

BY LAWS

BIXBY HILL HOMEOWNER'S ASSOCIATION

CERTIFICATE OF AMENDMENT OF THE BYLAWS

Resolved, that the bylaws of this Corporation hereby are amended under Article IV, by adding Section 4.19 reading as follows:

"ARTICLE IV

4.19 INDEMNIFICATION OF AGENTS

This corporation does hereby indemnify every person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a director, officer, employee or other agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee or agent of another domestic or foreign corporation, to the full extent not expressly prohibited by applicable law. Without limiting the generality of the foregoing. All such persons are indemnified to the full extent permitted by Section 7233 (or other applicable section) of the California Corporations Code, as hereafter from time to time amended, or any similar provisions in effect."

The undersigned hereby certify that they are, respectively, the President and the Secretary of the above-named corporation, and that the above Amendment of the Bylaws duly was adopted at a regular meeting of the Board of Directors of said corporation duly held and noticed on the 8th day of June, 1992.

Dated: June, 1992

Lou Lapthorne
President

Bernadine Kussman
Bernadine Kussman
Secretary

A M E N D E D B Y - L A W S

AMENDMENT TO BY-LAWS OF

BIXBY HILL COMMUNITY ASSOCIATION

NOV. 16, 1988

The By-Laws of the Bixby Hill Community Association are hereby amended to read as follows:

"Section 5.01: All corporate powers of this corporation shall be vested in a Board of seven (7) directors who shall be elected by the members of this corporation. Any person whether or not a member of the corporation may be elected a Director of this corporation at the annual meeting of the corporation."

"Section 5.02: At the November 16, 1988 annual meeting of the members following approval of the By-Laws, three (3) members shall be elected members of the corporation, to hold office for a term of three (3) years and until his successor shall be elected and qualified at the next annual meeting; two (2) directors shall be elected to hold office for terms of three (3) years and until their successors shall be elected and qualified; and at the next annual meeting two (2) directors shall be elected to hold office for terms of three (3) years and until their successors shall be elected and qualified. All directors thereafter elected shall hold office for a term of three (3) years and until their successors shall have been elected and qualified."

"Section 4.04: Anyone on the Board of Directors may nominate a person to be an officer of this corporation and after all nominations for any particular office are closed the directors shall vote and the person receiving a majority vote of the directors present constituting a quorum shall be elected. A quorum on the Board of Directors is four (4) and any election of appointment by the Board of Directors shall be by aye or no votes unless a written ballot is requested, voted upon and approved by a majority of the Directors present constituting a quorum."

"Section 5.04: Four Directors shall constitute a quorum for the transaction of the business of the Board of Directors of the corporation, but no business shall be transacted by the board except upon the vote of a majority of all the Directors."

"Section 5.05: Regular meetings of the Board of Directors of the corporation shall be held once monthly on such days and at such times and places as shall be fixed by resolution of the Board of Directors, copies of which resolutions shall be available, at times, for inspection by the members of the corporation at the gatehouses. No notice need be given of any meeting held pursuant to any such resolution. Special meetings of the Board of Directors may be called by the President, or by any three Directors, on two days' notice (a copy of which shall be posted at each gatehouse) given to each director either personally, by ordinary mail or by telegraph. A meeting of the Board of Directors may be held, without notice, immediately after the annual meeting of the members of the corporation. All meetings of the Board of Directors and all sessions of committees appointed by the Board of Directors shall be open to members of the corporation."

BY-LAWS
OF
BIXBY HILL COMMUNITY ASSOCIATION

Membership

Section 1.01: Except as is hereinafter in Section 1.02 provided, each person, group of persons, partnership, association or corporation owning legal or equitable title to one or more building sites or lots shall, by reason of such ownership, and for so long, but only for so long, as such ownership continues, be a member of this corporation.

Section 1.02: No person, group of persons, partnership, association or corporation holding title to any such building site or lot as security for the payment of money or the performance of any other obligation or as vender under any contract for the sale of any such building site or lot shall be a member of this corporation by reason of such ownership.

Section 1.03: This corporation shall not be obligated to recognize the fact of the membership of any member or to take cognizance of the number of building sites or lots owned by any member until such member shall have furnished the Secretary of the corporation evidence satisfactory to him of such member's ownership of one or more of such building sites or lots.

Section 1.04: The term "Building site" or "lot" as used in these By-Laws shall mean a piece or parcel of land subject to the territorial jurisdiction of this corporation including lots 201 and 202 of Tract No. 21067.

Liability of Members

for

Dues, Assessments and Other Charges

Section 2.01: No dues, fees or other charges or assessments shall be charged or made by this corporation to or upon its members, excepting the charges or assessments provided for in the covenants, conditions and restrictions to which the building site or lot owned by the individual member is subject.

Meetings of Members and

Voting Rights

Section 3.01: A regular meeting of the members of this corporation shall be held on the third Wednesday in November of each year at the principal office of the corporation in Long Beach, California, or at such other place in said County as may be designated by resolution of the Board of Directors.

Section 3.02: The first meeting of the members of this corporation shall be held within one (1) year after the sale of the first lot or unit in the project or when 51% of the units have been sold, whichever event occurs first.

Section 3.03: Special meetings of the members of this corporation shall be called and held as may be ordered by the

Board of Directors or by members holding not less than ten per cent (10%) of the voting power of the members. No business other than that stated in the notice of a special meeting of the members of this corporation shall be transacted at such special meeting.

Section 3.04: Notice of the meeting of the members of this corporation shall be given by the Secretary by single publication in a newspaper, selected by the Secretary and having general circulation in the area subject to the territorial jurisdiction of this corporation, published not more than twenty nor less than ten days prior to the date of the meeting being noticed and by writing, mailed to each member of this corporation as shown in the Membership Book on the date 31 days prior to the date of such meeting, which writing shall be mailed to more than twenty-five nor less than ten days prior to the date of the meeting being noticed. The notice of a meeting of the members of this corporation shall state the date, hour and place of the meeting noticed and, in the case, but only in the case, of special meetings, must state, with particularity, the nature and scope of the business to be transacted thereat.

Section 3.05: Members, present in person or by proxy, representing fifty per cent (50%) of the voting power of all the members of the corporation, shall constitute a quorum for the transaction of any business properly brought before the members at any meeting of the members of this corporation.

When 50% of the voting power of all members of the corporation is present at any meeting of the members, a simple majority or the voting power present in person or proxy shall prevail at all meetings.

Section 3.06: All voting by the members of the corporation shall be by written ballot unless seventy-five per cent (75%) of the members present entitled to vote, vote to eliminate the written ballot.

Section 3.07: The voting power of the members shall be unequal according to the following rules:

Each member of this corporation shall be entitled to one vote for each building site or lot owned by him, provided, however, when a building site or lot is owned by two or more persons as tenants-in-common, as joint tenants, or otherwise, such ownership shall entitle all owners, in the aggregate, to but one vote. The member of this corporation who owns Lot 201 of Tract No. 21067 shall be entitled to thirty votes and the member of this corporation who owns Lot 202 of Tract No. 21067 shall be entitled to eight votes. Every member entitled to vote at any election may cumulate his votes and give one candidate a number of votes equal to the number of members of the Board to be elected multiplied by the number of votes to which such members are otherwise entitled, or distribute his votes on the same principle among as many candidates as he thinks fit. The candidates receiving the highest number of votes up to the number of members of the Board to be elected shall be deemed elected.

Section 3.08: The selection of a management body or agent to perform the maintenance and operational work for the homeowners association shall be selected by the membership at the annual membership meeting. The management body shall have power to delegate its powers.

Officers

Section 4.01: There shall be a President, a Vice-President, a Secretary and a Treasurer of this corporation who shall be elected by and hold office at the pleasure of the Board of Directors. Any person, whether or not a member of the corporation, may be elected an officer of or hold office in this corporation.

Section 4.02: Anyone on the Board of Directors may nominate a person to be an officer of this corporation and after all nominations for any particular office are closed the Directors shall vote and the person receiving a majority vote of the Directors present constituting a quorum shall be elected. A quorum of the Board of Directors is three (3) and any election or appointment by the Board of Directors shall be by Aye and No votes unless a written ballot is requested, voted upon and approved by a majority vote of the Directors present constituting a quorum.

Section 4.03: Except as is otherwise provided in these By-Laws, the officers of this corporation shall have the usual powers and perform all the usual duties incidental to their respective corporation offices and shall, in addition, perform such other duties as shall be assigned to them by the Board of Directors. In the event of the absence or disability of any officer of the corporation, the Board of Directors may delegate such officer's powers to any other officer or to any member of the corporation during such absence or disability, and the person so designated shall, for the time being, be the officer whose duties he so assumes.

Section 4.04: The Board of Directors may from time to time create or do away with such additional offices as it may

determine upon and may appoint officers to fill such additional offices any may define their duties and fix their tenure of office.

Directors

Section 5.01: All corporate powers of this corporation shall be vested in a board of five directors who shall be elected by the members of this corporation. Any person whether or not a member of the corporation may be elected a Director of this corporation at the annual meeting of the corporation.

Section 5.02: At the first annual meeting of the members following approval of these By-Laws, five members shall be elected directors of the corporation, one to hold office for a term of one year and until his successor shall be elected and qualified, two to hold office for terms of two years and until their successors shall be elected and qualified and two to hold office for terms of three years and until their successors shall be elected and qualified. All directors thereafter elected (and all directors elected at the first annual meeting of the members following adoption of these By-Laws), shall hold office for a term of three years and until their successors shall have been elected and qualified.

Section 5.03: Vacancies in the membership of the Board of Directors shall be filled by resolution adopted by a majority of the remaining members of the Board of Directors. Persons so appointed to membership shall hold office as a director of this corporation until the next annual meeting of the members of the corporation at which meeting a successor shall be elected to hold office for the unexpired term of the

director whose removal or departure from the board caused such vacancy to exist.

Section 5.04: Three directors shall constitute a quorum for the transaction of the business of the Board of Directors of the corporation, but no business shall be transacted by the Board except upon the vote of a majority of all the directors.

Section 5.05: Regular meetings of the Board of Directors of the corporation shall be held twice monthly on such days and at such times and places as shall be fixed by resolution of the Board of Directors, copies of which resolution shall be available, at times, for inspection by the members of the corporation at the gatehouses. No notice need be given of any meeting held pursuant to any such resolution. Special meetings of the Board of Directors may be called by the President, or by any two directors, on two-days' notice (a copy of which shall be posted at each gatehouse) given each director either personally, by ordinary mail or by telegraph. A meeting of the Board of Directors may be held, without notice, immediately after the annual meeting of the members of the corporation. All meetings of the Board of Directors and all sessions of committees appointed by the Board of Directors shall be open to members of the corporation.

Section 5.06: The Board of Directors shall appoint the committee hereinafter in these By-Laws provided for and may, in its discretion, appoint and disband such additional committees as it shall, from time to time, deem advisable.

The Board may delegate to each committee appointed by it such power and authority to act, in respect to matters placed within its jurisdiction, as the Board shall deem advisable, provided, however, that no committee shall be empowered to obligate this corporation in any manner whatsoever, and provided further that any member of this corporation, aggrieved by any act or decision of any committee, shall have the right to appeal such act or decision, in writing, to the Board of Directors, provided such appeal be taken within ten days following the act or decision complained of. No act or decision of any committee shall be final until expiration of said appeal period, and, if an appeal be taken from any such act or decision, until the appeal has been disposed of by the Board of Directors. Any member appealing from an act or decision of a committee shall have the right to appear before the Board of Directors to argue the merits of his appeal and no appeal shall be disposed of by the Board until reasonable opportunity for argument shall have been accorded all interested parties.

Section 5.07: The Board of Directors, among other things, shall have the power to delegate its powers.

Architectural Committee

Section 6.01: The Board of Directors shall appoint an Architectural Committee of three members to serve at its pleasure. No member of said Committee need be a member, director or officer of the corporation.

Section 6.02: Subject to the provisions of Section 5.03 of these By-Laws, the Architectural Committee is hereby authorized and empowered to exercise the rights and privileges

conferred and is directed to perform the duties and obligations imposed upon this corporation with respect to the matter of policing and enforcing building restrictions, all as set forth in the covenants and restrictions and agreements to which the various parcels of land within the territorial jurisdiction of the corporation. In this connection, said committee shall examine and approve or disapprove all plans and specifications for the construction of buildings and other improvements within the territorial jurisdiction of the corporation, shall issue building permits, shall inspect construction in progress to determine that such construction is in compliance with the plans and specifications approved by it and, upon request, shall issue certificates of completion and compliance in proper cases. In addition, the Architectural Committee shall exercise such additional duties as the Board of Directors may, from time to time, direct.

Section 6.03: The Chairman of the Architectural Committee shall keep records of all building permits and other approvals or disapprovals issued by and in the name of the corporation and shall furnish certified copies of any such records when authorized so to do by the Board of Directors.

Finance

Section 7.01: The Board of Directors shall appoint a Finance Committee consisting of one or more members of the corporation. The Treasurer of the corporation shall be an ex-officio member of and the Chairman of the said Committee. Said committee shall have direct supervision over the administration of the financial affairs of the corporation including

the keeping of accounts and financial records, the levy of assessments and the collection of charges or assessments and other fees and revenues and, except as otherwise herein provided, the custody and disbursement of the corporate funds and moneys and the deposit of the same in such bank or banks as the Board of Directors may designate.

Section 7.02: The Financial Committee shall keep such accounts and records as shall be adequate to record all cash receipts and disbursements, all revenues accrued and liabilities incurred and all transactions relating to the acquisition, custody or disposition of property. The chairman of the Financial Committee shall make such reports and financial statements as may be required by the Board of Directors.

Section 7.03: Not later than the 15th day of January, the Financial Committee shall prepare and submit to the Board of Directors an annual budget for the ensuing year based upon detailed estimates furnished by the several committees and other divisions of the corporation according to a classification as nearly uniform as possible. The budget shall present the following information:

- (a) An itemized statement of the appropriations recommended by the Financial Committee for current expenses and for permanent improvements for each department and committee of the corporation for the ensuing fiscal year with comparative statements, in parallel columns, of the appropriations and expenditures for the current and next preceding fiscal year and the increases or decreases in the appropriations recommended.

(b) An itemized statement of the charges and assessments required and of the estimated revenues of the corporation from all other sources for the ensuing fiscal year with comparative statements, in parallel columns, of the revenues for the current and next preceding fiscal year and of the increases and decreases estimated or proposed.

(c) A statement of the financial condition of the corporation; and

(d) Such other information as may be required by the Board of Directors. Copies of the budget shall be available for distribution not later than two weeks after its submission to the Board of Directors and a public hearing shall be given thereon by the Board of Directors before any action by the Board is taken with respect thereto.

Section 7.04: At the first meeting of the Board of Directors in February of each fiscal year, the Board shall, by resolution, fix and establish the amount of the annual maintenance charge or assessment mentioned in Section 2.01 hereof.

Section 7.05: At least 30 days prior to the annual meeting, an independent audit of the account or accounts of the corporation and of the management body shall be deposited with the Secretary of the association and the Secretary shall send to each member a copy of the independent audit at least within 30 days of the completion of the audit.

Limitations upon Authority of
Board of Directors

Section 8.01: The Board of Directors may borrow money in anticipation of the receipts from maintenance charges

or assessments during any fiscal year, but the aggregate amount of such loans at any time outstanding shall not exceed twenty per cent (20%) of the receipts from maintenance charges or assessments during the preceding fiscal year.

Amendments

Section 9.01: These By-Laws may be repealed or amended or new By-Laws may be adopted by the vote or the written assent of members entitled to exercise a majority of the voting power of the corporation except that Section 3.06 shall not be changed without the written consent or vote of members entitled to exercise three-fourths (3/4) of the voting power of the corporation.