

8087

BY-LAWS

OF

ALLEN AVENUE SQUARE NORTH HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Association is ALLEN AVENUE SQUARE NORTH HOMEOWNERS ASSOCIATION , hereinafter referred to as the "Association".

The principal office of the Association shall be located in the County of Los Angeles, State of California, at such specific location therein as may be, from time to time, designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to ALLEN AVENUE SQUARE NORTH HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. The "Property" shall mean and refer to certain real property located in the City of Pasadena, County of Los Angeles, State of California, described as Tract 33654 as per map recorded in Book 887, pages 1 through 2, inclusive, in the Office of the County Recorder of Los Angeles County.

Section 3. The term "Common Area" as used herein shall mean all portions of the Property except the Units, and without limiting the generality of the foregoing, all structural projections within a Unit which are required for the support of a Condominium, gas, water, and waste pipes, all sewers, all ducts, chutes, conduits, wires and other utility installations of the structures wherever located (except the outlets thereof when located within the Units), the land upon which structures are located, the air space above these structures, all bearing walls, columns, floors, the roof, slab foundation, common stairways, and the like, all as more specifically defined and described in the Recorded Condominium Plan for the project.

Section 4. The term "Unit" as used herein shall mean the elements of a Condominium not owned in common with the Owners of other Condominiums in the Project and shall consist of a residential element as are shown and defined in the Condominium Plan for the Project. Each Unit shall be identified on the Condominium Plan with a separate number.

Section 5. The term "Member" shall mean and refer to each person entitled to membership in the Association as provided in this Declaration and in the Association's Articles of Incorporation and By-Laws.

Section 6. The term "Owner" as used herein shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Condominium which is a part of the Property, including contract purchasers,

but excluding those having such interest merely as security for the performance of an obligation.

Section 7. The term the "Declarant" as used herein shall mean and refer to M. H. Koil and Charles H. Gorham, their successors and assigns.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Office of the County Recorder, County of Los Angeles, State of California.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided interest in any Unit which is subject under the Declaration to assessment by the Association, shall be a Member of the Association; provided that persons or entities who hold an interest merely as security for the performance of an obligation shall not be Members of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit which gives rise to such membership in the Association. Ownership of such a Unit or interest therein shall be the sole qualification for membership. Transfer of a Unit shall automatically transfer membership in the Association and all rights of the transferor with respect to the Common Area.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Each Owner shall have a right and non-exclusive easement of enjoyment in and to the Common Area as provided in the Declaration. Any Owner may delegate his rights of enjoyment in the Common Area to the members of his family, his tenants, or lessees, who reside in the Unit. Such Owner shall notify the Secretary of the Association in writing of the name of such delegate.

ARTICLE V.

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of ~~three~~ ⁽³⁾ _B directors, who need not be Members of the Association.

Section 2. Election. At the first annual meeting of the Association, the Members shall elect directors to fill all positions on the Board for a term of one (1) year; and at each annual meeting thereafter the Members shall elect directors for a term of one (1) year to succeed those directors whose terms have expired.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. However, unless the entire Board is removed, an individual director shall not be

removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total number of outstanding shares entitled to vote is divided by one (1) plus the authorized number of directors. Provided, however, that any member of the Board of Directors who has been elected to office solely by the votes of Members of the Association other than the Declarant pursuant to Article VIII of these By-Laws, may be removed from office prior to the expiration of his term of office only by the vote of a simple majority of the voting power residing in Members other than the Declarant. In the event of death, resignation or removal of a director, his successor shall be elected by the remaining members of the Board and shall serve for the unexpired term of his predecessor; provided, however, in the event of death, resignation or removal of a director elected solely by the Members other than Declarant pursuant to Article VIII of these By-Laws, such director may be replaced solely by Members other than Declarant under the same procedure.

Section 4. Compensation. No director or officer of the Association 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 on behalf of the Association.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice to the individual members of the Board, at such place and hour within the Property as may be fixed from time to time by resolution of the Board. However, such meetings may be conducted as infrequently as every six (6) months if the business to be transacted by the Board of Directors does not justify more frequent meetings. Notice of time and place of each meeting shall be posted at a prominent place or places within the Common Area.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by written notice signed by the President of the Association, or by any two (2) directors other than the President, after not less than seventy-two (72) hours notice to each director. The notice

shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all members of the Board of Directors and posted in a manner prescribed for notice of regular meetings not less than seventy-two (72) hours prior to the scheduled time of the meeting.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for 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.

Section 4. Attendance of Meetings. Regular and special meetings of the Board of Directors shall be open to all Members of the Association; provided, however, that Association Members who are not on the governing body may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board of Directors.

Section 5. Adjournment of Meetings. The Board of Directors may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE VII

VOTING RIGHTS

Section 1. Classes of Voting Rights. The

Association shall have two (2) classes of voting membership.

Class A. Class A members shall be all Owners with the exception of the Declarant, until the Class B membership has terminated pursuant to the provisions set forth below, and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit; all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of any one of certain events set forth in that Article of the Declaration entitled "Membership and Voting Rights".

(a) At such time as the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) December 1 ,

19 79 .

Section 2. Two Classes of Membership. Notwithstanding anything to the contrary as may be contained elsewhere in the Declaration, any action by the Association which must have the approval of the membership of the Association before being undertaken (with the exception of the action referred to in Article XVI of the Declaration) shall require the vote or written assent of the required percentage of each class of membership during the period of time that there are two (2) outstanding classes of membership.

ARTICLE VIII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nominations for the office of a member of the Board of Directors shall be made by a Nominating Committee consisting of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association, all of whom 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. 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. Nominations may also be made by Members from the floor at the annual meeting or such other meeting at which members of the Board of Directors are to be elected. Such nominations may be made from among Members or non-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 Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is required in all elections for the Board of Directors. Notwithstanding anything to the contrary contained in these By-Laws, at least twenty percent (20%) of the Board but not less than one (1) member shall be selected solely by the votes of Owners other than the Declarant at any election so long as a majority of the voting power of the Association resides in the Declarant or two classes of Membership exist.

ARTICLE IX

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 establish penalties for the infraction thereof;

(b) suspend after notice and hearing the voting rights of a Member and the rights to the use of the Common Area 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 thirty (30) days for infraction of published rules and regulations;

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

(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;

(e) employ a manager, an independent contractor, or such other employees as it deems necessary, and prescribe their duties;

(f) sell property owned by the Association as may be in the best interest of the Association; provided, however, that the Board of Directors shall not, except with the prior vote or written assent of a majority of the voting power of the Association residing in Members other than the Declarant, sell during any fiscal year, property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

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) of the Class A Members who are entitled to vote;

(b) cause the preparation of budgets and financial statements for the Association in accordance with the terms of these By-Laws;

(c) supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

(d) as more fully provided herein, and in the Declaration:

(1) fix the amount of the annual regular assessments against each Unit in accordance with the terms of the Declaration; and

(2) foreclose the loan against any Unit for which assessments are not paid as provided in the Declaration or bring an action at law against the Owner personally obligated to pay the same;

(e) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate indicating the status of any assessment, whether delinquent

or paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid;

(f) procure and maintain adequate liability and hazard insurance on the Common Area and on all property owned by the Association;

(g) cause all officers or employees, including, but not limited to, employees of the professional manager of the Association, if any, having fiscal responsibilities to be bonded;

(h) cause the Common Area within the Property to be properly maintained; and

(i) perform all duties and responsibilities of the Association as set forth in the Declaration.

ARTICLE X

COMMITTEES

The Board of Directors shall appoint a Nominating Committee, as provided in these By-Laws and an Architectural Committee as provided in the Declaration. In addition, the Board of Directors shall appoint such other committees as it deems appropriate in carrying out its purposes.

ARTICLE XI

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual

meeting of the Members shall be held not later than six (6) months after the closing of the sale of the first Unit or not later than forty-five (45) days after fifty-one percent (51%) of the Units have been sold, whichever occurs first. At the first annual meeting the Declarant shall turn over control of the Association and the Common Area over to the Board and the Members. Subsequent regular annual meetings of the Members shall be held on the same day of the same month of each year thereafter, at such reasonable hour as may be established by the Board. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday. All annual and special meetings of the Members shall be held within the Property or a meeting place as close thereto as possible. Unless unusual conditions exist, meetings of Members shall not be held outside of the County of Los Angeles.

Section 2. Special Meetings. A special meeting of the Members of the Association shall be promptly called by the Board of Directors upon the happening or either of the following:

(a) The vote for such a meeting by a majority of a quorum of the Board of Directors;

(b) Receipt of a written request therefor signed by Members representing not less than twenty-five percent (25%) of the total voting power of the Associa-

tion or by Members representing not less than fifteen percent (15%) of the voting power residing in Members other than the Declarant.

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 personal delivery or by mailing a copy of such notice, postage prepaid, and except in emergency situations, at least ten (10) days, but not more than sixty (60) days, prior to such meeting, to each Member entitled to vote thereat, addressed to the Member at the most recent address supplied by such Member to the Association for the purpose of notice, or if no such address shall have been furnished, then to the street address of the Unit owned by such Member. Such notice shall specify a reasonable place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes of the voting power of the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting without further notice to a time not less than five (5) days nor

more than thirty (30) days from the time for which the original meeting was called, at which meeting the presence of Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the voting power of the Association shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. Unless a greater portion of the voting power is required by these By-Laws, a majority of the voting power present and voting in person or by proxy, shall prevail at all meetings. The voting rights of each Member shall be as provided in these By-Laws and in the Declaration.

Section 5. Proxies. At all meetings of Members, each Member shall be entitled to vote either 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 Unit.

ARTICLE XII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President and Vice-President, who 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 establish.

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 the 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 be 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, and 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 in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of any 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 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 shall be as follows:

(a) President

The President shall preside at all meetings of the Board of Directors; shall implement the orders and resolutions of the Board; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes of the Association.

(b) Vice-President

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.

(c) Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of its Members; keep the corporate seal of the Association and affix it to all papers requiring such seal, keep, or cause to be kept, appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as may be required by the Board.

(d) Treasurer

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 promissory notes of the Association; and keep proper books of account. The Treasurer may delegate the foregoing duties (except the duty to affix his signature to documents) to any person adequately covered by a fidelity bond unless expressly prohibited therefrom by the Board.

ARTICLE XIII

BUDGETS AND FINANCIAL STATEMENTS

Section 1. Regular Financial Statements. The Board of Directors of the Association shall cause financial statements of the Association to be regularly prepared and copies thereof distributed to each Member as follows:

(a) A proforma operating statement (budget) for each fiscal year of the Association shall be prepared and distributed to each Member not less than sixty (60) days prior to the beginning of the fiscal year of the Association.

(b) A balance sheet as of an accounting date which shall be the last day of the month closest in time to six (6) months after the date of conveyance of the first Unit by Declarant to an Owner and an operating statement from the date of the first closing of an escrow to

the accounting date shall be distributed to each Member within sixty (60) days of the accounting date. This operating statement shall include a schedule of assessments received or receivable itemized by Unit number and by the name of the person or entity assessed.

(c) A balance sheet as of the last day of the Association's fiscal year and an operating statement for the fiscal year shall be distributed within ninety (90) days after the closing of the fiscal year to each Member of the Association.

Section 2. External Audit. An external audit prepared by an independent public accountant shall be required for fiscal year financial statements (other than budgets) of the Association for any fiscal year in which the gross income of the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00).

ARTICLE XIV

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association regular, special, and reimbursement assessments. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid when due, the Association may bring an action at law against the Owner personally obligated to pay the same or file a notice of lien against his Unit

pursuant to the terms of the Declaration. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit.

ARTICLE XV

BOOKS AND RECORDS

Section 1. Inspection Rights of Members. The membership register, books of account, records, papers, minutes of Member's meetings and Board of Directors' meetings and of committees of the Board of Directors of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member and the lender of any Owner of a Unit, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Property as the Board shall prescribe.

Section 2. Rules for Inspection. The Board of Directors shall establish reasonable rules with respect to the following:

(a) Notice to be given to the custodian of the records by the Member desiring to make the inspection;

(b) Hours and days of the week when such an inspection may be made;

(c) Payment of the cost of reproducing copies of documents requested by a Member.

Section 3. Rights of Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

ARTICLE XVI

AMENDMENTS

Amendment of these By-Laws shall require the vote or written consent of both (i) a majority of the voting power of the Association, including the voting power of the Declarant, and (ii) a majority of the voting power of the Association excluding the voting power of the Declarant.

ARTICLE XVII

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.

ARTICLE XVIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:

ALLEN AVENUE SQUARE NORTH HOMEOWNERS ASSOCIATION

INCORPORATED

California

ARTICLE XIX

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year except that the first fiscal year shall begin on the date of incorporation.

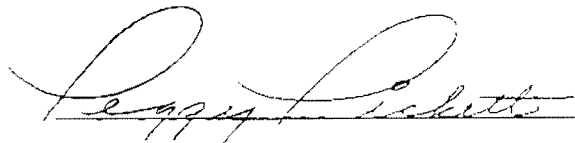
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of ALLEN AVENUE
SQUARE NORTH HOMEOWNERS ASSOCIATION, a California
corporation.

That the foregoing By-Laws constitute the original
By-Laws of said Association, as duly adopted at a meeting of
the Board of Directors thereof held on the 10th day of
January, 19 78.

IN WITNESS WHEREOF, I have hereunto subscribed my
name and affixed the seal of said Association this 10th day
of January, 19 78.


Secretary

(SEAL)

CERTIFICATE OF AMENDMENT

TO

BYLAWS

FOR

ALLEN AVENUE SQUARE NORTH HOMEOWNERS ASSOCIATION

THIS AMENDMENT to the Bylaws for Allen Avenue Square North Homeowners Association ("Association") is made this 13 day of August, 1998, with reference to the following facts:

A. The Association's Declaration of Restrictions ("Declaration") was recorded as Instrument No. 78-201437 in the Official Records of Los Angeles County, California on February 23, 1978;

B. The Association's Bylaws were adopted on January 10, 1978 (the "Bylaws"); and

C. The consent of the requisite number of "Owners" (as such terms are set forth in the Declaration) of the Association having been obtained, the Bylaws are amended as set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING:

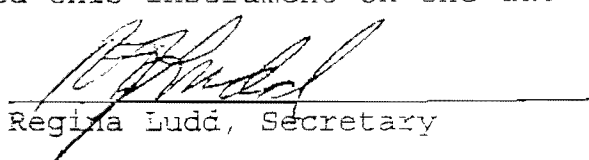
1. Article V, Section 1 of the Bylaws is hereby deleted in its entirety and replaced with the following language:

"Section 1. Number. The affairs of the Association shall be managed by a Board of five (5) directors who need not be members of the Association."

2. Except as the same is hereinabove amended, the Bylaws, and each and every provision thereof shall continue in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary of the Allen Avenue Square North Homeowners Association have executed this instrument on the date and year first written above.


Jan Comras, President


Regina Ludd, Secretary