

**BYLAWS
OF
THE GLEN OF PACIFIC GROVE
HOMEOWNERS ASSOCIATION, INC.
(version 5.1)**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is THE GLEN OF PACIFIC GROVE HOMEOWNERS ASSOCIATION, INC. The principal office of the Association shall be located at One Glen Lake Drive, Pacific Grove, California, or at such other place or places within the State of California as may be designated by the Board.

**ARTICLE II
DEFINITIONS**

The definitions of terms contained in Article 1 of the Declaration of Covenants, Conditions and Restrictions of Tract 912 The Glen of Pacific Grove, recorded in the Office of the Recorder of the County of Monterey, State of California, on July 15, 1982, Reel 1565, beginning at page 635, Document Number G 28977, including amendments thereto, are incorporated herein by reference, and shall apply to those same terms as they appear in these Bylaws.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS**

Section 1. Membership. Each Owner shall automatically be a Member of the Association, and no Person who is not an Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot in the Development. Upon termination of ownership, an Owner's membership shall automatically terminate, and shall be automatically transferred to the new Owner.

Section 2. Suspension or Other Disciplinary Action. Any suspension of Member privileges or any imposition of a fine or any reprimand or censure of a Member shall be done in good faith and in accordance with legal requirements and only after a meeting of the Board to consider or impose discipline. The Board shall provide notice any disciplinary action .

Section 3. Voting. The Association shall have one class of voting membership. Members shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an ownership interest in any Lot, all such Persons shall be Members, but no more than one (1) vote shall be cast with respect to any Lot. The vote of any such Lot shall be exercised as the Members holding an interest in such Lot determine among themselves. In the event of disagreement, the decision of those Members holding a majority of interest in such Lot shall

govern. When a Lot is owned by a corporation, partnership, or other business entity, one individual, officially designated in writing by the business entity, may function as any other individual Member, including voting on behalf of said business entity and holding office in the Association. If one Owner casts the vote attributed to a Lot, the vote shall conclusively bind all of the Owners of that Lot.

Any Member which is an entity shall designate in writing the individual to represent the entity as the Member, and shall provide the writing to the Secretary of the Association prior to the exercise of a ballot, consent, waiver or Proxy authorization.

If the name signed on the ballot, consent, waiver or Proxy appointment corresponds to the name of a Member, the Association shall be entitled to accept the ballot, consent, waiver or Proxy statement and give it effect as the act of the Member.

If the name signed on a ballot, consent, waiver or Proxy appointment does not correspond to the record name of a Member, the Association shall nevertheless accept the ballot, consent, waiver or Proxy statement and give it effect as the act of the Member if any of the following occur:

(a) The Member is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name signed purports to be that of an attorney-in-fact of the Member and if the Association requests, evidence acceptable to the Association of the signatory's authority to sign for the Member has been presented with respect to the ballot, consent, waiver or Proxy appointment.

(c) Two or more Persons hold the membership as cotenants or fiduciaries and the name signed purports to be the name of at least one of the coholders and the Person signing appears to be acting on behalf of all of the coholders.

(d) The name signed purports to be that of an administrator, executor, guardian, or conservator representing the Member and, if the Association requests, evidence of fiduciary status acceptable to the Association has been presented with respect to the ballot, consent, waiver or Proxy appointment.

(e) The name signed purports to be that of a receiver or trustee in bankruptcy of the Member, and, if the Association requests, evidence of this status acceptable to the Association has been presented with respect to the ballot, consent, waiver or Proxy appointment.

The Association shall reject a ballot, consent, waiver or Proxy appointment if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt concerning the validity of the signature or the signatory's authority to sign for the Member.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of Members shall be held at any place designated by the Board.

Section 2. Annual Meetings. The annual meeting of Members shall be held at 8:00 p.m. on the 31st day in October each year, unless the Board fixes another date (not more than sixty (60) days before or after such date) and so notifies the Members as provided in Section 4 of this Article IV. If the scheduled date falls upon a legal holiday, the meeting shall be held on the next business day. At such annual meetings, the Members shall elect the Board in accordance with the requirements of Section 2 of Article V and Article VI of these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings.

(a) Calling special meetings. Special meetings of Members may be called at any time by the Board or by the President. Special meetings of the Members may also be called in accordance with the requirements of Corporations Code Section 7510(e) .

(b) Calling meetings by Members. If a special meeting is called by a Member or Members other than the President, the request shall be submitted by such Member or Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by first class, registered, or certified mail, or by electronic transmission to the President, Vice-President, or Secretary of the Association. The officer receiving the request shall cause notice to be given promptly to the Members entitled to vote, in accordance with the provisions of Section 4 of this Article IV, that a meeting will be held, and the date, time and place for such meeting, which date shall not be less than thirty-five (35) nor more than ninety (90) calendar days following the receipt of the request. If the notice is not given within twenty (20) calendar days after receipt of the request, the Member or Members requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board.

Section 4. Notice of Meetings.

(a) General notice contents. All notices of meetings of Members shall be sent or otherwise given in accordance with subsection (d) of this Section 4 of this Article IV not less than the (10) nor more than ninety (90) calendar days before the date of the meeting. If notice is given by mail and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than twenty (20) calendar days before the meeting. The notice shall specify the place, date, and the hour of the meeting.

In the case of a special meeting, the notice shall specify the general nature of the

business to be transacted and no other business may in that case be transacted.

In the case of the annual meeting, the notice shall specify those matters which the Board, at the time of giving the notice, intends to present for action by the Members, which will not prevent the consideration of any other proper matter presented at the meeting for action. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Members.

(b) Notice of certain agenda items. If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal:

- (1) Removing a director without cause;
- (2) Filling vacancies on the Board by the Members;
- (3) Amending the Articles, these Bylaws, or the Declaration;
- (4) Approving a contract or transaction in which a director has a material financial interest;
- (5) Approving any change in the Assessments in a manner requiring membership approval under the Declaration; or
- (6) Voting upon any election to voluntarily windup and dissolve the Association.

Members action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s).

(c) Change of Member's address. It shall be the duty of each Member to keep the Association advised of his or her correct address.

(d) Manner of giving notice. Notice of any meeting of Members shall be given either personally or by first class, registered or certified mail, charges prepaid, electronic transmission or published, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. If no address appears on the books of the Association and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that Member by first-class, registered or certified mail or electronic transmission from the principal executive office of the Association or (ii) notice is published at least once in a newspaper of general circulation in the County. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by electronic transmission or published.

(e) Newsletter as notice. A notice or report mailed or delivered as part of a newsletter, magazine or other publication regularly sent to Members shall constitute written notice or report when addressed and mailed or delivered to Member, or in the

case of Members who are residents of the same household and who have the same address on the books of the Association, when addressed and mailed or delivered to one of such Members, at the address appearing on the books of the Association.

(f) Affidavit of mailing notice. An affidavit of the mailing or other means of giving any notice of any meeting of Members may be executed by the Secretary giving the notice and if so executed, shall be filed and maintained in the minute book of the Association.

Section 5. Waiver of Notice or Consent By Absent Members.

(a) Written waiver or consent. The transactions of any meeting of Members, either annual or special, however called or noticed and wherever held, shall be as valid as though taken 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 Person entitled to vote who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the business to be transacted or the purpose of any annual or special meeting of Members, except that if action is taken for this Article IV, the waiver of notice or consent shall state the general nature of the proposal(s). 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.

(b) Waiver by attendance. Attendance by a Person at a meeting shall also constitute a waiver of notice of that meeting except when the Person objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 6. Quorum.

(a) Percentage required. The presence at the meeting of Members, either in person or by proxy, entitled to cast at least fifty percent (50%) of the Voting Power shall constitute a quorum for any action except as may otherwise be provided in the Articles, the Declaration, or these Bylaws.

(b) Lowered quorum. At any meeting of Members, annual or special, at which a quorum of at least fifty percent (50%) of the Voting Power is required but is not present, the Members present, either in person or by proxy, may adjourn the meeting to a date not less than five (5) calendar days and not more than thirty (30) calendar days from the original meeting date at which subsequent meeting the presence of Members, either in person or by proxy, entitled to cast at least thirty-three and one third percent (33 1/3%) of the Voting Power, shall constitute a quorum for any action except as may be provided in the Articles, the Declaration, or these Bylaws.

(c) Loss of quorum. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum if any action taken (other than adjournment) is approved by at least a majority of the Members that originally constituted a quorum. [We currently have 60 units. If members representing 30 units are present, that is a quorum. If one member leaves, the quorum is broken but business can continue so long as members representing 16 units are present and approve the action taken.]

Section 7. Adjourned Meeting. Any meeting of Members, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the Members represented at the meeting, either in person or by proxy; but, in the absence of a quorum, no other business may be transacted at that meeting except as provided in this Article. Any adjournment for lack of a quorum shall be to a date not less than five (5) calendar days and not more than forty-five (45) calendar days from the original meeting date. If the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, no further notice of the adjourned meeting need be given.

Section 8. Proxies. (see Civil Code §1363.03)

Section 9. Voting.

(a) Eligibility to vote. Persons entitled to vote at any meeting of Members shall be regular Members in Good Standing as of the date of the meeting.

(b) Manner of casting votes. Voting shall be by secret written ballot.

(c) Majority vote required. If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting entitled to vote on any matter shall be the act of the Members.

(d) Transfer of voting rights. Except as otherwise provided herein, the right to vote may not be severed or separated from the ownership of the Lot to which it is appurtenant, except that any Member may give a revocable proxy to any Person or may assign his or her right to vote to a contract of sale vendee, lessee or a Mortgagee of the Lot concerned for the term of the contract of sale, lease or Mortgage, and any sale, transfer or conveyance of such Lot to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner, subject to any assignment or the right to vote to a contract vendee, lessee or Mortgagee, as provided herein.

(e) Record dates.

(1) Record date for notice of meetings. The record date for determining those Members entitled to receive notice of a meeting of Members shall be the

business day preceding the day on which notice is given or, if notice is waived, the business day preceding the day on which the meeting is held.

(2) Record date for voting. The record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

(3) Record date for other lawful action. The record date for determining those Members entitled to exercise any rights in respect to any other lawful action shall be Members at the close of business on the day on which the Board adopts the resolution relating thereto or the sixtieth (60th) calendar day prior to the date of such other action, whichever is later.

ARTICLE V BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be managed and governed by a Board composed of five (5) Persons, all of whom shall be Owners and Members in Good Standing.

Section 2. Term of Office. The term of office of each director shall be two (2) years, which shall commence on the date of the annual meeting of the first year of the term, and said terms shall be staggered such that in each year at least two (2) and no more than three (3) directors' terms shall expire. In odd numbered years, three (3) terms shall expire, and in even numbered years, two (2) terms shall expire. In those years where the terms of directors expire, directors shall be elected at the annual meeting of Members; however, if any annual meeting is not held or the directors are not elected at an annual meeting, they may be elected at any special meeting of Members held for that purpose. Each director, including a director elected to fill a vacancy or elected at a special meeting of Members, shall hold office until expiration of the term for which elected and until a successor has been elected.

Section 3. Compensation. No director shall receive compensation for any service he or she may render to the Association as a director. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties, if approved by the Board.

Section 4. Removal by the Members. Directors may be removed in accordance with Section 7222 of the Corporations Code.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. In accordance with Civil Code §1363.03, election of directors shall be held by secret ballot in accordance with rules and regulations adopted by the Board.

Section 2. Cumulative Voting. There shall be no cumulative voting.

Section 3. Vacancies.

(a) Events causing vacancy. A vacancy or vacancies in the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director, (ii) the declaration by resolution of the Board of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under Corporation Code section 7230 and following of the California Nonprofit Corporation Law, (iii) the increase of the authorized number of directors, (iv) the failure of the Members, at any meeting of Members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting, or (v) a declaration by the Board that a director has missed three (3) consecutive meetings of the Board without a reasonable excuse.

(b) Resignations. Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board may elect a successor prior to the effective date of such resignation, to take office when the resignation becomes effective.

(c) Vacancies filled by Board. Except for a vacancy created by the removal by the Members of a director, vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director as soon as the Legislature amends Civil Code §1363.03(b) to return that power to the Board or a court of law interprets section 1363.03(b) as not removing that power from the Board.

(d) Vacancies filled by Members. The Members may elect a director at any time to fill any vacancy not filled by the directors or created by removal by the Members of a director. Any such election shall require the consent of a majority of the Members at a duly held meeting at which a quorum is present.

Section 4. Special Election of Directors. In the event that all of the directors shall resign, be recalled or otherwise vacate or terminate their positions as directors so that there would be no Board or in the event that a majority of directors shall resign, be recalled or otherwise vacate or terminate their positions as directors so that the remaining number of directors would be insufficient to constitute a quorum:

(a) The President will by written notice mailed or delivered to all Members convene a special meeting of the Members. Such notice will comply with all necessary provisions regarding notices to the Members of special meeting as set forth in Article IV, Section 4 of these Bylaws.

(b) Should the President be one of the directors whose office is vacated, the President shall carry out the provisions of this Section 6 as his or her final duty as President.

(c) In the event that the President shall refuse or be unable to call such a special meeting, the duty of calling such a meeting shall devolve on the following in this sequence:

- (1) the Vice-President;
- (2) the Secretary;
- (3) the Treasurer.

(d) If all of the above shall refuse or otherwise fail to call such a special meeting, any group of Members may carry out the above notice requirements, consistent with Section 4 of Article IV of these Bylaws.

(e) In the event that one or more of the directors shall be recalled or removed by the Members at a meeting of the Members, the Members may at that same meeting may elect new directors to fill the unexpired terms of those directors so recalled or removed by the Members.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held at such intervals as the Board considers necessary and desirable, at least four (4) times a year. Regular meetings of the Board shall be held at a place within the Development, unless a suitable location within the Development is unavailable, in which case regular meetings shall be held as close to the Development as is practical, and at such hour as may be fixed from time to time by resolution of the Board. Any Member may attend meetings of the Board except when the Board adjourns to executive session as provided for in Section 10 of this Article VII of these Bylaws.

Section 2. Annual 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 this annual meeting of the Board shall be given in the notice of the annual meeting of Members required by Section 4 of Article IV of these Bylaws.

Section 3. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President, the Secretary or any two (2) directors. The notice shall specify the time and place of the meeting and the nature of the special business to be considered.

Section 4. Emergency Meetings. An emergency meeting of the Board may be called by

the President, or by any two (2) members of the Board other than the President, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as otherwise required. Notice to the Members shall not be required for an emergency meeting of the Board.

Section 5. Notice of Meetings. Except as provided in Section 4 of this Article VII, notice of regular and special meetings of the Board shall be posted at prominent places in the Development not less than four (4) days prior to the meeting.

Section 6. Entry of Notice. Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such a director, as required by law and these Bylaws.

Section 7. Waiver of Notice. Deleted.

Section 8. 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, subject to the provisions of the California Nonprofit Corporation Law. A meeting at which a quorum is present may continue to transact business notwithstanding the withdrawal of directors if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 9. Open Meetings. Except as provided in Section 10 of this Article VII, regular and special meetings of the Board shall be open to all Members. The Board shall permit Members to speak at any meeting of the Board, except for meetings of the Board held in executive session. However, members who are not directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. A reasonable time limit for all Members to speak at a meeting of the Board may be established by the Board.

Section 10. Executive Sessions. The Board may, with the approval of a majority of those directors present at the meeting, adjourn a meeting and reconvene in closed executive session to discuss and vote upon personnel matters, litigation and other legal matters in which the Association is or may become involved, matters relating to the formation of contracts with third parties, Member discipline, to meet with a Member upon the Member's request regarding the Member's payment of Assessments, or other business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session. In matters relating to the discipline of a Member, the Board shall meet in executive session if requested by the Member and the Member shall be entitled to attend the executive session.

Section 11. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 12. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment, and shall be posted in a prominent place within the Common Area.

Section 13. No Action Taken Without a Meeting. The Board shall not have the right to take any action in the absence of a meeting it could take at a meeting by obtaining the written consent of all the directors.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have all powers conferred on the Association as set forth in the Declaration, these Bylaws and the California Nonprofit Corporation Code, except those powers expressly reserved to the Members and subject to the requirements to obtain approval of the Members before certain actions can be taken. In addition, the Board shall appoint and remove at its pleasure all officers, agents and employees of the Association, and shall prescribe powers and duties for them that are consistent with the Declaration, the Articles, these Bylaws, and any applicable laws.

Section 2. Duties. The Board shall be responsible for the performance of the duties of the Association as set forth in the Declaration and shall supervise all officers, agents, and employees of the Association for the proper performance of their duties.

Section 3. Committees. The Board may create committees as deemed appropriate in carrying out its purposes. The number of members of committees and the Persons who shall be members thereof shall be determined by the Board. The Board shall have the discretion to appoint non-Members to committees. No committee, regardless of Board resolution, may:

- (a) take any final action on matters which also requires Members approval;
- (b) fill vacancies on the Board of Directors or on any committee;
- (c) amend or repeal Bylaws or adopt new Bylaws;
- (d) amend or repeal any resolution of the Board of Directors;
- (e) create committees of the Board of Directors or the members of those committees;
- (f) approve any transaction to which the Association is a party and in which one (1) or more directors have a material financial interest.

Section 4. Standard of Care. (See Corporations Code §7231)

Section 5. Indemnification.

(a) For purposes of this Section 5, “agent” means any Person who is or was a director, officer, employee, or other agent of the Association; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under subdivision (d) or paragraph (3) of subdivision (e) of this Section 5.

(b) The Association shall have power to indemnify any Person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Association to procure a judgment in its favor, an action brought under Corporation Code § 5233, or an action brought by the Attorney General or a Person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such Person is or was an agent of the Association, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such Person acted in good faith and in a manner such Person reasonably believed to be in the best interests of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such Person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the Person did not act in good faith and in a manner which the Person reasonably believed to be in the best interests of the Association or that the Person had reasonable cause to believe that the Person’s conduct was unlawful.

(c) The Association shall have power to indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Association, or brought under Corporation Code §5233, or brought by the Attorney General or a Person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such Person is or was an agent of the Association, against expenses actually and reasonably incurred by such Person in connection with the defense or settlement of such action if such Person acted in good faith, in a manner such Person believed to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

No indemnification shall be made under this subdivision:

(1) In respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable to the Association in the performance of such Person’s duty to the Association unless, and only to

the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(3) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

(d) To the extent that an agent of the Association has been successful on the merits in defense of any proceeding referred to in subparagraphs (b) or (c) of this Section 5 or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

(e) Except as provided in subparagraph (d) of this Section 5, any indemnification under this Section shall be made by the Association only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in subparagraphs (b) or (c) of this Section 5, by:

(1) A majority vote of a quorum consisting of directors who are not parties to such proceeding;

(2) Approval of the Members, with the Persons to be indemnified not being entitled to vote thereon; or

(3) The court in which such proceeding is or was pending upon application made by the Association or the agent or the attorney or other Person rendering services in connection with the defense, whether or not such application by the agent, attorney or other Person is opposed by the Association.

(f) Expenses incurred in defending any proceeding may be advanced by the Association prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Section 5.

(g) No provision made by the Association to indemnify its directors or officers for the defense of any proceeding, whether contained in the Articles, these Bylaws, the Declaration, a resolution of Members or directors, an agreement, or otherwise, shall be valid unless consistent with this Section 5. Nothing contained in this Section 5 shall affect any right to indemnification to which Persons other than such directors and officers may be entitled by contract or otherwise.

(h) No indemnification or advance shall be made under this Section 5, except as provided in subparagraph (d) or subparagraph (e)(3) of this Section 5, in any circumstance where it appears:

(1) That it would be inconsistent with a provision of the Articles, these Bylaws, the Declaration, a resolution of the Members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid which prohibits or otherwise limits indemnification; or

(2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

(i) The Association shall purchase and maintain insurance and/or a fidelity bond on behalf of any agent of the Association against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Association would have the power to indemnify the agent against such liability under the provisions of this Section 5.

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, a vice-president, a secretary, and a treasurer.

Section 2. Term. Each officer of the Association shall be elected annually by the Board. Each shall begin his or her duties upon being elected and shall hold office until his or her successor is elected, unless such Person sooner resigns, is removed, or is otherwise disqualified to serve.

Section 3. Election of Officers. The Board shall elect the officers at the meeting of the Board immediately following each annual meeting of Members.

Section 4. 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 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer the appointee replaces.

Section 6. Multiple Offices. The offices of Secretary and Treasurer may be held by the

same Person. No Person shall simultaneously hold more than one or any of the other offices.

Section 7. Duties. The duties of the officers shall be those usually vested in their respective offices, including the following:

(a) President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Board and the membership. He or she shall have all of the general powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the Members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association, and shall be, *ex officio*, a member of all standing committees. The President shall see that orders and resolutions of the Board are carried out.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board. If neither the President nor the Vice-President is able to act, the Board shall appoint another member of the Board to act on an interim basis.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings of the Board and of the Members, shall have custody and charge of the Association's corporate seal, minute books, membership transfer books, and such other books, papers and documents as the Board may prescribe, and shall serve notice of meetings of the Board and of the Members. The Secretary shall also issue such certificates to title insurers as provided for in the Declaration.

(d) Treasurer. The Treasurer shall be responsible for Association funds and securities and shall keep or supervise the keeping by Persons designated by resolution of the Board of books of account of the Association, receipts and disbursements. The Treasurer shall cause to be maintained complete records of all disbursements and charges levied, the liens securing same under and pursuant to the provisions of the Declaration, the amounts thereof, the properties and interests against which the same have been assessed, the dates upon which the same are due, and upon which the same are delinquent, and a record of the payments thereof.

Section 8. Checks and Drafts.

(a) Generally. Except as provided in subsection (b) of this Section 9, all checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable by 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.

(b) Reserves. The signatures of two directors shall be required for the

withdrawal of moneys from the Association's Reserve Accounts.

Section 9. Execution of Contracts and Other Documents. Except as otherwise specifically provided in these Bylaws, the Board by resolution 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. Unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or agreement or to pledge its credit to render it liable for any purpose or for any amount.

Section 10. Gifts. The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

Section 11. Officer Compensation. The Board may, in its discretion, compensate any officer of the Association for services contracted for or rendered to the Association by an officer which would have otherwise been contracted for or rendered by a management company or other professional. Any officer, who is also a director at the time that the Board considers such compensation for that officer, shall not participate in the vote for such a compensation.

ARTICLE X BOOKS AND RECORDS

(See Civil Code Section 1365.2 or its successor)

ARTICLE XI AMENDMENTS AND INTERPRETATION OF DOCUMENTS

Section 1. Amendment. Any amendment to these Bylaws shall require the vote or written consent of a majority of the Voting Power. "Voting power" means the total number of votes held, based upon one (1) vote per Lot by Members whose membership at the time the determination of Voting Power is made have not been suspended. Voting power shall be computed by including all such Members in Good Standing whether or not such Members are present in person or by Proxy at a meeting.

The Secretary shall enter into the records of the Association a certificate that any amendment to these Bylaws has been correctly adopted in accordance with the provisions of these Bylaws.

Section 2. Interpretation. In the case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between the Articles and the Declaration, the Declaration shall control. In the case of any conflict between state or federal law and these Bylaws, those state or federal laws shall control.

ARTICLE XII MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of September.

Section 2. Compensation of non-office holders. A Member who is not an officer or director of the Association may perform duties for the Association in return for compensation, either in the form of cash or a credit against or reduction in that Member's Assessments. Any Member to be so compensated must demonstrate reasonable experience and competence with respect to the area of responsibility undertaken by the Member in return for compensation. The services performed in return for compensation may include, without limitation, bookkeeping, maintenance, and management.

Section 3. Excess Earnings Resolution. Unless the Board rules otherwise, any assessment or interest earned in excess of operating expenses shall be carried forwarded to the following fiscal year as Reserve Funds.

Section 4. Headings and Titles. All headings and titles used in these Bylaws, including those of articles, sections, and subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them, affect that which is set forth in such article, section, or subsection, nor any of the terms or provisions of these Bylaws nor the meaning thereof.

Section 5. Gender. Except when the context of these Bylaws requires otherwise, the masculine gender includes the feminine and neuter.

Section 6. Number. The singular shall include the plural and the plural shall include the singular unless the context requires otherwise.

Section 7. Parliamentary Authority. The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Association may adopt.

Section 8. Notices.

(a) Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered after a copy of the same has been deposited in the United States mail, postage prepaid, and addressed as provided in subSection (b). Any delivery by email, facsimile, or other electronic means is effective if the recipient has agreed to that method of delivery.

(b) Notices shall be in writing and shall be addressed, if to an Owner, to the address of his or her Lot and, if to the Association, to the address of the Development. The Association may designate a different address for notices by giving written notice of such change of address to all Owners. Any Owner may designate a different address

for notices by giving written notice of such change of address to the Association.

(c) This subsection applies to delivery of a document to the extent this subsection is made applicable by another provision of these Bylaws. If the method of delivery is not expressly provided for herein, a document shall be delivered by one or more of the following methods:

(1) Personal delivery.

(2) First-class mail, postage prepaid, addressed to a Member at the address last shown on the books of the association or otherwise provided by the Member. Delivery is deemed to be complete on deposit into the United States mail.

(3) Email, facsimile, or other electronic means, if the recipient has agreed to that method of delivery. If a document is delivered by electronic means, delivery is complete at the time of transmission.

(4) By publication in a periodical that is circulated primarily to Members.

(5) If the Association broadcasts television programming for the purpose of distributing information on association business to its Members, by inclusion in the programming.

(6) A method of delivery provided in a recorded provision of the Governing Documents.

(7) Any other method of delivery, provided that the recipient has agreed to that method of delivery.

A document may be included in or delivered with a billing statement, newsletter, or other document that is delivered by one of the methods provided in this subsection. For the purposes of this Section, an unrecorded provision of the Governing Documents providing for a particular method of delivery does not constitute agreement by a Member that method of delivery.

Section 9. Adoption of these Bylaws supercede both the original Bylaws dated July 15, 1982 and the First Amendment To Bylaws dated November 14, 1985.

CERTIFICATE

I hereby certify that I am the duly elected and acting Secretary of THE GLEN OF PACIFIC GROVE HOMEOWNERS ASSOCIATION, INC. and that the foregoing Bylaws constitute the Bylaws of said Association as duly adopted by approval of a majority of the Voting Power of the Owners.

DATED: _____060906_____

Stephanie Lee, Secretary