

BY-LAWS OF

THE PARADISE CAY HOMEOWNERS ASSOCIATION, INC.

ARTICLE ONE – OFFICES

The principal office of the corporation shall be located in the State of California, County of Marin, in the area known as PARADISE CAY.

ARTICLE TWO - PURPOSE AND OBJECTIVES

In amplification of the purposes for which said corporation has been formed as set forth in the Articles of Incorporation, the purpose and objectives are as follows:

- a) It is the purpose of the PARADISE CAY HOMEOWNERS ASSOCIATION to assume the vested interests and responsibilities replacing the subdivider as described in the Declaration of Establishment of restrictive covenants on Paradise Cay, Map No. 1, Marin County, California, Book 1295, page 268 as recorded on the 16th day of July, 1959, and subsequent maps filed.
- b) To form an association for the purpose of advancing and conserving the interests of PARADISE CAY.
- c) To develop a community designed for safe, healthful and harmonious living.
- d) To promote the collective and individual property and civic interests and rights of all persons, firms and corporations owning property in PARADISE CAY.
- e) To care for the improvement and maintenance of any facilities of any kind dedicated to community use of PARADISE CAY which now exist or which may hereafter be installed or erected herein; to take such action as may be necessary or desirable to keep clean the streets within PARADISE CAY.
- f) To cooperate with the owners of all lots now existing or which hereafter shall exist in PARADISE CAY in keeping them in good order and sightly condition and in preventing them from becoming a nuisance and a detriment to the beauty of PARADISE CAY and to the value of the property therein; and to take any action with reference to such lots as may be necessary or desirable to keep them from becoming such nuisance and detriment.
- g) To aid and cooperate with the members of this corporation and all property owners in PARADISE CAY to comply with such conditions, covenants and restrictions on and appurtenant to their property as shall be hereafter be approved by a vote of the members of the corporation pursuant to Article Ten, and to counsel with the Planning Commission and the Supervisors of the County of Marin in relation to any zoning other than first class residential which may affect any portion of the subject property.
- h) In general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the residents and owners of any portion of PARADISE CAY and their property interests therein. To acquire, own, lease and hold such real and personal property as may be necessary or convenient for the transaction of its business and the fulfillment of its

purposes and objects and to exercise all the rights, powers and privileges of ownership to the same extent as natural persons might or could do.

i) To arrange social and recreational functions for its members.

ARTICLE THREE – MEMBERS

Section 1 – Class of Members. The corporation shall have one class of members. The qualifications and rights shall be as follows:

a) Every beneficial owner (as distinguished from a security owner) of a residential building site in the area known as PARADISE CAY, in the County of Marin, State of California, shall be eligible for membership.

b) A beneficial owner of a building site shall become a member in good standing of the corporation upon payment of the annual dues.

c) Membership in this corporation shall terminate upon such member ceasing to be a beneficial owner of a building site in PARADISE CAY, upon his written resignation, or upon default as described in Section 4, Article Eight.

Section 2 – Voting Rights. Each member in good standing shall be entitled to one vote (1) on each matter submitted to a vote of the members, provided, however, that each such member shall be the sole beneficial owner of a building site in PARADISE CAY. Ownership of more than one (1) building site shall not entitle a member to more than a single vote. Where two (2) or more owners own a single building site, or more than one site, only one (1) vote for such building site or sites owned shall be allowed. All votes at regular or special meetings shall be cast in person or by proxy registered with the Secretary. Voting by mail shall be pursuant to Section 6, Article Four.

Section 3 – Assignment of Rights. A beneficial owner who is a member of this corporation may assign his membership rights to the tenant residing on the beneficial owner's building site. Such assignment shall be effected by filing with the Secretary of the corporation a written notice signed by the beneficial member.

ARTICLE FOUR – MEETINGS OF MEMBERS

Section 1 – Annual Meeting. An annual meeting of the members for the purpose of hearing reports from all officers and standing committees and for electing directors shall be held in Marin County in February in each year. The time and place shall be fixed by the directors.

Section 2 – Special Meetings. A special meeting of the members may be called by the President, by action of the Board of Directors, or by ten percent (10%) or more of the members having voting rights.

Section 3 – Notice of Meetings. Written notice stating the place, day and hour of any meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting, not less than ten (10) days nor more than ninety (90) days before the date of such meeting.

Section 4 – Quorum. Twenty-five percent (25%) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 5 – Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

Section 6 – Voting by Mail. Where directors or officers are to be elected by members, or where there is any other action requiring the vote of the members, such election or vote upon such proposed action may be conducted by mail such manner as the Board of Directors shall determine.

ARTICLE FIVE – BOARD OF DIRECTORS

Section 1 – General Powers. The affairs of the corporation shall be managed by its Board of Directors.

Section 2 – Number, Tenure and Qualifications. The Board of Directors shall consist of 9 directors elected by the membership in such a way as to equitably represent the residents. At least 30 days before the annual meeting in February the secretary will deliver, either personally or by mail, a notice inviting members of the corporation to nominate potential candidates, including themselves, for the Board of Directors and/or as members of any standing committee. Nominations for director or recommendations for standing committees must be received by the secretary at least 15 days before the annual meeting. The Board of Directors shall select a slate of director candidates from the nominees submitted to the secretary who are members in good standing of the corporation and who have agreed to serve if elected. The slate will not be fewer than the number of vacancies to be filled. Members of the corporation in good standing who nominate themselves for the Board of Directors must be placed on the slate of candidates. If the slate of candidates to be elected by members of the corporation includes more nominees than the number of vacancies to be filled, those nominees receiving the highest number of votes by members of the corporation at the annual meeting. Directors shall be elected to a term of three years. Three (3) directors shall be elected to the board each year.

Section 3 – Regular Meetings. The Board of Directors shall meet regularly at least once a month at a time and place it shall select.

Section 4 – Special Meetings. A special meeting of the Board of Directors may be called by or at the request of the President or any two (2) directors.

Section 5 – Notice. Notice of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail to each director. Any director may waive notice of any meeting.

Section 6 – Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of the business of any meeting of the Board, but if less than a majority of the

directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7 – Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by these By-Laws.

Section 8 – Vacancies. In the event a vacancy occurs on the Board, a successor shall be selected by the remaining Board members to serve for the unexpired term of the vacated director.

Section 9 – Removal of a Director. Any director can be removed from office “for cause” by secret vote of two-thirds (2/3) of the remaining directors. “Cause” includes, but is not restricted to, theft or misappropriation of the association funds, dereliction of duties or consistent lack of attendance at Board meetings. At least ten (10) days before such a vote the director subject to removal will be provided with a written statement describing the cause(s) and be provided with an opportunity to respond to and explain why such a vote should not be taken.

ARTICLE SIX – DUTIES OF OFFICERS

Section 1 – Officers. The officers of the corporation shall be President, Vice President, Secretary and Treasurer who shall at all times be members of the Board. The officers shall be elected annually by the Board of Directors at the first Board meeting following the Annual meeting of the membership.

Section 2 – Nomination of Officers. Following the election of the directors at the annual meeting, a nominating committee shall meet to nominate the four officers to serve for the next year. The outgoing President shall serve as chair and shall select two other members to serve on the committee. At least one shall be from the group of directors who terms have expired. The nominating committee shall meet before the first Board meeting immediately following the annual meeting. The officers nominated by the nominating committee shall be elected by the Board of Directors at the first Board meeting following the annual meeting. Additional nominations may be made by any director. The election of officers is subject to Sections 6 and 7 of Article Five.

Section 3 – President. The President shall preside at all meetings of the corporation and the Board of Directors, shall exercise general supervision of the affairs and activities of the corporation, and shall serve as member ex-officio of all standing committees. The President, his designated representative, or one designated by the Board of Directors, shall represent this Association at various meetings which warrant representation by this Association.

Section 4 – Vice President. – The Vice-President shall assume the duties of the President during any absence of the President.

Section 5 – Secretary. The Secretary shall keep the minutes of all meetings of the corporation and the Board of Directors. The minutes shall be an accurate and official record of all business transacted. The Secretary shall be custodian of all corporation records.

Section 6 – Treasurer. – The Treasurer shall receive and deposit all association funds in a bank approved by the Board of Directors and disburse funds by check signed by two (2) officers of the

corporation so authorized by vote of the Board. The Treasurer shall be Chair of the finance committee.

ARTICLE SEVEN – COMMITTEES

Section 1 – Standing Committees. The President shall appoint the following standing committees: architectural review, dredging, finance, grievance, membership and program. Each such committee shall consist of three (3) members, including the Chair, to serve for a period of one (1) year. It is desirable, but not mandatory, that at least one member of a standing committee be a member of the Board of Directors except as otherwise required in Section 3, Article Seven.

Section 2 – Special Committees. The President shall appoint such other committees as the Board of Directors deems advisable.

Section 3 – Architectural Review. The Architectural Review committee shall be primarily responsible for suitable studies and investigations necessary to accomplish Article Two, Paragraphs e, f, and g of the By-Laws. Neither the Chair nor any members of the Architectural Review committee shall be members of the Board of Directors. Applicants who plans or modifications have been reviewed by the Architectural Review Committee may appeal decisions of the Architectural Review Committee to the Board of Directors.

Section 4 – Dredging. The Dredging committee shall be responsible for periodically monitoring and preparing reports of the depth and other navigation characteristics of the navigation easements within Paradise Cay and the North and South Entrances. A copy of the Committee's report shall be provided to the Chair of the Advisory Board of County Service Area (CSA) #29. At least two members of the dredging committee (one from the North and one from the South Cay) should be members of the CSA #29 Advisory Board.

Section 5 – Finance. The Finance committee shall assist the Treasurer in collection of dues and special assessments and shall make recommendations regarding the general financial structure of the corporation.

Section 6 – Grievance. The Grievance committee shall, at its own initiative or in response to requests or complaints of individual members of the corporation, investigate and attempt to resolve by mediation or otherwise any actions or activities or lack thereof, which are described by Article Two, Paragraphs c, d and f.

Section 7 – Membership. The membership committee shall contact and enroll all persons eligible for membership, shall make recommendations regarding eligibility, and shall promote membership attendance at all meetings and activities.

Section 8 – Program. The Program committee shall arrange programs for meetings and special events as may be requested by the President.

ARTICLE EIGHT – FEES, DUES AND ASSESSMENTS

Section 1 – Annual Dues. The amount of the annual dues shall be established by the Board of Directors and submitted to the members for approval at the annual meeting or a special meeting.

Section 2 – Payment of Dues. Dues shall be payable in advance on the first day of March in each year and shall cover a one year period from March 1 to February 28. Annual dues of a new member shall be prorated from the first day of the month in which such new member applies for membership.

Section 3 – Special Assessments. Special assessments may be levied upon members of this corporation by the same method as set forth in Article Ten.

Section 4 – Default in Payment of Dues. a) When any member shall be in default in the payment of annual dues for a period of sixty (60) days from the date on which such dues become payable, that member shall not be member in good standing entitled to vote. b) When any member shall be in default in the payment of dues for a period of ninety (90) days from the date on which such dues become payable, that member shall cease to be a member in good standing.

Section 5 – Assignment of Dues. In the event any member whose dues are paid shall during the year in which said dues are paid terminate his membership by sale of his building site in PARADISE CAY that member shall be entitled to assign to the buyer of such building site the benefit of the paid up dues.

Section 6 – Default in Payment of Special Assessments. a) When any member shall be in default in the payment of special assessments for a period of sixty (60) days from the date on which such special assessments become payable that member shall not be a member in good standing entitled to vote. b) When any member shall be in default in the payment of special assessments for a period of ninety (90) days from the date on which such special assessments become payable that member shall be dropped from the active membership and placed on the inactive roll. Such member shall not be reinstated until such special assessments are paid in full from the date at which they became delinquent.

ARTICLE NINE – FISCAL YEAR

The fiscal year of the corporation shall be February 1 through January 31.

ARTICLE TEN – AMENDMENTS

Section 1 – Any proposed amendment to these By-Laws or special assessment shall be acted upon at an annual or special meeting of the members of the corporation. Written notice of any proposed amendments to these By-Laws or special assessment shall be given to all members entitled to vote not less than ten (10) days nor more than ninety (90) days before such annual or special meeting. The written notice shall include the text of the proposed amendment or special assessment as well as the date, time and place of the meeting.

Section 2 – A proposed amendment or special assessment shall become effective when approved by two-thirds (2/3) majority of the members in good standing present or represented by proxy at the meeting called for said purpose in accordance with Article Four.

By-Laws adopted in 1973
Revised October 4, 1994
Revised March 19, 2000

President: Patty Stadlin
Secretary: Kim Lambert