

**AMENDMENT TO BYLAWS OF
DEL MAR HIGHLANDS NEIGHBORHOOD HOMEOWNERS' ASSOCIATION**

The following Amendment to Bylaws of Del Mar Highlands Neighborhood Homeowners' Association has been adopted by the Members of the Association pursuant to the terms of Article XIV of the Bylaws.

A M E N D M E N T

1. A new Section 4 is added to Article VIII of the Bylaws and will read as follows:

Section 4. Contract Bidding

- (a) The Board shall use the following bidding procedures for any proposed contractual agreement where the estimated cost will be \$3000 or greater.
- (b) The Board shall solicit bids from three (3) to five (5) or more reputable individuals and/or companies. The Board shall select the individual and/or companies solicited based on proper licensing for the proposed work, bonding, insurance and any other appropriate or available measurement.
- (c) The Board shall send the same cover letter to each bidder identifying the services to be performed along with a copy of these bidding procedures. Each bidder shall furnish at least three (3) references from their most recent contracts of similar size and scope during the past two years.
- (d) The Board shall accept bids only for the materials or service(s) specifically requested.
- (e) A representative of the bidder shall submit its sealed bid to the Board at a designated scheduled meeting. No late bids will be accepted.
- (f) The Board shall determine which bidder is best qualified to perform the work. A bidder's references, quality of service, timeliness and other

factors will be considered. The lowest bid will not be the sole criterion for determining the successful bidder. The Board may, in its discretion, reject all bids submitted. The Board shall not be barred from accepting a bid merely because fewer than three of the bidders returned a bid.

- (g) The Board shall be able to negotiate any additional discounts with the successful bidder.
- (h) This bidding procedure shall not apply to sole source suppliers, such as public utilities.
- (i) This bidding procedure shall not apply when the Board requires materials or services on an emergency basis. At least two (2) directors shall determine that an emergency exists, and they shall attempt, as best as possible under the circumstances, to consider the factors identified in this bidding procedure to select a contractor for the emergency. The directors who make the decision shall prepare written documentation of the reasons why they believed an emergency existed and how they selected the contractor to address the emergency.

2. Article V, Sections 1 and 2 shall be deleted in its entirety and replaced as follows:

Section 1. Number

"The affairs of this Association shall be managed by a Board of seven (7) Directors, who shall be Members of the Association. Where a Member is a corporation, partnership, trust or some other entity which is not a natural person, any officer, director, principal, partner or duly authorized agent of such Member shall be qualified to serve as a Director."

Section 2. Term of Office

"At the first annual meeting of Members following approval of this amendment, the Members shall elect enough directors to the Board to increase the Board size to seven (7) directors. From that annual meeting forward, four (4) directors shall have terms which expire in even-numbered years and three (3) directors shall have terms which expire in odd-numbered years. At that annual meeting, or at other elections in which more Directors are elected to the Board than the number of terms

which would normally expire in that year, (whether to fill vacancies or to increase the authorized number of Directors), the candidates receiving the highest number of votes shall fill the longer terms, and the candidates receiving the next highest number of votes shall fill the shorter terms, up to the total number of vacancies to be filled. Directors may continue to serve in office until their successors are elected or appointed.

3. A new Section 1(d) is added to Article VIII of the Bylaws and will read as follows:

- (d) accept an assignment from Pardee Construction Company, or any successor Declarant, to certain Declarant's rights to act as the Architectural Control Committee established under certain Neighborhood Declarations of Covenants, Conditions and Restrictions including, without limitation, N.C.W. Neighborhood 3, Unit Nos. 1, 2, 5, 6 and 13 ("Neighborhood Declarations"). Any such assignment would be accepted for the limited purposes of (1) approving or disapproving lawns and ground covers, (2) approving or disapproving plans and specification for improvement of the lots, (3) approving or disapproving colors of paint and repainting, (4) approving or disapproving solar equipment, (5) enforcing provisions related to Slope Control Areas and (6) enforcing compliance with specified paragraphs of the Neighborhood Declarations which call for owners to maintain their lots and landscaping in good condition. This power may be exercised by a vote of the Board of Directors and shall also include and give the Board of Directors the right to reassign this power to another duly-constituted entity or to relinquish any such assignment.

4. Except as expressly amended herein, the provisions of the Bylaws of Del Mar Highlands Neighborhood Homeowners' Association as amended, shall remain in full force and effect.


C E R T I F I C A T E

The undersigned, by signature below, hereby certifies:

- (1) That I am the duly elected and acting Secretary of the Association.
- (2) That the foregoing **Amendment to Bylaws** received the required approval of the Members of the Association.

- (3) That the foregoing **Amendment to Bylaws** became effective as of the date the Amendment was approved by the members by written ballot in 1994.

DATED: December 29, 1995


Secretary