a majority of a quorum of the Board, it may 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 business of similar nature, provided that the nature of such business to be discussed in executive session is first announced in open session.

5.13. Action Without a Meeting. The Board may take actions without a meeting if all directors consent in writing to the action to be taken. An explanation of any such action to be taken by unanimous written consent shall be given by the Board to the members of the Association in the manner provided in Section 5.06 hercof for the giving of notice of regular meetings of the Board within three (3) days after all written consents have been obtained.

ARTICLE VI

Officers

6.01. Officers. The officers of the Association shall be President, Vice-President, Secretary and Treasurer.

6.02. Election. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Sections 6.03 and 6.04, shall be chosen annually by the Board, and each shall hold his/her office until he/she shall resign or shall be removed or otherwise disqualified to serve, or until the election and qualification of his/her successor.

6.03. Subordinate Officers, etc. 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 determine from time to time.

6.04. 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 the case of an officer chosen by the Board, by any officer upon such power of removal as may be conferred by the Board. Any officer may resign at any time by giving written notice to the Board or the President or 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.

6.05. 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 the regular appointments of such office.

6.06. President. Subject to such supervisory powers, if any, as may be given by the Board to the Chairman of the Board, if there be such an officer, 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/she shall preside at all meetings of the members in the absence of the Chairman of the Board, or, if there be none, at all meetings of the Board. He/she shall be ex-officio a member of all the 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 an association, and shall have such other powers and duties as may be prescribed by the Board or by the Bylaws.

6.07. Vice-President. In the absence or disability of the President, the Vice-Presidents in order of their rank as fixed by the Board or, if not ranked, the Vice-President designated by the Board, shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board or by the Bylaws.

6.08. Secretary. The Secretary shall keep, or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes 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, and the names of those present or represented. The Secretary shall keep, or cause to be kept, at the principal office or at the office of the Association's transfer agent, a membership register, or a duplicate membership register showing the names of the members and their addresses, and the property to which each membership relates, the number of memberships, the number and date of certificates issued for the same and the number and date of cancellation of every certificate surrendered for cancellation. The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board required by the Bylaws or by law to be given, and he shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

6.09. 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. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He/she 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 his/her 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 VII .

Miscellaneous

7.01. Inspection of Corporate Records. The membership register or duplicate membership register, the books of account and minutes of proceedings of the members, directors and committees shall be open to inspection upon the written demand of any member, at any reasonable time, for a purpose reasonably related to his interests as a member. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demands of inspection other than at a members' meeting shall be made in writing upon the President or Secretary. Every such demand, unless granted, shall be referred by such officer to the Board. The Board shall adopt reasonable and uniform rules respecting (1) the notice to be

given to the custodian of the particular records to be inspected by a member; (2) the hours and days of the week when such inspection may be made; and (3) payment of the cost of reproducing copies of documents requested by a member. Each director shall have the right at any reasonable time to inspect all books, records and documents of the Association and physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

7.02. Checks, Drafts, etc. All checks, drafts or other orders for the 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.

7.03. Contract, etc., How Executed. The Board, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

7.04. Balance Sheets, Operating Statements and Budgets. The following financial information shall be regularly prepared and distributed by the Association to all members:

(a) A budget for each fiscal year consisting of at least the following information shall be distributed not less than forty-five (45) days and not more than sixty (60) days prior to the beginning of the fiscal year:

[i] Estimated revenue and expenses on an accrual basis.

[ii] The amount of the total cash reserves of the Association currently available for replacement, or major repair of common facilities, and for contingencies.

[iii] An itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement, or additions to major components of the Common Areas and facilities for which the Association is responsible.

[iv] A general statement setting forth the procedures used by the Association in the calculation and establishment of reserves to defray the costs of repair, replacement, or additions to major components of the Common Areas and facilities for which the Association is responsible.

(b) A balance sheet, as of an accounting date which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a residence, and an operating statement for the period

from the date of the first closing to the said accounting date, shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the residence lot and the name of the entity assessed.

(c) A report consisting of the following shall be distributed within ninety (90) days after the close of the fiscal year.

[i] A balance sheet as of the end of the fiscal year.

[ii] An operating (income) statement for the fiscal year.

[iii] A statement of changes in financial position for the fiscal year.

[iv] Any information required to be reported under Section 8322 of the Corporations Code

The report required under this section shall be prepared by an independent accountant; and from an audit of the books and records of the Association, if so requested under Article XVIII, Section 10 of the Declaration.

In addition to financial statements, the Association shall annually distribute within sixty (60) days prior to the beginning of the fiscal year a statement of the Association's policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against members' condominiums.

ARTICLE VIII

Amendments

Subject to the provisions of Article XVIII, Section 3 of the Declaration, the Bylaws may be amended or repealed by the vote at a duly called meeting or by written consent of not less than a fifty-one percent (51%) vote of the voting power of the Association. Notwithstanding the above, the percentage of a quorum or of the voting power of the Association or of members other than a subdivider necessary to amend a specific clause or provision in the Articles or Bylaws shall not be less than a prescribed percentage of affirmative votes required for action to be taken under that clause.

IN WITNESS WHEREOF, I have hereto set my hand this ___ day of _____.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify: that I am the duly elected and acting Secretary of the West Campus Point Homeowners' Association, a California corporation; and that the foregoing Bylaws consisting the eight (8) Articles and fourteen (14) pages, constitute the Bylaws of said corporation as duly adopted by the incorporators of said corporation, on _____, at Santa Barbara, California.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____.

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