

BY-LAWS
OF
LOS FELIZ ESTATE OWNERS ASSOCIATION

Article I

CORPORATE POWERS

The corporate powers of this Corporation shall be vested in a board of five Directors and three Directors shall constitute a quorum for the transaction of business.

Article II

MEMBERSHIP AND PROPERTY RIGHTS

Section 1. QUALIFICATIONS OF MEMBERS: The members of this Corporation shall be the owners of record of lots in the real property described in the Articles of Incorporation of the Association and in such additional property as may become subject to the Declaration of restrictive covenants referred to in ARTICLE 11(b) of the Articles of Incorporation. All of said real property shall herein be referred to as "said property". Such ownership of a lot shall be the sole qualification for membership in this corporation. No person or Corporation taking title to a lot as security for payment of money or performance of other obligations shall thereby qualify for membership or become a member.

Section 2. ESTABLISHMENT OF MEMBERSHIP: Acceptance by grantee of a conveyance of a lot in said property shall constitute the grantee as a member of this Corporation subject to these By-Laws without any further action on his part, and certification by the Secretary that a person is a member of this corporation shall be conclusive evidence in favor of all third persons as to the facts recited therein.

Section 3. TERMINATION OF MEMBERSHIP: Whenever a member ceased to hold title to a lot in said property, said person shall cease to be a member. A member may, however, transfer membership with each lot transferred and retain membership for a lot or lots not transferred. When a lot is owned of record in joint tenancy or tenancy-in-common, membership as to said lot shall be joint and rights of said membership shall be exercised only by joint action as to all owners of said lot.

Section 4. FEES AND DUES OF MEMBERS: Members shall be obligated to pay the annual assessment as fixed by Board of Directors pursuant to Declaration of Restrictive covenants, Conditions and Restrictions made by Los Feliz Estates, Inc. and recorded in Document Nos. 6221 on May 31, 1963, in Book M1276, Page 967-975, inclusive of Official Records of the County Recorder of Los Angeles County. Payment of the annual assessment shall be secured by a lien therefor, imposed on the lots as provided in the Declaration of RESTRICTIVE Covenants, Conditions and Restrictions.

Section 5. PROPERTY RIGHTS AND INTEREST: Members shall not have any property rights in real or personal property held by or in the possession or control of this Corporation or any private individual. Upon the winding up and dissolution of the Corporation, any and all of the assets of the Corporation shall be paid and distributed exclusively for such charitable purposes as the Board of Directors of the Corporation may then determine and in no event shall any funds, property or assets of the Corporation upon winding up and dissolution be paid, directly or indirectly, to any member, officer, or director of the Corporation.

Section 6. VOTING POWER: The voting power of each member of this corporation is as follows:

Each member of this Corporation shall be entitled to one vote for each lot of which the member is the owner of record twenty (20) days prior to the original meeting date whether said meeting is adjourned or not. In the event a lot is owned by joint or tenancy-in-common, title is immaterial to the representation of only one vote for each lot. Such voting power shall be exercised as one vote in behalf of each lot regardless of the single, joint or common tenancy, as shall be exercised without restrictions or limitations in all instances.

The transactions of any meeting of member, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Article III

SEAL

The Corporation shall have a common seal consisting of a circle having on its circumference the words "LOS FELIZ ESTATES OWNERS ASSOCIATION -INCORPORATED, CALIFORNIA", together with the date of the incorporation of this Corporation.

Article IV

OFFICE

The Corporation shall maintain its principal office in the County of Los Angeles, State of California, but may have offices and transact business at such other places as the Board of Directors may from time to time appoint.

Article V

BOARD OF DIRECTORS

Section 1(a). ELECTION: The directors of this Corporation shall be elected annually by written ballot of members present at the annual meeting together with proxies of those members absent from the meetings. Such ballot and proxy shall contain the names of those persons nominated to the office of director by a nominating committee of not less than three members appointed by the Board of Directors for that purpose, and nothing contained in this article shall prohibit, or have the effect of prohibiting, any member from casting his ballot for a qualified candidate of his own choice by writing one or more additional names upon such ballot, providing said candidate meets the qualifications and membership requirements provided in Article II, Section 1 and 2 of these By-Laws. The proxy and the nominating committee report shall be addressed to the member(s) at his/her residence address as shown on the records of the Corporation or to such other address as the member may designate in writing for such

purpose, and shall be deposited in the United States Mails, postage prepaid, not less than fifteen (15) days prior to the date of the Annual Meeting.

The five persons who receive the highest number of votes cast, and who are qualified to serve as directors under Sections 1 and 2 of Article II and under Section 3 of this Article, shall be elected the directors of this corporation. The directors so elected shall serve for one year or until their respective successors are elected. Their terms shall begin on the first week of January following the November election of the previous year. Within fifteen (15) days after the annual meeting and election of the new board of directors, there shall be a meeting between the outgoing board of directors and the newly elected board of directors in order to cooperatively effect an orderly transfer of power.

Section 1(b). INSPECTORS OF ELECTION: (1) In advance of any meeting of members, the Board shall appoint inspectors of election to act at the meeting and any adjournment thereof. If inspectors of election so appointed fail to appear or refuse to act, the chairman of any meeting of members may, and on the request of any member or a member's proxy shall, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. The number of inspectors shall be three.

(2) The inspectors of election shall determine the number of memberships outstanding and the voting power of each, the number represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all members.

(3) The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. The decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima fade evidence of the facts stated therein.

(4) Said inspectors of election shall be members who are not presently Directors nor candidates for election as Directors.

Section 2. TERMS OF OFFICE: The elected directors shall serve one year terms.

Section 3. VACANCIES: Any vacancy or vacancies in the board of directors of this Corporation resulting from death, incapacity, resignation, expiration of term office, removal or otherwise, shall be filled by the remaining directors then in office by nomination and election at the next regularly scheduled meeting of the board of directors, with quorum present.

Section 4. QUALIFICATION: At the time of his election, each of the directors of this Corporation shall be a voting member of this Corporation, entitled to vote at the Annual Membership Meeting and Election in Accordance with Article II, Section 1, 2 and 3 of this Article.

Section 5. POWERS: Without prejudice to or limitation of the provisions of Article I of these By-Laws, the board of directors shall have the following powers:

First. To select or remove any of the agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, the articles of Incorporation, or the By-Laws of this Association.

Second. To conduct, manage and control the affairs and business of this corporation, and to make such rules and regulations therefor not inconsistent with law, with the Articles of Incorporation or the By-Laws, as they may deem best.

Third. To change the principal office for the transaction of the business of this Corporation from one location to another within the County of Los Angeles; to designate any place within the State of California for holding of any directors' or members' meetings; and to adopt, make and use a corporate seal with the right to alter or change the form thereof from time to time as in their judgment they may deem best, provided such seal shall at all times comply with the provisions of the law.

Fourth. To appoint an executive committee and other committees, and to delegate to the executive committee any of the powers and authority of the board in the management of the business and affairs of this Corporation, except the power to adopt, amend or repeal the By-Laws. The executive committee shall be composed of three or more directors. Other committees may be appointed by the Board of Directors and shall not be exclusively composed of members of the board of directors, but shall consist of voting members of this Association.

Fifth. To determine, levy and assess annually the charges and assessments referred to in the Declaration of Restrictive Covenants, Conditions and Restrictions with respect to the real property applicable to the property described in Article H of the Articles of Incorporation of this Corporation or therein referred to as said property to fix the per lot charge and/or assessments within the limitations fixed by said restrictions, and to expend all monies received on account thereof for the purposes enumerated in such restrictions.

Sixth. To exercise for this Corporation all power and authority vested in or delegated to this Corporation by any such Restrictions, Restrictive Covenants, or Conditions which are not vested in the membership as such.

Section 6. COMPENSATION: The directors of this Corporation shall receive no compensation for their services or any special benefits in lieu of compensation, but may be reimbursed for any personal expenditures made in behalf of the Corporation, subject to the approval of the board.

Section 7. DUTIES: It shall be the duty of the Directors of this Corporation:

First. To cause to be kept a complete record of all of their minutes and acts, and of the proceedings of the members, and present a full statement, showing in detail the assets and liabilities of this Corporation and generally the condition of its financial affairs at the regular annual meeting of the membership. A similar statement shall be prepared annually and shall be mailed to the membership along with the election ballots.

Second. To supervise all officers, agents and employees and see that their duties are properly and faithfully performed.

Section 8. PLACE OF MEETING: Regular meetings of the board of directors shall be held at any place within Los Angeles County, which has been designated from time to time by resolution of the board or by written consent of all members of the board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation or by agreement of the board of directors at the last preceding regular meeting.

Section 9. ORGANIZATION MEETING: Following each annual meeting of the members, but no later than ten days thereafter, the board of directors shall hold a regular meeting for the purpose of organization, election of officers and transaction of other business. Notice of such meeting is hereby dispensed with. The retiring board of directors shall do all things necessary to accomplish an orderly transfer of authority during the interval between the annual meeting of members and the time of the first regular meeting of the newly elected board of directors.

Section 10. OTHER REGULAR MEETINGS: Other regular meetings of the board of directors shall be held at a monthly interval, provided however, that there shall be notice of all such regular meetings of the board of directors which shall be in writing and in which the time and place designated for such meeting shall be with the advice and consent of the board of directors at the last preceding meeting.

Section 11. SPECIAL MEETINGS: Special meetings of the board of directors for any purpose or purposes shall be called at any time by the president. In the absence of the president or his inability or refusal to act under special circumstances, such special meetings may be called by any vice president or by any two directors by means of United States Mail communication.

Written notice of the time and place of a special meeting shall be delivered personally to the directors or sent to each director by mail or other form of written communication, charges prepaid, addressed to him at his address as it is shown upon the records of this corporation, or if it is not so shown on such records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the corporation is located, at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director.

Section 12. NOTICE OF ADJOURNMENT: Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 13. ENTRY OF NOTICE: Whenever any director has been absent from any special meeting of the board of directors, an entry in the minutes to the effect that notice of such special meeting has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such director as required by law and the By-Laws of this Corporation.

Section 14. ADJOURNMENT: A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the board.

OFFICERS

The officers of this corporation shall be a President, Vice President, Secretary, and Treasurer and such other officers as the board of directors may appoint. When the duties do not conflict, one person other than the President may hold more than one of these offices.

Article VII

PRESIDENT

The President shall be the chief executive officer of this Corporation and shall, subject to the control, advice and consent of the board of directors, have general supervision, direction and control of the business of this Corporation. The President shall preside at all meetings of the members and at all meetings of the board of directors.

The President shall be an ex officio, a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors or by the By-Laws. The president shall abstain from voting on any matter except for the purpose of breaking a tie vote of the board or committee.

Article VIII

VICE PRESIDENT

In the case of the absence of the president, the vice president shall act with same authority as the president.

Article IX

SECRETARY

The secretary shall keep a full and complete record of the proceedings of the board of directors and the membership meetings, shall keep the seal of this Corporation and affix the same to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the books of this Corporation, and shall discharge such other duties as pertain to the office or as prescribed by the board of directors.

Article X

TREASURER

The treasurer shall receive and safely keep all funds of this Corporation and deposit the same in such bank or banks as may be designated by the board of directors. Such funds shall be paid out only on the check of this Corporation, signed by the officers designated by the board of directors as authorized to sign the same. The treasurer shall have the responsibility of maintaining or directing that the financial records of this Association be maintained and available so that an appropriate record of the financial assets and liabilities of this Association may be prepared in an orderly fashion for distribution to the membership, with the notice of the Annual Meeting.

Article XI

MEETINGS OF MEMBERS

Section 1. PLACE OF MEETINGS: All annual meetings of members shall be held at locations appropriate to the size of the membership, convenience of majority of all homeowners, privacy, and availability of facilities, located within the County of Los Angeles and designated either by the board of directors pursuant to authority herein granted to said board, or by the written consent of all members entitled to vote thereat, given either before or after the meeting and filed with the Secretary of this Corporation, subject to written notice as specified in Section 2 in advance of said meetings.

Section 2. ANNUAL MEETINGS: The annual meetings of the members shall be held on the third Tuesday of November of each year at 7:00 p.m. of said day at the place designated by the board of directors for such purpose, which location shall be provided in the written notice of such meeting to the members by sufficient notice. Nominations shall be held during the month of September, and mailing of the nominating committees report proxies shall take place on the last week of October.

Written notice of each annual meeting shall be given to each member entitled to vote thereat, either personally or by mail, first class registered or certified mail, addressed to such member at his address appearing on the books of this corporation given by him to this corporation for the purpose of notice. If a member gives no address, notice shall be deemed to have been given him if sent by mail or other means of written communication addressed to the place where the principal office of the corporation is situated, or if published at least once in some newspaper of general circulation in the county in which said office is located.

All such notices shall be sent to each member entitled thereto not less than fifteen (15) or more than sixty (60) days before each annual meeting, and shall specify the place, the day and the hour of such meeting. Such notice shall also state the matters which the Board intends to present for action by the members at such meeting.

Section 3. SPECIAL MEETINGS: Special meetings of the members, for any purpose or purposes whatsoever, may be called at any time by the president or by any vice president, or by the board of directors, or by one or more members holding not less than one-fifth of the voting power of this corporation. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of members. Notices of any special meeting shall specify, in addition to the place, day and hour of such meeting, the general nature of the business to be transacted and no other business may be transacted.

In the event that any member or members claim to hold not less than one-fifth of the voting power of this corporation and wish to call a special meeting of the members, prior to giving notice of any such meeting they are required to first present written evidence of such voting power to the Secretary of the Association, in a form reasonably required by the Secretary to allow verification by the Secretary of such voting power. Within twenty days of receipt of said written evidence of such voting power the Secretary shall verify the truth of the same and, if true, the Secretary shall provide such member or members with a written certificate signifying the right to give notice of a special meeting of the members, as provided for in these By-Laws.

Within twenty days of receipt of said written evidence of such voting power the Secretary shall verify the truth of the same and, if true, the Secretary shall provide such member or members with a written certificate signifying the right to give notice of a special meeting of the members, as provided for in these By-Laws.

Section 4. ADJOURNED MEETINGS AND NOTICE THEREOF: Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the members present in person or represented by proxy at such meeting, entitled to exercise a majority of the voting represented thereat; but in the absence of a quorum no other business may be transacted at such meeting.

When any members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

Section 6. QUORUM: The presence in person or by proxy of seventy five (75) members of this Corporation at any meeting shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do 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 required to

constitute a quorum. Action may be taken at any meeting at which a quorum is present by a majority of the voting power present in person or by proxy.

Section 7. FORM OF PROXY OR BALLOT: (a) Every person entitled to vote or execute consents shall have the right to do so either in person or by agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of this Corporation; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the member executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution.

(b) Any form of proxy or written ballot distributed to members shall afford an opportunity on the proxy or form of written ballot to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot or proxy is distributed, to be acted upon at the meeting for which the proxy is solicited or by such written ballot, and shall provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter the vote shall be cast in accordance therewith.

(c) In any election of directors, any form of proxy or written ballot in which the directors to be voted upon are named therein as candidates and which is marked by a member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director. -

(d) Failure to comply with this section shall not invalidate any corporate action taken, but may be the basis for challenging any proxy at a meeting or written ballot *and* the superior court may compel compliance therewith at the suit of any member.

Section 8. Nothing in this ARTICLE shall be deemed to change, alter, amend or in any manner restrict the provisions of Article V of these By-Laws.

Article XII

AMENDMENTS

Section 1. POWERS OF THE MEMBERS: New By-Laws may be adopted or these By-Laws may be amended or repealed by the vote of a majority of members entitled to exercise said majority of the voting power of this Corporation or by the written assent of such members, except as otherwise provided by the law or by the Articles of Incorporation, or these By-Laws.

Section 2. POWER OF DIRECTORS: Subject to the right of the members as provided in Section 1 of this Article XII, to adopt, amend or repeal By-Laws, at any regular meeting of the board of directors, subject to ratification by the members entitled to exercise a majority of the voting power of this Corporation or by the written assent of such members at the next annual membership meeting following the adoption, amendment or repeal of the By-Law or By-Laws.