

BY-LAWS OF

THE OCEAN TERRACE CONDOMINIUM ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is The Ocean Terrace Condominium Association, hereinafter referred to as the "Association". The principal office of the Association shall be located in Torrance, California, but meetings of members and directors may be held at such places within the State of California, County of Los Angeles, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

For all purposes of these By-Laws, the terms defined in the Declaration Establishing Covenants, Conditions and Restrictions for Condominium Ownership of The Ocean Terrace Condominiums, as now or hereafter recorded, are used herein with the same meanings set forth in said Declaration.

ARTICLE III

MEMBERSHIP

-Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in a Condominium, including contract buyers, 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. Membership shall be appurtenant to and may not be separated from ownership of any Condominium which is subject to assessment by the Association. Ownership of a Condominium shall be the sole qualification for membership.

The membership in the Association held by any Owner shall not be transferred, pledged or alienated in any way, except (1) upon the transfer of title to the Owner's Condominium and then only to the transferee of title to such Condominium, and (2) such membership may be pledged to a lending institution as additional security for a purchase money real estate loan on the Condominium to which the membership is appurtenant. Any attempt to make a prohibited transfer is void and shall not be

reflected upon the books and records of the Association. In the event the Owner of any Condominium should fail or refuse to transfer the membership registered in his name to the transferee of such Condominium, the Association shall have the right to record the transfer upon the books of the Association.

Section 2. Voting.

(a) Number of Votes. The Owner of each Condominium shall have the number of votes set forth in the Declaration for each Condominium owned by him. If more than one person is the Owner of a Condominium, all such persons shall be Members of the Association. The vote for such Condominium shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Condominium.

(b) Joint Owner Disputes. The vote for each such Condominium must be cast as a unit, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a Condominium, it will thereafter be conclusively presumed for all purposes that he or they are acting with the authority and consent of all other Owners of the same Condominium. In the event more than one vote is cast for a particular Condominium, none of said votes shall be counted and said votes shall be deemed void.

ARTICLE IV

RIGHTS OF ENJOYMENT

Section 1. Use. Each Member shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration and hereafter in this Article IV. Any Member may delegate his rights of enjoyment of the Common Areas to the members of his family, his tenants or contract purchasers, who reside upon his property. Such Member shall notify the secretary in writing of the name of any such delegee(s).

Section 2. Rules. Upon notice and hearing the Board of Directors may establish such rules, regulations and prerequisite conditions to the use of the Common Areas and the facilities thereon as it, in its sole discretion, deems appropriate, so long only as such rules, regulations and conditions do not materially abridge the rights of Members set forth in

the Declaration. Upon notice and hearing, the Board of Directors may establish rules, regulations and prerequisite conditions to the use of the Common Areas and facilities thereon by Members of the Association and by persons who are neither Members nor Member's deligees. Upon notice and hearing, the Board of Directors shall determine whether admission and/or other fees shall be charged to Members, their delegees and such other persons for use of any recreational facility situated upon the Common Areas. Any such admission or other fees (as distinguished from assessments) shall be used first by the Association for expenses of maintenance, repair and operation of the recreational facility to which the same relate, and the excess, if any, for other purposes of the Association. No monies of the Association derived from annual assessments shall be used for expenses of maintenance, repair or operation of any recreation facility the use of which is subject to an admission or other fee set by the Board of Directors, until all monies derived from such admissions and fees have been expended therefor.

ARTICLE V

BOARD OF DIRECTORS:

SELECTION: TERM OF OFFICE

Section 1. Number. The powers of the Association shall be exercised and its affairs conducted by a board of five (5) directors.

Section 2. Election. Directors will be elected by the Members at annual meetings. Directors shall serve concurrent one year terms until the next annual meeting and until their successors are elected.

Section 3. Removal and Vacancies. The entire Board of Directors or any individual director may be removed from office with or without cause at any time by a vote of the majority of the votes held by the entire membership of record at any regular or special meeting of Members duly called, and a successor or successors may then and there be elected to fill the vacancy or vacancies thus created. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. Unless the entire Board is removed, an individual Director shall not be removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total number of votes allowed by Members is divided by one plus the authorized number of Directors. If any or all Directors are so removed, new Directors may be elected at the same meeting.

Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the membership shall be filled by a vote of the majority of the remaining directors even though they may consist of less than a quorum; and each person so elected shall be a director until a successor is elected by the membership at the next annual meeting, or special meeting called for this purpose.

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

MEETING 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 the resolution of the Board. Should said 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 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 or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting and shall serve from the close of that 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 made from among Members or non-Members.

Section 2. Voting. Election to and removal from the Board of Directors shall be by written ballot. At each such election each Member shall be entitled to vote, in person or by proxy, as many votes as such Member is entitled to exercise under the provisions of the Declaration multiplied by the number of directors to be selected or removed, as the case may be, and he may cast all of such votes for or against a single director or may distribute them among the number to be voted for, or any two or more of them as he sees fit.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) To adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of persons thereon, and to establish penalties for the infraction thereof.

(b) In all other respects, to exercise for the Association all powers, duties and authority vested or delegated to the Association, by law or otherwise, which are not reserved to the membership by other provisions of law, these By-Laws, the Articles of Incorporation or the Declaration; to enforce applicable provisions of these By-Laws, the Articles of Incorporation, the Declaration and its own rules and regulations.

(c) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and to delegate to them, subject to the control of the Board of Directors, any of the power and authority of the Board in the management of the business and affairs of the Association. The Board of Directors may at any time modify or revoke any of the authority so delegated.

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

(a) To cause to be kept a complete record of all of 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-fourth (1/4) of the Members who are entitled to vote.

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

(c) As more fully provided in the Declaration;

(i) To fix the amount of the annual assessment against each Condominium at least thirty (30) days in advance of each annual assessment period and to collect the annual assessment, and

(ii) To send written notice of each assessment to every Owner subject thereto, and

(iii) To fix and collect the special, emergency and property tax assessments.

(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 may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

(e) To contract and pay premiums for fire, casualty, liability, errors and omissions, directors liability and other insurance, including indemnity and other bond, adequate to protect the Association and the Board of Directors in its affairs the members and all property owned by the Association as more fully provided in the Declaration.

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

(g) To cause the Common Areas to be maintained and to contract and pay for such materials and services as are necessary or prudent to such maintenance and to the other affairs of the Association; provided, however, any contract for the furnishing of services shall be limited to a duration of one (1) year unless a majority of the members of the Association approve a longer period.

(h) To cause to be paid all taxes and special assessments which are or would become a lien on the Common Areas.

(i) To do all other things necessary or convenient to fulfillment of the obligations of the Association as set forth in the Declaration.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint such committees as it deems appropriate to assist in carrying out its purposes and shall delegate to and revoke from such committees such powers and duties as the Board deems appropriate for the fulfillment of the functions of the Committee.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held no later than the first to occur of (1) six (6) months after the close of the first sale of a Condominium to an Owner other than Declarant or (2) one hundred twenty (120) days after transfer of fifty percent (50%) of the votes. 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 7:00 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 Chairman of the Board of Directors, or upon written request of Members who are entitled to vote one-fifth (1/5) of all of the votes of the entire membership. Meetings shall be held within the Project or as close thereto as practicable.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of the Secretary, by mailing a copy of such notice, postage prepaid, at least fifteen (15) 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 a reasonable place, day and hour of the meeting, and in case of a special meeting, the general nature of the business to be transacted.

Section 4. Quorum. The presence at any meeting, in person or by proxy, of Members entitled to cast at least fifty percent (50%) of the votes of the 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 or represented at any meeting, the Members present either in person or by proxy, may without notice other than announcement at the meeting, adjourn 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 twenty-five percent (25%) of the votes of the membership shall constitute a quorum.

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. The vote of a majority of the votes present in person or by proxy shall decide questions brought before such meeting unless the question is one upon which, by express provision of statute, the Articles of Incorporation or the By-Laws, a different vote is required, in which event such express provision shall control.

Section 6. Action Taken Without a Meeting. The Members 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 members. Any action so approved shall have the same effect as though taken at a meeting of the members.

ARTICLE XI

OFFICERS AND THEIR DUTIES

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

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

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he sooner resigns, or is removed, or otherwise is 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. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) 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) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

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

(c) Secretary. 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 on 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 may be required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit or cause to be received and deposited in appropriate bank accounts all moneys of the Association and shall disburse or cause to be disbursed 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; and shall prepare an annual budget and an annual operating statement reflecting income and expenditures of the Association a copy of which shall be presented to each Member within the period prescribed in Article XII hereof.

ARTICLE XII

BOOKS AND RECORDS

At all times, during reasonable business hours, the books, records and papers of the Association shall be subject to inspection by any Member. The Declaration of Restrictions, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. An annual financial report of the Association's operations shall be prepared by or at the direction of the Treasurer of the Association and transmitted to each Owner within thirty (30) days after completion of the report and in no event more than ninety (90) days after the end of the Association's fiscal year.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of fifty-one percent (51%) of the voting power of the membership provided that no amendment may be made which conflicts with the Declaration unless the Declaration is first amended in the manner provided therein.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration of Restrictions applicable to the Property and these By-Laws, the Declaration of Restrictions shall control.

ARTICLE XIV

MISCELLANEOUS

Unless modified by resolution of the Board of Directors of the Association, the fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors
of The Ocean Terrace Condominium Association, have hereunto set
our hands this 13th day of March, 1975.

Shirley K. Henry

[Faint signature]

Julie Caput

Linda Hardy

Marjellen Cannon

THIS IS TO CERTIFY:

That I am the duly elected, qualified and acting Secretary of The Ocean Terrace Condominium Association, a California non-profit corporation, and that the above and foregoing By-Laws were adopted as the By-Laws of said corporation by the Board of Directors at a special meeting held March 13, 1975.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of March, 1975.

JoAnne Trausch
JoAnne Trausch
Secretary

BY-LAWS OF

THE OCEAN TERRACE CONDOMINIUM ASSOCIATION

AMENDMENT TO ARTICLE 10, SECTION 1

Annual Meetings. The first Annual Meeting of the members shall be held no later than the first to occur of (1) six months after the close of the first sale of a condominium to an Owner other than Declarant or (2) one hundred and twenty (120) days after transfer of fifty percent (50%) of the votes. Each subsequent regular annual meeting of the members shall be held with five (5) days prior to or five (5) days after the same day of the same month of each year thereafter at the hour of 7:00 P.M. as the original meeting was held, that date having been October 30, 1975.

AMENDMENT TO ARTICLE V, SECTION 2

Election. Directors will be elected by the Members at Annual Meetings. Directors shall serve for staggered two (2) year terms and until the Annual Meeting at the expiration of their two (2) year term and until their successors are elected. In order to establish staggered two (2) year terms for the Board of Directors at the Second Annual Meeting held on October 30, 1976, three of the five Directors shall be elected for one (1) year terms, the other two Directors will be elected for two (2) year terms. In order to determine which Directors are elected for two (2) year terms, they shall be those nominees who receive the largest number of votes of all Directors elected.