

BY-LAWS

OF

CRESTA PALOS VERDES HOMEOWNERS ASSOCIATION

A California Non-Profit Corporation

ARTICLE I

General Provisions

Section 1 OFFICE. The office of this corporation shall be located in Rolling Hills Estates, County of Los Angeles, State of California.

Section 2 CORPORATE PURPOSE. The specific and primary purpose for which this corporation is formed is to exercise the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Cresta Palos Verdes Homeowners Association as the same may be recorded in the office of the County Recorder of Los Angeles County and as from time to time amended.

Section 3 DESCRIPTION OF REAL PROPERTY. The description of the real property which is subject to the provisions of these By-Laws and the Declaration of Covenants, Conditions and Restrictions aforementioned is as follows:

Tract 27417 as per Map recorded in Book 817
page 17, 18, 19, & 20, inclusive of Maps in the office
of the County Recorder of the aforesaid County

ARTICLE II

Membership

Each owner of a condominium and the accompanying 1/92nd interest in the common area, both of which are non-separable, in the property described in Article I of these By-Laws, said property being hereinafter called "Real Property" shall be a member of this corporation. The transfer of title to any such condominium shall automatically transfer the membership appurtenant thereto to the transferee. No such membership may be severed from the condominium to which it is appurtenant or transferred except in connection with a conveyance of the member's interest or ownership of such condominium. In the event that any such condominium is owned by two or more persons, then such person shall designate in a writing to be filed with this corporation which one of them shall represent (as a "member") the interests of such condominium in the corporation, and, in the absence of such designation, this corporation may select which one of such persons shall act as such member.

ARTICLE III

Membership Fees and Assessments and Lien Rights

Section 1. MEMBERSHIP FEES AND ASSESSMENTS. The Board of Directors shall fix and determine from time to time the fees and assessments to be paid by each member in reasonable sums determined as provided in the Declaration of Restrictions above referred to. The officers of this corporation are authorized to bring an action at law for any such membership fees or assessments which are delinquent.

Section 2. LIEN RIGHTS. This corporation shall have the right to lien the interest of any member in said Real Property to secure the payment of: (1) regular assessments or charges and (2) special assessments for capital improvements; such assessments to be fixed, established, and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the real property and shall be a lien upon the condominium against which each such assessment is made upon the Association recording with the Los Angeles County Recorder a notice of assessment as provided in California Civil Code Section 1356. Each such assessment, together with such interest, costs, penalties, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such condominium at the time when the assessment fell due.

Section 3. PAYMENT OF ASSESSMENTS AND VOTING RIGHTS. USLIFE SAVINGS AND LOAN ASSOCIATION, the developer of the real property described in Article 1 hereof, shall be liable to pay all fees and assessments levied by the Board of Directors against any unsold units for the period commencing with the completion of construction of the unit or units in question and continuing to the first sale thereof at the same time, in the same manner and in the same amounts as any other member and during said period shall have the same rights with reference to said unsold unit, including voting rights hereunder, i.e., one vote for each unsold unit, as any other owner of a unit or units in said subdivision. The developer shall not make or cause to be made any contract which binds this corporation in excess of one year.

ARTICLE IV

Membership Rights and Privileges

No member shall have the right without the prior approval of the Board of Directors to exercise any of the powers or to perform any of the acts by these By-Laws delegated to the Board of Directors as in Article VI of these By-Laws more fully provided.

ARTICLE V

Meetings of Members

Section 1. PLACE OF MEETINGS. All meetings of members shall be held at the principal office of the corporation, Rolling Hills Estates, Los Angeles County, California.

Section 2. ANNUAL MEETINGS OF MEMBERS. The annual meetings of members shall be held on the third Monday of January of each year commencing with the year 1972; provided, however, that should said day fall upon a legal holiday, then any such annual meeting of members shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday, provided that in any event an organizational meeting shall be held after 60% of the living units have been sold or within six months after sale of the first living unit, whichever shall come first. Directors chosen at the organizational meeting shall serve until the next annual meeting and until their successors are elected.

Written notice of each such annual meeting shall be given to each member either personally or by sending a copy of the notice through the mail or by telegraph, charges prepaid, to his address appearing on the books of the corporation or supplied by him to the corporation for the purpose of notice. If a member supplies no address, notice shall be deemed to have been given him if mailed to the place where the principal office of the corporation is situated, or published at least once in some newspaper of general circulation in the county of said principal office. All such notices shall be sent to each regular member not less than seven (7) days and not more than sixty (60) days before each annual meeting, and shall specify the place, the day and the hour of such meeting.

*Contradicts
CC & R's
S/B 10 days*

Section 3. SPECIAL MEETINGS. Special meetings

of members, for any purpose or purposes whatsoever, may be called at any time by the President or by the Board of Directors, or by any two or more members thereof, or by ten percent (10%) or more of the members. 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.

Section 4. ADJOURNED MEETINGS AND NOTICE THEREOF. Any membership 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, but in the absence of a quorum, no other business may be transacted at any such meeting.

When any membership 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 an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such adjournment is taken.

Section 5. ENTRY OF NOTICE. Whenever any member has been absent, from any meeting of the membership, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such member as required by law and the By-Laws of the corporation.

Section 6. VOTING. At all meetings of members each member shall be entitled to one vote for each single living unit owned by him in said property. Such vote may be viva voce or by ballot, provided that all elections for election or removal of directors must be by ballot upon demand made by any member at any election before the balloting begins. Any such member at any election for election or removal of directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected or removed multiplied by the number of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the

highest number of votes up to the number of directors to be elected shall be elected.

Section 7. QUORUM. The presence in person or by proxy of a majority of the membership votes entitled to vote 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 quorum. A majority of those members present at any one time shall prevail on all matters brought before the meeting at that time. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than 48 hours nor more than 30 days from the time the original meeting was called; provided that such action of adjournment as herein contemplated can take place only if twenty-five percent (25%) of said members are present in person or by proxy at the time of the vote upon the motion for adjournment.

Section 8. CONSENT OF ABSENTEES. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. ACTION WITHOUT MEETING. Any action, which under the provisions of the California Corporations Code may be taken at a meeting of the members, may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the corporation.

Section 10. PROXIES. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the corporation, provided that no such proxy shall be valid after the expiration of eleven months from the date of its execution, unless the member executing

it specifies therein the length of time for which the proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution, and provided further than in no event shall a proxy continue in force after the person granting such proxy is no longer entitled to membership in the corporation as defined in Article II above.

*statute:
11 months*

ARTICLE VI

Directors

Section 1. POWERS. Subject to limitations of the Articles of Incorporation, of the By-Laws, and of the California Corporations Code as to action to be authorized or approved by the members, and subject to the duties of directors as prescribed by the By-Laws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by the Board of Directors. Any management body or agent named by USLIFE SAVINGS AND LOAN ASSOCIATION, shall be employed to manage only until the first annual election of directors, at which time the same or another body or agent shall be elected by a majority of the directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers:

First: To select and remove all the other officers, agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or By-Laws, fix their compensation and require from them security for faithful service.

Second: To conduct, manage and control the affairs and business of the 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 the corporation from one location to another within the same county; to designate any place within the County of Los Angeles for the holding of any membership meeting; and to adopt, make and use a corporate seal.

Fourth: To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor, provided however that no property of the corporation shall be encumbered as security for any such debt, except upon the vote of the majority of the members, not including the Developer.

Fifth: To manage, operate, maintain and repair any personal property or any real property owned by the corporation, together with all buildings, structures and other improvements on said real property, including (by way of description and not by way of limitation) the following:

(a) To contract and pay for (1) fire, casualty, liability and other insurance insuring said property owned by the corporation and (2) bonding expense incurred in bonding the officers and directors of the corporation.

(b) To pay all charges for water metered or charged to the corporation in the operation and maintenance of property owned by the corporation.

(c) To provide and pay for appropriate lighting on all property owned by the corporation.

(d) To maintain, repair and paint the property owned by the corporation and any improvements now or hereafter constructed thereon, and to provide and pay for maintenance and/or janitorial service for said property.

(e) To landscape, care for, maintain and water all planted areas of said property.

(f) To restore or replace any or all of said buildings, structures, or improvements at any time and from time to time as the Board of Directors may determine desirable or necessary.

(g) To pay for reconstruction of any portion or portions of the project damaged or destroyed which are to be rebuilt.

(h) To purchase, own and/or sell any real and/or personal property owned by the corporation.

(i) To enforce each and every one of the provisions of these By-Laws or any other agreement to which this corporation is a party.

(j) To contract and pay for maintenance, gardening, utilities, materials and supplies, and services relating to the corporation's property and to employ personnel necessary for the operation and maintenance of said property, including legal and accounting services.

(k) To pay any taxes and special assessments which are or would become a lien on the property owned by the corporation.

(l) To delegate any of its powers hereunder.

(m) Enter into any lot or unit when necessary in connection with maintenance or construction for which the management body is responsible as delineated in the Covenants, Conditions and Restrictions, Article VI, §16b, page 12.

Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS. The Board of Directors shall consist of five (5) directors until changed by this section of the By-Laws, adopted by the vote or written assent of members entitled to exercise a majority of the voting power. Any member and/or member's agent may be a director of the corporation.

Section 3. ELECTION AND TERM OF OFFICE. The Directors shall be elected at each annual meeting of members but if any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose. All directors shall hold office until their successors are elected.

Section 4. VACANCIES. Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office until his successor is elected at an annual meeting of members, or at a special meeting called for that purpose.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation, or removal of any director, or if the members shall increase the authorized number of directors but shall fail at the meeting at which such increase is authorized, or at any adjournment thereof, to elect the additional directors so provided for, or in case the members fail at any time to elect the full number of authorized directors.

The members may at any time elect directors to fill any vacancy not filled by the Directors, and may elect the additional directors at the meeting at which an amendment of the By-Laws is voted authorizing an increase in the number of directors.

If any director tenders his resignation to the Board of Directors, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 5. PLACE OF MEETING. All meetings of the Board of Directors shall be held at the principal office of the corporation, or at any other place within the State of California designated at any time by resolution of the Board or by written consent of all members of the Board.

Section 6. ORGANIZATION MEETING. Immediately following each annual meeting of members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 7. OTHER REGULAR MEETINGS. Other regular meetings of the Board of Directors shall be held without call monthly on the fourth Wednesday of each month at 5:00 P.M., provided, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the president, or if he is absent or unable or refuses to act, by any vice-president or by any two directors.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the corporation, or, if it is not shown on such records or is not readily ascertainable, at the place in 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 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 9. NOTICE OF ADJOURNMENT. Notice of adjournment of any directors' meeting, either regular or special, need not be given to absent directors, if the time and place are fixed at the meeting adjourned.

Section 10. 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 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 the Corporation.

Section 11. WAIVER OF NOTICE. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such 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.

Section 12. QUORUM. A majority of the directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 13. 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 the directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 14. FEES AND COMPENSATION. Directors shall not receive any stated salary for their services as directors. Nothing herein contained shall be construed as to preclude any director from serving the corporation in any other capacity as an officer, agent, employee or otherwise, and receiving compensation therefor. Any director receiving any special compensation shall be excluded from deliberations of the Board relative to the fixing of such compensation.

Section 15. EXECUTIVE COMMITTEE. The Board of Directors shall have the power to appoint an Executive Committee and to delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the corporation except the power to adopt, amend or repeal By-Laws. The Executive Committee shall be composed of three (3) or more directors, one of whom shall also be the president.

ARTICLE VII

Officers

Section 1. OFFICERS. The officers of the corporation shall be a president, a vice-president, a secretary and a treasurer. The corporation may also have, at the discretion of the Board of Directors, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Officers other than the president need not be directors. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article VII shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC. The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board, or except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or the president, or to the secretary of the corporation. Any such resignation shall take effect at the date of the 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 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

Section 6. PRESIDENT. The president shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the Board of Directors. He shall be ex officio a member of all 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 powers and duties as may be prescribed by the Board of Directors or by the By-Laws.

Section 7. VICE-PRESIDENT. In the absence or disability of the president, the vice-president shall perform all the duties of the president, and when so acting shall have all powers of, and be subject to all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board of Directors or by the By-Laws.

Section 8. SECRETARY. The secretary shall keep or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and members, with the time and place of holding, whether regular or special, and if special how authorized, the notice thereof given, the

names of those present at the directors' meetings, the number of memberships present or represented at members' meetings and the proceedings thereof.

The secretary shall give, or cause to be given, notice of all the meetings of the members and of the Board of Directors required by the By-Laws or by law to be given, and he shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

Section 9. TREASURER. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all times be open to inspection by any director. The treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

ARTICLE VIII

Miscellaneous

Section 1. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 2. CONTRACTS, ETC. HOW EXECUTED. The Board of Directors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name

and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the corporation by a contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 3. INSPECTION OF BY-LAWS. The corporation shall keep in its principal office for the transaction of business the original or a copy of the By-Laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times during office hours.

Section 4. FISCAL YEAR. The fiscal year of the corporation shall be determined by the Board of Directors and having been so determined is subject to change from time to time as the Board of Directors shall determine.

Section 5. ANNUAL AUDIT. The Board of Directors shall cause an independent audit of the financial affairs of this corporation to be made at least every twelve months. Said audit to reflect the financial condition of this corporation as of the date of the said audit and to summarize the financial transactions in which this corporation was involved during the period between the last of such audits and the date of the current audit. A copy of said audit will be mailed to each of the members of this corporation within thirty days after said audit is completed.

ARTICLE IX

Amendments to By-Laws

These By-Laws may be amended by the members in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by owners representing at least two-thirds (2/3) of the units.

Executed this 19th day of October 1972

CRESTA PALOS VERDES HOMEOWNERS ASSOCIATION

By

By

AMENDMENT TO BY-LAWS
OF
CRESTA PALOS VERDES HOMEOWNERS ASSOCIATION

Article III, Section 2, is hereby amended to read as follows:

"ARTICLE III

"Section 2. LIEN RIGHTS. Subject to the powers, rights, and limitations granted the corporation in said Declaration of Covenants, Conditions and Restrictions and specifically Article VII, Section 6(a) thereof, this corporation shall have the right to lien the interest of any member in said Real Property to secure the payment of: (1) regular assessments or charges and (2) special assessments for capital improvements; such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the real property and shall be a lien upon the condominium against which each such assessment is made upon the Association recording with the Los Angeles County Recorder a notice of assessment as provided in California Civil Code Section 1356. Each such assessment, together with such interest, costs, penalties, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such condominium at the time when the assessment fell due.

If any condominium subject to a monetary lien created by a provision hereof shall be subject to the lien of a duly recorded mortgage or deed of trust made in good faith and for value: (1) the foreclosure of any lien created by anything set forth in the Declaration shall not operate to affect or impair the lien of such mortgage or deed of trust; and (2) the foreclosure of the lien of such mortgage and/or deed of trust or the acceptance of a deed in lieu of the foreclosure by the mortgagee, shall not operate to affect or impair the lien thereof, except that the lien hereof for said charges as shall have accrued up to the foreclosure or the acceptance of the deed in lieu of foreclosure shall be subordinate to the lien of the mortgage or deed of trust, with the foreclosure-purchaser or deed-in-lieu-grantee taking title free of the lien hereof for all said charges that have accrued up to the time of the foreclosure or deed given in lieu of foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the foreclosure or deed given in lieu of foreclosure.

Dated: *December 26, 1972*

Monier A. Bowlus
MONIER A. BOWLUS

William Howe
WILLIAM HOWE

Carmine J. Carrese
CARMINE J. CARRESE

AMENDMENT NO. 2 TO BYLAWS OF
CRESTA PALOS VERDES HOMEOWNERS ASSOCIATION

WHEREAS, the By-Laws of Cresta Palos Verdes Homeowners Association were adopted October 19, 1972 and amended December 26, 1972,

WHEREAS, a Special meeting of the homeowners of Cresta Palos Verdes Homeowners Association was duly noticed and held on December 1, 1992 for the purpose of amending the By-Laws of Cresta Palos Verdes Homeowners Association,

WHEREAS, there was a quorum of homeowners entitled to vote present at the Special Meeting of the homeowners either in person or by proxy,

Whereas, seventy-five percent (75%) of all the homeowners entitled to vote voted to adopt the proposed amendment to the By-Laws,

Article VI, Section 3 of the By-Laws is hereby amended to read as follows:

"ARTICLE VI

Section 3 ELECTION AND TERM OF OFFICE.

At the Annual Meeting of members scheduled for January, 1993, three (3) directors shall be elected for a term of one (1) year, and two (2) directors shall be elected for a term of two (2) years.

At the Annual Meeting of members scheduled for January, 1994, three (3) directors shall be elected for a term of two (2) years to fill the expired term of the directors elected in January, 1993.

At the Annual Meeting of members scheduled for January, 1995, and thereafter, three (3) directors will be elected at each regularly scheduled annual meeting, or, if any such annual meeting is not held, or three (3) directors are not elected at any such Annual Meeting, the directors may be elected at any special meeting of the members held for that purpose. All directors shall hold office for a term of two (2) years.

All directors shall hold office until their successors are elected.

CERTIFICATE

I, Robert E Kendall, certify that I am the Secretary of CRESTA PALOS VERDES HOMEOWNERS ASSOCIATION, a California non-profit corporation, and that the attached By-Law is a true and correct copy of the By-laws of the corporation as amended to date.

DATED: December 3, 1992

Robert E Kendall
Secretary