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SEP 28 1999

PEREZ ACRES HOMEOWNERS ASSOCIATION

DEPT. OF REV. & TAX  
GOV'T OF GUAM  
BLB 22

ARTICLE I

NAME AND LOCATION

Section 1. Name. The name of the corporation is PEREZ ACRES HOMEOWNERS ASSOCIATION, (the "Association").

Section 2. Location. The principal office of the corporation shall be located at the district of Tamuning, municipality of Dededo, Guam, but meetings of members and directors may be held at such places within Guam, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. Association. "Association" shall mean and refer to Perez Acres Homeowners Association, its successors and assigns.

Section 2. Common Area. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 3. Declarant. "Declarant" shall mean and refer to Cal-Island Developers, Ltd., a California limited partnership, its successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 4. Declaration. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties, recorded in the office of the Recorder, territory of Guam, under Instrument No. \_\_\_\_\_.

Section 5. Lot. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. Member. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration. No person shall be entitled to the rights of membership until satisfactory proof had been furnished to the Association that the member is qualified pursuant to the terms of the Declaration. Such proof may consist of a copy of a duly recorded deed, or title insurance policy, showing such person is qualified, which deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a deed or policy subsequently provided to the Association.

Section 7. Owner, "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. Properties, "Properties" shall mean and refer to that certain real property described in the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the members shall be held on the third Monday of the month of March at the hour of 7:30 o'clock P.M.. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the next Monday following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4 th) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, at least fifty percent (50%) of the voting power shall constitute a quorum of the transaction of business at all meetings of the members. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum at aforesaid shall be present or be represented.

Section 5. Proxies, 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 Lot.

#### ARTICLE IV

#### BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE:

Section 1. Number. The affairs of this Association shall be managed by a Board of seven (7) directors, who must be members of the Association.

Section 2. Term of Office. At the Association's 1999 annual meeting, the members shall elect four directors for a term of two years, and three directors for a term of one year. The four directors with the most votes shall be elected for a term of two years, while the remaining three directors shall serve a term of one year. At each annual meeting thereafter, the members shall elect the respective number of directors for a term of two years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a two-thirds (2/3 rds) majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpected term of his predecessor.

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

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

## ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 6. 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 of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted.

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 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 (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum of 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  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice

and hearing, for a period not to exceed sixty days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors' and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4 th) of the Class A members who are entitled to vote;

(b) 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, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not an assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

~~(g) Cause the Common Area and the surface of the ponding area to be maintained;~~

~~(h) Cause the exterior of the dwellings (except windows) to be maintained.~~

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and a vice-president, both of whom shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise 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 by appointment by the Board. The officer appointed 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 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:

*President*

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

*Vice-President*

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

*Secretary*

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it 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 addressees, and shall perform such other duties as required by the Board.

*Treasurer*

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X  
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, 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.

ARTICLE XI  
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a variable rate equal to one and one-half percent (1 1/2%) above the prime rate of interest in Guam as set from time to time by the Bank of Hawaii (except such rate of interest shall in no event exceed the maximum lawful rate for such obligations in Guam nor be less than six percent (6%) per annum). The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot. The Association may require the members to pay all assessments directly to the bank or other financial institution financing the construction of the dwellings.

ARTICLE XII  
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "PEREZ ACRES HOMEOWNERS ASSOCIATION - GUAM, USA" and within the center the date of incorporation.

ARTICLE XIII  
AMENDMENTS

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Section 1. Amendment by members. These By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. Conflicts. 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 and these By-laws, the Declaration shall control.

Section 3. Votes for Amendment, No By-law can be amended by a percentage of votes less than the percentage of votes required to effect the purpose of such By-law prior to its amendment.

ARTICLE XIV  
MISCELLANEOUS

The fiscal year of the Association shall begin on January 1 of each year.

## ARTICLE XV

### EXTERIOR MAINTENANCE AND REPLACEMENT OF PATIO FENCES

Section 1. All Fences Replaced. All fences of wooden construction shall be replaced, as set forth below, with new fences of a masonry construction.

~~Section 2. Association to Maintain. The Association shall be responsible for all exterior maintenance and replacement of the new fences of masonry construction. This maintenance shall include such things as painting, repair and replacement of gates, and replacing wood trim.~~

However, the cost of maintenance, repair, or replacement that is caused through the willful or negligent acts of the owner, his family, guests, or invitees, shall be added to and become a part of the assessment to which such lot is subject.

Section 3. Design of New Fences. The masonry fences shall be of one standard design and type of construction to be approved by the Association's Architectural Review Committee.

Section 4. Existing Fences May Remain. All wooden patio fences presently existing upon the project may be retained so long as they are serviceable, adequately maintained, and safe. The Association shall not spend or obligate Association funds for the maintenance of these presently existing wooden patio fences.

Section 5. When Wooden Fences Replaced. The existing wooden patio fences shall be replaced with a new fence of the above-mentioned masonry construction when either, (1) the homeowner requests the Association to replace his/her fence, or (2) the Architectural Review Committee or the Board of Directors determines that the fence falls below the standards set forth above in Section 4.

Section 6. Cost to Be Paid By Homeowner. The homeowner will be responsible for paying all construction costs for building new masonry patio fences. Construction shall be arranged by the Association on behalf of the homeowner. The homeowner shall not be obligated to make payment until the new masonry patio fence is inspected and approved by the Association.

Section 7. Assessment for Maintenance, Repair of Masonry Fences. Association members who have new masonry fences erected upon their lots shall pay a monthly assessment for the purpose of providing for maintenance, repair and replacement of the masonry patio fences. This assessment shall be deposited into a separate fund and maintaining, repairing, and replacing the masonry patio fences constructed in accordance with this Article. This assessment and the fund shall be reviewed annually the Association's Board of Directors, and may be either increased or decreased.

## ARTICLE XVI

### CONSTRUCTION, MAINTENANCE, REPLACEMENT AND EXTERIOR IMPROVEMENTS

Section 1. Standard Designs for Trellises, Covered Patios and Screened Patios. The Association, through its Architectural Review Committee and Board of Directors, shall develop standard designs for constructing trellises, covered patios, and screened

patios. After adoption of the standard designs, all new construction of trellises, covered patios, and screened patios shall conform to the standard designs.

Section 2. Exterior Maintenance Standards. The Association through its Architectural Review Committee and Board of Directors may adapt standards for front doors, screen doors, utility room doors, and any other exterior improvements.

Spec 17

Section 3. When Existing Exterior Improvements May Be Retained. All trellises, covered patios, screened patios and other exterior improvements already constructed when standard designs are adopted may be retained so long as they are serviceable, adequately maintained, and safe.

Section 4. Owners Responsible For Construction Costs. Owners shall be responsible for all costs of construction of new or replacement trellises, covered patios, screened patios, and all other exterior improvements. Construction shall be arranged by the Association on behalf of the homeowner if the estimated cost of the improvement exceeds \$500.00. The Board of Directors shall adopt rules and procedures governing construction under this section.

Section 5. Owners Responsible For Costs Due To Maintenance and Repair Of Exterior Improvements. The owner is responsible for the cost of maintenance and replacement of exterior improvements, other than masonry fences, which are part of the owner's unit. The manager, at the direction of the Board of Directors, shall notify responsible owners in writing if their exterior improvements fail to meet Association standards set forth in Section 1 and 2 above. If the responsible owner fails to perform necessary maintenance or replacement of exterior improvements within thirty (30) days,

the manager shall arrange for such maintenance or replacement. All costs of such maintenance or replacement shall be assessed to the responsible owner.

Section 6. Removal of Exterior Improvements. Existing exterior improvements which do not meet the standards set forth in Section 3, above, shall be removed by the responsible owner within thirty (30) days following notice given by the manager at the direction of the Board of Directors. If the homeowner fails to remove the exterior improvement within thirty (30) days, the manager shall arrange for its removal. All costs of such removal shall be assessed to the owner.

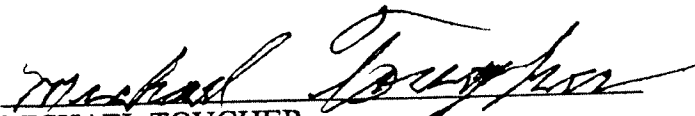
IN WITNESS WHEREOF, the undersigned directors representing a majority of the Board of Directors of PEREZ ACRES HOMEOWNERS ASSOCIATION have hereunto subscribed their names to signify their vote for the adoption of the foregoing By-laws this 17 day of September, 1999.

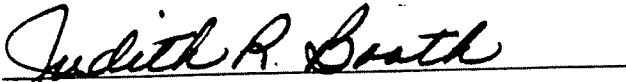
  
\_\_\_\_\_  
JOHN GILLIAM

  
\_\_\_\_\_  
ROBERT CRUZ

  
\_\_\_\_\_  
JAMES CRUZ

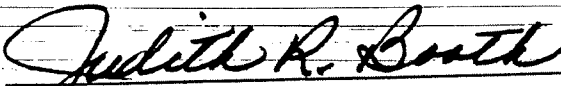


  
MICHAEL TOUGHER

  
JUDITH R. BOOTH

COUNTERSIGNED this 17 day of September, 1999 by the undersigned

Secretary of the corporation.

  
JUDITH R. BOOTH  
Secretary and Director