

BY - LAWS
of the
PALISAIR HOMEOWNERS ASSOCIATION
A California Non-Profit Corporation

February 1, 1994

The text represents the original by-laws as modified by the two sets of amendments of 1961 and 1979, with proposed changes from the By-Laws Committee as prepared by its chairman, Hal Erdley, October 1993, and reviewed by the Board. These amended By-laws were unanimously approved by the members, present at the February 1, 1994 annual meeting of the PHOA.

Where the text has been changed or struck out, a horizontal strikethrough is shown for each such character struck out or amended. Where new text has been added, the text is shown in bold italics.

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ARTICLE I

MEMBERSHIP

Section 1. Eligibility to Membership

Any person, firm, copartnership or corporation qualifying as "landowner" in Tracts 15944, 15948, or 19890 pursuant to the definition given in the Declarations of Establishment of Protective Covenants and Restrictions imposed upon said three tracts by the instruments cited in the Articles of Incorporation of this Association shall be eligible to one membership in the Association. However, where title to or a contract to purchase one or more lots or portions thereof is held in any form of co-tenancy, or co-ownership, or where several parties have an interest, equitable or otherwise, in such land, the membership shall be held jointly, but only one of the co-tenants or co-owners or parties in interest shall exercise the membership rights at any given time and be considered representing all others.

In any case, each title holder shall be entitled to no more than one membership irrespective of the number of lots or lot portions such title holder owns or in which he or she has an interest.

Section 2. Election to Membership

Members may be elected by majority vote at any regular or special meeting of members or Directors, at which a quorum is present, or, if an Executive Committee has been appointed under Article IV, Section 2, hereof, by a vote of such committee.

Section 3. Membership File

The Association shall keep a Membership File containing the name and address of each member, and in any case where membership has been terminated, such fact shall be recorded in the Membership File, together with the date on which the membership ceased.

~~Section 4. Termination of Membership~~ **Membership Classes; Termination of Membership; Reinstatement of Membership**

Membership classes: Each party meeting the requirements of Section 1, above, is eligible to be a member. Each party that meets these same requirements and has paid the currently required assessments, including annual dues, is considered to be a member in good standing unless, as specified below, this membership has been terminated.

Membership shall be terminated by:

(a) Loss of eligibility under Section 1;
(b) Resignation in writing; however, non-payment of annual dues for five fiscal years may be considered as a resignation by the Board of Directors;

(c) Expulsion by the Board of Directors for:

- (1) Non-payment of duly called assessments or of annual dues; or
- (2) Other reasons.

Expulsions shall be preceded by a Notification to Show Cause why the Expulsion Should Not Take Place, communicated to the member by certified mail.

Membership may be reinstated by the Board of Directors if the reasons for termination, as described above, no longer exist. Such

reinstatement shall be confirmed by written communication from the Association to the reinstated member.

ARTICLE II

DUES AND ASSESSMENTS

Assessments, including annual dues, payable by members shall be fixed from time to time by the vote of the membership at any regular or special Members' meeting as defined in Article III. Each member shall pay his or her annual dues prior to or at each year's Annual Meeting. However, resignation from, or loss of eligibility to membership, shall not justify a claim for a proportional refund or cancel out the obligations incurred while a member. Membership rights shall be exercised only by members in good standing. The Board of Directors shall have authority to enforce the collection of any dues or assessments by an action at law, or otherwise.

The Board of Directors may also determine, from time to time, a reasonable fee to be charged for the examination of plans, within the limits set by the tract restrictions.

ARTICLE II

ARTICLE III

MEMBERS' MEETINGS

Section 1. Annual Meeting

The only regular meeting of the membership shall be the Annual Meeting held ~~on the third Tuesday following~~ **within six weeks after** the close of the fiscal year, (which shall be the calendar year, ~~except that the first fiscal year shall end on December 31, 1960~~), at which meeting the members by a plurality vote shall elect the Directors of the Association, shall consider Annual Reports of the affairs of the Corporation, and shall transact such other business as may be properly brought before the meeting. Notice of this Annual Meeting shall be given by postcard or letter addressed to each member at his or her address as the same appears of record in the Membership File of the Corporation, and mailed in the Pacific Palisades post office at least seven days before the date of such meeting.

Section 2. Special Meetings

All other meetings of the members shall be Special Meetings. Such meetings may be called at any time by the President, the Board of Directors, the Executive Committee, or by any ten members. Notice of any special meetings shall be given, if time permits, in the same manner provided for the Annual Meeting, otherwise by telephone or in person.

Section 3. Quorum: Transaction of Business

Twenty percent of the members in good standing of the Association present in person or by proxy shall constitute a quorum for the transaction of business at all Member's Meetings.

Section 4. Voting by, and Representation of, Members

Each member **in good standing** of the Association shall be entitled to one vote irrespective of the number of lots or lot portions such member owns or in which he **or she** has in interest. Unless a ballot is demanded by a majority of the members present at the meeting, all voting shall be done viva voce. No member may cumulate his **or her** vote, but any absent member may vote by proxy, submitted in writing in advance of any Members' Meeting to the Secretary, authorizing the person named in such proxy, to vote in the name and stead of such absent member.

A member may also appoint a permanent representative to cast such members votes or serve on committees. However, a proxy holder or representative cannot serve for a member as officer or director.

Section 5. Members' Resolution a Corporate Act

Any resolution passed by a majority vote at a Member-'s' meeting at which a quorum is present in person or by proxy shall constitute an act of the Corporation without further action by the Directors.

~~ARTICLE III~~

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Make-up of the Board; Powers; Election; Term of Office

The powers of this corporation shall be exercised, its property controlled, and its affairs conducted by a Board of Directors of nine members, comprised of four officers of the Association and five persons from the Association membership, all of whom shall be elected at the Annual Meeting of Members, and shall serve for the fiscal year or until their successors are elected and qualified. Their term of office shall commence immediately after election. The officers of the Association shall be officers of the Board of Directors.

The officers and Directors shall serve without compensation but may receive reimbursement of their outlays, if any.

Section 2. Delegation of Powers and Authority to Executive Committee

The Board of Directors shall have authority to appoint, from among the Directors, an Executive Committee, which shall consist of three regular members -- a chairman and two other Directors -- and to delegate to such Committee all of the powers and authority possessed by the Board. The Board may also appoint from among the Directors two alternate members for the Committee either of whom the president or the Chairman shall assign to act for any regular member in case of absence or disability of such regular member. The Committee shall meet at the call of its chairman or any two regular members. All decisions of the Executive Committee shall be by unanimous vote of the three members (regular and/or alternate), sitting as the Executive Committee as herein provided and each such unanimous decision shall be valid as a corporate act. The Board of Directors at any regular or special meeting shall have power at pleasure to supplant or remove any or all regular or alternate members of the Executive Committee and to recall the powers and authority delegated to such committee.

Section 3. Quorum

A majority of the Directors shall constitute a quorum for the transaction of business; and the act of a majority of the members of the Board present at any meeting at which there is a quorum, when duly assembled, shall be valid as a corporate act; provided, that a minority of the Board, in the absence of a quorum, may adjourn from day to day, but may not transact any business.

Section 4. Vacancies

Any vacancy in the Board of Directors caused by death, resignation or disability, shall be filled by a majority vote of the remaining members thereof, although less than a quorum.

Section 5. Regular and Special Meetings

Immediately following each annual meeting of the members, the Board of Directors shall hold a regular meeting for the purpose of electing from among the directors the four officers and an Executive Committee and for the transaction of other business. No notice of such

meetings shall be required. Special meetings of the Board of Directors may be called at any time by the President or by any two members of the Board. Notice of such meetings shall be given, if time permits, to each Director by postcard, otherwise by telephone, telegraph or in person.

~~ARTICLE IV~~

ARTICLE V

OFFICERS

Section 1. Election and Term

The officers shall be a President, a Vice President, a Secretary and a Treasurer, who shall be elected at the Annual/Regular Meeting of Directors and shall serve for the fiscal year or until their successors are elected and have qualified.

Any vacancy among the officers caused by death, resignation or disability, shall be filled by a majority vote of the Board of Directors.

Section 2. President, Duties of

The duties of the President shall be to:

- (a) Preside over all meetings of the members of the Association and its Directors.
- (b) Sign, in his **or her** official capacity, all letters of approval of plans, contracts and other instruments or writing which have been approved by the Directors.
- (c) Appoint all committees except the Executive Committee, designating who shall act as the chairman of each committee so appointed.
- (d) Call Special Meetings of the Directors whenever he **or she** deems it necessary.
- (e) Generally, discharge such other duties as the office requires or which are required by the By-Laws.

Section 3. Vice-President, Duties of

The Vice-President shall, upon request by the President, carry out the executive functions and duties of same enumerated in the preceding Section 2, Paragraphs (b), (d), and (e), and shall also, as Acting President, perform all duties and exercise all powers of the President in the absence or disability of same, and his **or her** acts, so acting, in either case, shall be valid.

Section 4. Secretary, Duties of

The duties of the Secretary shall be:

- (a) To keep a record of the proceedings of meetings of the members, Board of Directors, or Executive Committee.
- (b) To keep the Membership File provided for in Article I, Section 3, of these By-Laws.
- (c) To serve all notices required by law or by the By-Laws of the Corporation (In case of his **or her** absence, inability, refusal or neglect to do so, such notices may be served by any person ~~thereunto~~ **so** directed by the President).
- (d) To conduct such correspondence as is not handled by the President or by some member of the Board of Directors designated by the President.
- (e) To be responsible for and maintain in a current condition all files of the Corporation.
- (f) To render reports at meetings of the Board of Directors and at Annual Meetings.

- (g) To discharge such other duties as pertain to the office or may be prescribed by the Board of Directors.

Section 5. Treasurer, Duties of

- (a) To draw and sign checks issued against the funds of the Corporation, provided however, that in case of the absence or disability of the Treasurer, the President shall draw and sign such checks to receive and deposit in a bank designated by the Board of Directors all funds of the Corporation.
- (b) To receive and deposit in a bank designated by the Board of Directors all funds of the Corporation.
- (c) To keep proper account books setting forth all financial transactions of the corporation.
- (d) To render reports at meetings of the Board of Directors and an Annual Financial Statement at the Annual Meeting of Members.
- (e) To discharge such other duties as pertain to the office or may be prescribed by the Board of Directors.

ARTICLE V

~~DUES AND ASSESSMENTS~~

~~Assessments payable by members shall be fixed from time to time by the vote of the membership at any regular or special Members' meeting. Each member shall pay annual dues of \$12.00 within the first 60 days of each fiscal year. However, resignation from, or loss of eligibility to membership, shall not justify a claim for a proportional refund or cancel out the obligations incurred while a member. Membership rights shall be exercised only by members in good standing. The Board of Directors shall have authority to enforce the collection of any dues or assessments by an action at law, or otherwise.~~

~~The Board of Directors may also determine, from time to time, a reasonable fee to be charged for the examination of plans, within the limits set by the tract restrictions.~~

ARTICLE VI

APPROVAL AND PAYMENT OF BILLS

No expense shall be incurred without the approval of the President, Treasurer, or the Chairman of the Executive Committee, excepting the purchase of necessary office supplies and the issuance of notices for called meetings. All bills shall be paid by check drawn and signed by the Treasurer or, in case of his **or her** absence or disability, by the President.

ARTICLE VII

AMENDMENTS OF THE BY-LAWS

These By-Laws may be amended or repealed or new By-Laws may be adopted by the members at any of their regular or special meetings, provided, however, that the topic 'Amendments of the By-Laws' was enumerated among the agenda in the notice of the meeting sent to the membership, **and the text or an outline of the proposed changes or additions, citing the Articles, Sections, or Subsections to be affected, included in same.**

Whenever any amendment or new By-Law is adopted, it must be copied in the **Association** Book of Minutes ~~immediately following the original~~ By-Laws. If any By-Law is repealed the fact of repeal, with the date of

meeting at which the repeal was enacted, must be stated in said book. Until copied or stated as hereinbefore described, no by-laws, or amendment or repeal thereof, can be enforced ~~against any person other than the Corporation, not having actual notification.~~

ARTICLE VIII

MODIFICATIONS OF THE *PROTECTIVE*
COVENANTS AND RESTRICTIONS (CC&R'S)

Modifications of the ~~Restrictions~~ *CC&R'S* for Tracts 15944, 15948, and 19890 as to individual lots only (including the granting of exceptions or waivers), as per Subsection (a) of Section 4 of Article IV of said Restrictions, shall be decided by the Board of Directors.

However, General Modifications of the ~~Restrictions~~ *CC&R'S*, as per Subsection (b) of said Section 4, shall be decided by either of the following procedures:

(a) By a Regular or Special Membership Meeting, but only provided the topic 'General Modifications of the ~~Restrictions~~ *CC&R'S*' was enumerated among the agenda in the notice of the meeting sent to the membership, and the text or an outline of the proposed changes or additions, citing the Articles, Sections, or Subsections to be affected, included in same.

(b) By a Special Meeting of the Board of Directors, but the resolution shall become effective only after a hearing to be held by the Board, or by a committee of the Board designated for this purpose, not earlier than seven days after the mailing date of the notice inviting the membership to said hearing, and provided that at or before such hearing no protests ~~exceeding~~ *by more than* 50 percent of the members in good standing have been lodged with the Board, either orally or in writing, and provided, also, that such notice contained the text or an outline of the proposed changes or additions, citing the Articles, Sections, or Subsections to be affected.

However, the hearing may be dispensed with and the resolution become effective immediately provided that, at a Board meeting attended by all Directors, a declaration is unanimously approved that an emergency exists in which a delay would adversely affect the interests of the tracts as a whole, and provided further, that the modifications or additions to the restrictions are also approved unanimously. The membership shall then be informed by circular, without delay, of the modifications or additions adopted and of the reasons why the emergency procedure was judged necessary.

(c) The notices referred to in this Article shall be mailed in the manner set forth in Article III Section 1, of these By-Laws.