

BYLAWS OF

PLACERITA CANYON PROPERTY OWNERS' ASSOCIATION

A California Nonprofit Public Benefit Corporation

**Article I.**     NAME - The name of this Corporation is PLACERITA CANYON PROPERTY OWNERS' ASSOCIATION, sometimes also referred to as PCPOA.

**Article II.**     OFFICES OF THE CORPORATION - The principal office for the transaction of the activities, affairs and business of the Corporation (“principal office”) is 500 North Brand Blvd., Suite 1030, Glendale, California 91203 (office of Arnold K. Graham, attorney for PCPOA). The mailing address for all correspondence is P.O. Box 222204, Newhall, California 91322. (Change noted 8/15/01) The Board of Directors (“Board”) may change the principal office of the Corporation from one location to another upon majority vote, and upon providing proper formal notice as required by law. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this section, or this section may otherwise be amended to state the new location of the principal office of the Corporation.

**Article III.**     PURPOSES AND LIMITATIONS

Section 3.01   General Purposes - The purpose of this Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the applicable Nonprofit Public Benefit Corporation Law.

Section 3.02 Specific Purposes - Within the context of the general purposes stated above, this Corporation shall:

**Endeavor to maintain conditions in Placerita Canyon that promote, protect and preserve its rural lifestyle and way of life; preserve the oak trees and other protected species; protect and preserve equestrian rights and opportunities; monitor and assert any appropriate position relating to zoning, permit applications, environmental standards, and land uses relating to the protection and preservation of conditions consistent with the Special Standards District of the General Plan of the City of Santa Clarita as applied to Placerita Canyon, and the interests of the members of this Corporation; limit densification of development and traffic and safety conditions within Placerita Canyon and areas contiguous thereto that may adversely affect Placerita Canyon and its residents; and contribute or assist in resolving health and safety issues within Placerita Canyon and surrounding areas.**

Section 3.03 Limitations - The property, assets, projects and income of this Corporation are irrevocably dedicated to the purposes set forth in the preceding paragraphs (a) and (b), and no part of the income of this Corporation shall at any time inure to the personal or private benefit of any individual, director, trustee, officer, shareholder, or member. Upon dissolution of this Corporation and after payment of all of the Corporation's debts and obligations, any remaining assets shall be distributed to a non-profit fund, non-profit foundation or a non-profit corporation which serves the same general purposes and goals as PCPOA, and which is exempt from taxation under both Section 501(c)(4) of the Internal Revenue Code of 1954, and Section 23701(d) of the California Revenue and Taxation Code, and amendments thereto.

**Article IV. CLASSES, QUALIFICATIONS, RIGHTS AND OBLIGATIONS OF MEMBERSHIP**

Section 4.01 Classes and Qualifications of Membership - This Corporation shall have one class of Members. To be eligible for membership in the PCPOA, each member shall be both an owner of real property located in Placerita Canyon, as defined hereinbelow, and also shall support the goals and purposes of the Corporation as stated in Section 3.02.

Each member shall fill out an application for membership, and such application shall be approved by the Board of Directors provided that the applicant meets the standards of membership. The reference to “Placerita Canyon” throughout these Bylaws shall be coterminous with the Special Standards District..

Section 4.02 Right to Vote - Where two or more persons hold title to real property in Placerita Canyon in joint form, all such persons shall be eligible for membership in PCPOA, but only one vote shall be allocated to each such parcel of real property, the exercise of which vote is within the sole discretion of the joint owners of said parcel. Where more than one member jointly owns more than one parcel of real property in Placerita Canyon, each member may have one vote, so long as no single member has more than one vote and so long as the aggregate number of votes among said members is no greater than the number of jointly owned parcels.

Section 4.03 Dues, Fees, and Assessments – The Corporation, through its Board of Directors, shall have the power to levy dues, assessments, membership fees and admission fees. Such dues, fees, and assessments shall be equal for all members.

Section 4.04 Good Standing – To be considered a member in good standing, each member must pay all required dues, fees, and assessments pursuant to Section 4.03; must support the purposes, goals, and objectives of PCPOA as set forth in Sections 3.01 and 3.02 hereinabove; and membership must not have been suspended or terminated pursuant to Section 4.05 of these Bylaws.

Section 4.05 Termination and Suspension of Membership

(A) Causes of Termination - A membership shall be terminated on the occurrence of any one of the following events:

- (1) Resignation of a member, on formal notice to the Corporation;
- (2) Conveyance of title to a member’s real property located in Placerita Canyon to another person or entity;
- (3) Failure of a member to pay dues, fees, or assessments as set by the Board within the required time period for payment as set by the Board.

- (4) Failure of a Member to support the purposes, goals and objectives of the Corporation as set forth in Sections 3.01 and 3.02 of these Bylaws.
- (B) Suspension of Membership - A member may be suspended, as provided in section 4.05(C) of these Bylaws, based on the good faith determination by the Board, or a sub-committee authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct as set forth in these Bylaws, or has engaged in conduct materially and seriously prejudicial to the purposes, goals and objectives of the Corporation as set forth in Sections 3.01 and 3.02. A person whose membership has been suspended shall not be a member during the period of suspension, and shall not have the rights of membership.
- (C) Procedure for Expulsion or Suspension - If it should appear to the Board that grounds exist for expulsion or suspension of a member's membership in the Corporation under Sections 4.05(A) - 4.05(B) of these Bylaws, the procedure set forth below shall be followed:
- (1) The member shall be given fifteen (15) days' prior written notice of the proposed expulsion or suspension, and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual written notice. Any notice given by mail shall be sent by first-class or certified mail to the member's last address as shown on the Corporation's records.
  - (2) The member shall be given a full opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. Said opportunity to be heard shall be before the Board or by a sub-committee authorized by the Board to determine whether the expulsion or suspension should take place.
  - (3) The Board, or sub-committee authorized by the Board to determine

whether the expulsion or suspension should occur shall decide at the hearing on the issue whether or not the member should be expelled or suspended. The decision of the Board, or authorized sub-committee shall be final.

- (4) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within not more than thirty (30) days after the action of the Board or its sub-committee suspending or terminating the membership.

#### Section 4.06 Meetings of Members

- (A) Place of Meeting - Meetings of the members shall be held in the County of Los Angeles, State of California, at a location determined by the vote of the Board after notice is given to the membership. or by written consent of all members entitled to vote at said meeting. Board Where no location is selected pursuant to this section, the members' meeting shall be held at the Corporation's principal office, as defined in Article II hereinabove.
- (B) Annual Meeting - An annual members' meeting shall be held on the second Monday in May of each year at 7:30 P.M., unless the Board fixes another date or time and so notifies members as provided in Section 4.06(D) of these Bylaws. If the date for the annual meeting falls on a legal holiday, the meeting shall be held the next full business day. At the annual meeting, directors shall be elected and any other proper business may be transacted, subject to Sections 4.06(D) and 4.06(E) of these Bylaws.
- (C) Special Meetings
  - (1) Persons Authorized to Call - A special meeting of the members may be called for any lawful purpose at any time by the Board or by the Chairperson of the Board, if any, or by the President, or by five percent (5%) or more of the current members.
  - (2) Calling Meetings - A special meeting may be called by written

request, which request shall specify the general nature of the business proposed to be transacted, and shall be submitted to the Chairperson of the Board, if any, or the President or any Vice President or the Secretary of the Corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Sections 4.06(D) of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request by the Chairperson of the Board, President, Vice President, or Secretary, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

- (3) Proper Business of Special Meeting - No business may be transacted at a Special Meeting unless the general nature of such business was set forth in the notice of the meeting pursuant to Section 4.06(C)(2).

(D) Notice Requirements for Members' Meetings

- (1) General Notice Requirements - Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given in accordance with Section 4.06(D)(3) of these Bylaws to each member entitled to vote at that meeting. The notice shall specify the location, date, and time of the meeting and, (1) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, although any proper matter may be presented at the meeting subject to the

provisions of Section 4.06(E). The notice of any meeting at which directors are to be elected shall also include the names of all persons who are nominees at the time notice is given.

(2) Notice of Certain Agenda Items – The following actions may only be taken either after unanimous approval of those members entitled to vote or after unanimous approval of those members present, where those members not present have filed a Notice of Written Waiver of Notice pursuant to Section 4.06(h) which states the general nature of the proposed action:

- (a) Removal of director without cause;
- (b) Filling vacancies on the Board;
- (c) Amending the articles of incorporation;
- (d) Approving a contract or transaction between the Corporation and one or more directors, or between the Corporation and any entity in which a director has a material financial interest;
- (e) Electing to wind up and dissolve the Corporation; or
- (f) Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or Bylaws, when the Corporation is in the process of winding up.

(3) Manner of Giving Notice - Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally, by electronic transmission, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote at the address of that member appearing on the books of the Corporation or at the address given by the member

to the Corporation for purposes of notice. For purposes of this section, “electronic transmission” means a communication delivered by electronic mail when directed to the electronic mail address for that member on record with the Corporation, to a member who has provided unrevoked consent to the use of such means of transmission for communications under this section, and creating a record that is capable of retention, retrieval, and review, which may thereafter be rendered into clearly legible tangible form. If no mailing address or electronic mail address appears on the Corporation's books and no mailing address or electronic mailing address has been so given, notice shall be deemed to have been given if either (1) notice is sent to the member by first-class mail or other written communication to the Corporation's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

- (4) Affidavit of Mailing Notice - An affidavit of the mailing of any notice of any members’ meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the Corporation, and, if so executed, shall be filed and maintained in the Corporation's minute book.

(E) Quorum

- (1) Percentage Required – In accordance with Corporations Code §5512, twenty-five percent (25%) of those members entitled to vote, as defined in Section 4.02, shall constitute a quorum for the transaction of business at any meeting of members (“Quorum”), provided, however, that the only matters that may be voted upon at any regular meeting actually attended, in person or by proxy, by less than one-third (1/3) of the members are matters notice of the general nature of which was given under the first and second sentences of Section 4.06 (D)(1) of these Bylaws.



- (2) Loss of Quorum - Subject to Section 4.06(E)(1) of these Bylaws, the members present at a duly called or held meeting at which a Quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a Quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a Quorum.
- (F) Adjournment and Notice of Adjourned Meeting - Any members' meeting, whether or not a Quorum is present, may be adjourned from time to time by the vote of the majority of the members present at the meeting, either in person or by a Proxy executed pursuant to Section 4.06(K). No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact that business which might have been transacted at the original meeting.
- (G) Voting
- (1) Eligibility To Vote - Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, members entitled to vote at any meeting of members shall be all members in good standing as of the close of business day preceding the day notice is sent.
- (2) Manner of Casting Votes - Voting may be by voice or written ballot, except that any election of directors must be by written ballot if demanded before the voting begins by any member attending the meeting.
- (3) Voting - Each member entitled to vote shall be entitled to cast one

vote on each matter submitted to a vote of the members.

- (4) Approval by Majority Vote - If a Quorum is present, the affirmative vote of the majority of the members present who are entitled to vote, shall be the act of the members.

(H) Waiver of Notice or Consent

- (1) Written Waiver of Notice - The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a Quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, who is not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 4.06(D)(2) the waiver of notice, consent or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes.
- (2) Waiver by Attendance - A member's attendance at a meeting shall also constitute a waiver of notice of said meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not noticed, called, or convened in conformity with Section 4.06 of these Bylaws. Attendance at a meeting shall not constitute a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

(I) Action Without a Meeting

- (1) Action by Unanimous Written Consent - Any action that is required or permitted to be taken by the members may be taken without a meeting if each member entitled to vote so consents in a writing filed with the Secretary of the Corporation. The action by written consent shall have the same force and effect as the Approval by Majority Vote as set forth in Section 4.06(G)(4) of these Bylaws.
- (2) Action by Written Ballot Without a Meeting - Any action which may be taken at a meeting of members, except for the election of directors, may be taken by written ballot, without a meeting, by complying with the provisions set forth below.
  - (a) Solicitation of Written Ballots - The Corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section 4.06(D)(3) of these Bylaws. All solicitations of votes by written ballot shall (1) indicate the number of responses needed to meet the Quorum requirement, (2) with respect to ballots other than for election of directors, state the percentage of approvals necessary to pass the measure or measures, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to the Corporation. If the Corporation has one hundred (100) or more members, any written ballot distributed to ten (10) or more members shall provide, subject to reasonable specified conditions, that if the person solicited specifies a choice with respect to any such matter, the votes shall be cast in accordance with that specification. In any election of directors, a written ballot that a member marks "withhold,"

or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

- (b) Number of Votes and Approvals Required - Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the Quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.
- (c) Revocation - A written ballot may not be revoked.
- (d) Filing - All written ballots shall be filed with the Secretary of the Corporation and maintained in the corporate records for at least three (3) years.

(J) Record Date for Notice, Voting, Written Ballots, and Other Actions

- (1) Notice of Meetings - The Board may fix, in advance, a date as the record date for the purpose of determining the members entitled to notice of any meeting of members, so long as such record date is not more than ninety (90) nor less than ten (10) days before the date of the meeting. If not otherwise fixed by the Board, members at the close of business on the business day preceding the day on which notice is given or, if notice is waived pursuant to Section 4.06(H), at the close of business on the business day preceding the day on which the meeting is held, are entitled to notice of a meeting of members.

- (2) Voting at Meetings - The Board may fix, in advance, a date as the record date for the purpose of determining the members entitled to vote at a meeting of members, so long as such record date is not more than sixty (60) days before the date of the meeting. If no record date is fixed, members of the day on the day of the meeting who are otherwise eligible to vote pursuant to Section 4.02 of these Bylaws are entitled to vote at the meeting.
- (3) Voting by Written Ballot - The Board may fix, in advance, a date as the record date for the purpose of determining the members entitled to cast written ballots pursuant to Section 4.06(I)(2), so long as such record date is not more than sixty (60) days before the day on which the first written ballot is mailed or solicited. If no record date is fixed, members on the day the first written ballot is mailed or solicited who are otherwise eligible to vote pursuant to Section 4.02 of these Bylaws are entitled to cast written ballots.
- (4) Other Lawful Action – The Board may fix, in advance, a date as the record date for the purpose of determining the members entitled to exercise any rights in respect of any other lawful action. Such record date shall not be more than sixty (60) days prior to such other action. If no record date is fixed, members at the close of business on the day on which the Board adopts the resolution relating thereto, or the sixtieth (60<sup>th</sup>) day prior to the date of such other action, whichever is later, are entitled to exercise such rights.
- (5) Members of Record - A person holding membership at the close of business on the record date shall be a member of record.

(K) Proxies

- (1) Right of Members - Each member entitled to vote shall have the right to do so either in person or by an agent authorized by a written proxy, signed by the member and filed with the Secretary of the Corporation. A proxy shall be deemed signed if the member's name

is placed on the proxy (whether by manual signature, typewriting, electronic transmission, or otherwise) by the member.

- (2) Form of Solicited Proxies - If the Corporation has one hundred (100) or more members, any form of proxy distributed to ten (10) or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters and shall provide, subject to reasonable specified conditions, when a choice is specified with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of directors, any form of proxy that a member marks "withhold," or otherwise indicates that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.
- (3) Requirement That General Nature of Subject of Proxy be Stated - No revocable proxy covering matters for which a vote of the members is required shall be valid unless it sets forth the general nature of the matter to be voted on, which includes amendments to the Articles of Incorporation; amendments to the Articles or Bylaws relating to proxy rights; removal of directors without cause; filling vacancies on the Board of Directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all of the corporate assets unless the transaction is in the usual and regular course of the Corporation's activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the Corporation; contracts or transactions between the Corporation and one or more Directors or between the Corporation and an entity in which the Director has a material financial interest; and the distribution is not in accordance with liquidation rights of the members and the Corporation.
- (4) Revocability All Proxies shall be automatically revoked on the day

following the election for which the Proxy was given or created.

(L) Election of Directors

- (1) Nominations by Committee - The Chairperson of the Board, or the President, shall appoint a committee (the “Nominating Committee”) to select qualified candidates for election to the Board of Directors. Such Nominating Committee shall be comprised of three (3) members of PCPOA who are in good standing pursuant to Section 4.04, and shall report its selected candidates to the Secretary not more than sixty (60) days but no less than thirty (30) days before the date of the election. The Secretary shall then forward to each member, with the notice of meeting required by Sections 4.06(D) - 4.06(D)(4) of these Bylaws, a list of all candidates nominated by the Nominating Committee under this section.
- (2) Nominations From the Floor - If a members’ meeting is held for the election of Directors, any member present at the meeting either in person or by proxy may nominate candidates.
- (3) Solicitation of Votes - The Board shall formulate procedures to allow a reasonable opportunity for each nominee to communicate to members his or her qualifications and reasons for the candidacy, a reasonable opportunity for each nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees by a properly conducted election.
- (4) Use of Corporate Funds to Support Nominee – No corporate funds may be expended to support any nominee for Director.

Article V. DIRECTORS

- (A) Section 5.01 General Corporate Powers - Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation and Bylaws regarding actions that require the approval of the

members, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by the Board of Directors or under its direction.

(B) Specific Powers - Subject to the general powers set forth in Section 5.01(A) of these Bylaws, and the limitations therein, the Directors shall have the power to:

- (1) Appoint and remove the Corporation's officers, agents, and employees at the pleasure of the Board; prescribe their powers and duties consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for the faithful performance of their duties.
- (2) Alter the location of the principal office or the principal business office in Los Angeles County, California.
- (3) Adopt and use a corporate seal, prescribe the forms of membership certificates consistent with the provisions of Section 5313 of the California Corporations Code, and alter the forms of the corporate seal and membership certificates.
- (4) Borrow money and incur indebtedness on behalf of the Corporation and cause promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, and other evidence of debt and securities to be executed and delivered in the Corporation's name and for the Corporation's purposes.

Section 5.02 Number and Qualification of Directors - The Board of Directors shall consist of nine (9) directors until changed by amendment to these Bylaws. The sole requirement for qualification as a Director is membership in good standing in the Placerita Canyon Property Owners' Association.

Section 5.03 Election, Designation, and Term of Office - One-third (1/3) of the Directors shall be elected at each annual members' meeting to hold office for three (3) years ; however, if any such Directors are not elected at any annual meeting,



they may be elected at any special members' meeting held for that purpose or by written ballot. Each such Director, including a Director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office until expiration of the term for which he or she was elected and until a successor has been elected. The first Board of Directors shall have staggered terms of one, two and three years.

Section 5.04 Vacancies on Board

(A) Events Causing Vacancy - A vacancy or vacancies on the Board shall exist on the occurrence of any of the following:

- (1) Death or resignation of any Director;
- (2) Declaration by resolution of the Board that a Director has been convicted of a felony or declared of unsound mind by an order of court or, if the Corporation holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under Section 5238 of the California Corporations Code;
- (3) Failure of a director to attend two consecutive Board meetings, or three Board meetings in a year;
- (4) An increase in the number of Directors authorized by these Bylaws;  
or
- (5) Failure of the members, at any members' meeting at which any Director or Directors are to be elected, to elect the number of directors required to be elected at that meeting.

(B) Resignations - Except as provided below, any Director may resign by giving written notice to the Chairperson of the Board, if one exists, or to the President or the Secretary of the Corporation. The resignation shall be effective when the notice is given unless it specifies a later date. If a Director's resignation is effective at a later date, the Board may elect a successor to take office when the resignation becomes effective.

- (C) Filling Vacancies - Except for vacancies created by removal of a Director by the members, vacancies on the Board may be filled by a vote taken of a majority of the Directors then in office. The members may fill any vacancy or vacancies not filled by the Directors.
- (D) No Vacancy on Reduction of Number of Directors - No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 5.05 Directors' Meetings

- (A) Place of Meetings - Meetings of the Board shall be held at any place within or outside the state of California that has been designated by resolution of the Board or in the notice of the meeting, or, if not so designated, at the principal office of the Corporation.
- (B) Meetings by Telephone - Any meeting may be held by telephone conference or similar communication method, as long as each Director participating in such meeting can hear each other Director clearly. All such Directors shall be deemed to be present in person at such a meeting.
- (C) Annual Meeting - Immediately after each annual meeting of members, the Board shall hold a Directors' meeting for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is not required.
- (D) Other Regular Meetings - Other regular meetings of the Board may be held without notice at such time and place fixed by the Board.
- (E) Special Meeting
  - (1) Authority to Call - Special Meetings of the Board may be called for any purpose at any time by the Chairperson of the Board, if any, the President, or any Vice President, or the Secretary, or any two Directors.
  - (2) Notice

- (a) Manner of Giving Notice - Notice of the location, date and time of a Special Meeting shall be given to each Director in any one of the following ways:
    - (i) By personal delivery of written notice;
    - (ii) By first-class mail, postage prepaid;
    - (iii) By telephone, either directly to the Director or to a person at the Director' office who could reasonably be expected to communicate the notice promptly to the Director; or
    - (iv) By electronic transmission, to the Director's e-mail address as shown on the records of the Corporation.
  - (b) Time Requirements - Notices sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, electronic transmission, or telephone shall be delivered, transmitted, or telephoned at least forty-eight (48) hours before the time set for the meeting.
  - (c) Notice Contents - The notice shall state the date and time of the meeting, the location if other than the principal office of the Corporation, and the purpose for the special meeting.
- (F) Quorum – With the exception of the decision to adjourn as set forth in Section 5.05(H), a majority of the authorized number of Directors shall constitute a quorum for the transaction of business (“Directors’ Quorum”). Where a Directors’ Quorum is present, every action taken or decision made by a majority of the Directors present at a properly noticed meeting shall be the act of the Board subject to the limitations of the California Nonprofit Public Benefit Corporation Law, including those provisions relating to approval of contracts or transactions between the Corporation and one or more Directors or between the Corporation and any entity in which a

Director has a material financial interest, creation of and appointments to committees of the Board, and indemnification of Directors. A meeting at which a Directors' Quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required Directors' Quorum for that meeting.

- (G) Waiver of Notice - Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not object, before or at the commencement of the meeting, to the improper notice.
- (H) Adjournment - A majority of the Directors present, whether or not a Directors' Quorum is present, may adjourn any meeting to another date, time and location.
- (I) Notice of Adjourned Meeting - Notice of the date, time and location of an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours, in which case notice shall be given to the Directors who were not present at the time of the adjournment, before the time of the adjourned meeting.

Section 5.06 Action Without a meeting - Any action that the Board is required or permitted to take may be taken without a meeting if all Directors of the Board individually or collectively consent to such action in writing. An action taken by written consent shall have the same force and effect as any other action of the Board. The written consent of each Director pursuant to this section shall be filed with the corporate records.

Section 5.07 Reimbursement - Directors may be reimbursed for direct out-of-

pocket expenditures made on behalf of the Corporation upon presentation of proof of payment to the Treasurer. Any expenditure in excess of One Hundred Dollars (\$100.00) shall be approved by the Board prior to being made.

Section 5.08 Committees

(A) Committees of the Board - The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees (“committee” or “committees”), which committees shall consist of two or more Directors to serve at the pleasure of the Board. Any Member of PCPOA may be appointed to a committee created pursuant to this section, provided that no person who is not a Director of the Board shall be eligible to serve as a chairperson of such committee. Directors shall be appointed to committees of the Board by majority vote of the Directors then in office. The Board may also appoint one or more Directors as alternate members of a committee, who may replace any committee members who are absent from a meeting, for the duration of said meeting. A committee created pursuant to this section, to the extent provided in the Board resolution, shall have all the authority of the Board except that no committee shall take any of the following actions, regardless of any Board resolution:

- (1) Fill vacancies on the Board or on any committee that has the authority of the Board;
- (2) Fix the compensation of Directors serving on the Board or on any committee;
- (3) Amend or repeal the Bylaws or adopt new Bylaws;
- (4) Amend or repeal any Board resolution that by its express terms is not so amendable or repealable;
- (5) Create any other committees of the Board or appoint members to committees of the Board;
- (6) With respect to any asset held in charitable trust, approve any contract or transaction between the Corporation and one or more of

its Directors or between the Corporation and an entity in which one or more of its Directors have a material financial interest, subject to the special approval provisions of Section 5233(d)(3) of the California Corporations Code; or

- (7) Take any final action on a matter that, under the California Nonprofit Public Benefit Corporation law, requires formal approval of the members or a majority of the Board.
  
- (B) Meetings and Action of Committees - Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provisions of these Bylaws concerning meetings and other actions except that the time for regular meetings and calling of special meetings of such committees may be determined either by Board resolution or by resolution of the committee. Minutes of each committee meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee that are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

## Article VI. OFFICERS

Section 6.01 Officers of the Corporation - The Corporation shall have a President, a Secretary, and a Treasurer. The Corporation may also have, at the Board's discretion, a Chairperson of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and any other officer which may be appointed pursuant to Section 6.03 of these Bylaws. Any number of offices may be held by a single person.

Section 6.02 Election of Officers - The officers of the Corporation, except those appointed under Section 6.03 of these Bylaws, shall be chosen annually by the Board and shall serve at the pleasure of the Board.

Section 6.03 Other Officers - The Board may appoint, any other officers that the Corporation may require. The title, term of office, authority, and duties of any

officer appointed pursuant to this section shall be as specified in these Bylaws or as determined by the Board.

Section 6.04 Removal of Officers - The Board may remove an officer with or without cause.

Section 6.05 Resignation of Officers - An officer may resign at any time by giving written notice to the Corporation. Such resignation shall take effect as of the date the notice is received by the Corporation or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective.

Section 6.06 Vacancies in Office - A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 6.07 Responsibilities of Officers

- (A) President - Subject to the powers reserved by the Board for its Chairperson, and subject to the supervision and control of the Board, the President shall serve as general manager of the Corporation, and shall supervise, direct and control the activities and affairs of the Corporation and its other officers. The President shall preside at all members' meetings and, in the absence of the Chairperson of the Board, or if no Chairperson of the Board exists, at all Board meetings. The President shall also have such other powers and duties as the Board or Bylaws may prescribe.
- (B) Vice Presidents - In the absence or disability of the President, the Vice Presidents, if any, in order of their ranks fixed by the Board or, if not ranked, a Vice President designated by the Board shall perform all duties of the President. When so acting a Vice President shall have all the powers of and be subject to all restrictions on the President. The Vice Presidents shall also have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(C) Secretary

- (1) Book of Minutes - The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other location as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, the committees of the Board, and the members. The minutes of meetings shall include the location, date and time of each meeting; whether the meeting was annual, regular, or special and, if special, how authorized; the notice given for the meeting; the names of those present at Board and committee meetings; and the number of members present or represented at members' meetings.
- (2) Articles of Incorporation and Bylaws - The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.
- (3) Membership Records - The Secretary shall keep or cause to be kept, at the Corporation's principal office or at an alternate location determined by Board resolution, a record of the Corporation's members which shall include each member's name, address and class of membership.
- (4) Notices, Seal, and Other Duties - The Secretary shall give, or cause to be given, all notices required under these Bylaws for meetings of the members, the Board, and committees of the Board. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(D) Treasurer

- (1) Books of Account - The Treasurer shall keep and maintain, or cause to be kept and maintained, detailed and accurate books and records of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the members and directors such



financial statements and reports as are required by law, by these Bylaws, or by the Board to be given. The books and records kept pursuant to this section shall be open to inspection by any Director at all reasonable times, and shall be open to inspection by any Member upon written demand on the corporation at any reasonable time, for purposes reasonably related to such person's interests as a member.

- (2) Deposit and Disbursement of Money and Valuables - The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation as the Board may order. When requested, the Treasurer shall render to the President, Board, or Chairperson of the Board, if any, an account of all transactions executed as Treasurer and of the financial condition of the Corporation. The Treasurer shall also have such other powers and perform such other duties as the Board or the Bylaws may prescribe.
- (3) Bond - If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board to be advanced by the Corporation for an undertaking by or on behalf of a person who will repay the advance, unless it is determined that that person is entitled indemnification from the Corporation for the expenses incurred in said undertaking.

#### Section 6.08 Indemnification

- (A) Right of Indemnity - To the fullest extent permitted by law, the Corporation shall indemnify and defend its Directors, officers, employees, and other persons described in Section 5237(a) of the California Corporations Code, including persons formerly occupying any such position, against all claims, causes of action, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any claim or proceeding, as that term is used in Section 5737(a), and including an action

by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section.

(B) Approval of Indemnity - On written request to the Board by any person seeking indemnification and a defense under Section 5237(b) or Section 5237(c) of the California Corporations Code, the Board shall promptly determine under Section 5237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5237(b) or Section 5237(c) has been met and, if so, the Board shall authorize the requested defense and indemnification. Where certain Directors are parties to the proceeding for which indemnification is prevented, and a Directors' Quorum of Directors who are not parties to such proceeding cannot be formed, , the Board shall promptly call a meeting of members, at which the members shall determine under Section 5237(e) whether the applicable standard of conduct set forth in Section 5237(b) or Section 5237(c) has been met and, if so, shall authorize indemnification.

(C) Advancement of Expenses - To the fullest extent permitted by law and except as otherwise determined by the Board, expenses incurred by a person seeking indemnification under Section 6.08(A) and 6.08(B) of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses. For purposes of this section, "expenses" shall be defined in accordance with Section 5737(a) of the California Corporations Code.

Section 6.09 Insurance – To the fullest extent permitted by law, the Corporation shall have the right to purchase and maintain insurance on behalf of its officers, directors, employees, and other agents, to guard against any liability asserted against or incurred by any officer, director, employee, or agent arising out of his or her capacity or status as officer, director, employee, or agent.

Section 6.10 Records and Reports

- (A) The Corporation shall keep all of the following:
- (1) Detailed and accurate books and records of account;
  - (2) Written minutes of the proceedings of its members, Board, and committees of the Board; and
  - (3) A record of each member's name, address, and class of membership.
- (B) Members' Inspection Rights
- (1) Membership Records - Subject to Division 2, Part 2, Chapter 13, Article 3 (commencing at section 6330) of the California Corporations Code and unless the Corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:
    - (a) Inspect and copy the records of members' names, addresses, and voting rights during usual business hours and on five (5) days prior written demand to the Corporation, which demand shall state the purpose for which the inspection is requested; or
    - (b) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for the election of Directors as of the most recent record date for which such list has been compiled, or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member no later than ten (10) days after either (i) the date upon which the demand is received by the Corporation or (ii) the date specified in the demand as the date as of which the

list is to be compiled.

The Corporation may, within ten (10) business days after receiving a demand under this Section, deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in the demand without providing access to or a copy of the membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in the demand shall be deemed a reasonable alternative unless within a reasonable time after acceptance of the offer the Corporation fails to do those things which it offered to do. Any rejection of this offer must be in writing and must state the reasons that the alternative proposed by the Corporation does not meet the proper purpose of the demand.

Where the Corporation reasonably, in good faith, and with a substantial basis in fact believes that the membership list demanded under this section will be used for a purpose other than one reasonably related to a person's interest as a member or the goals and purposes of the Corporation, or provides a reasonable alternative under this section, it may petition the superior court of the proper county for an order setting aside the demand pursuant to Section 6331 of the California Corporations Code. Any authorized inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the Corporation.

- (2) Accounting Records and Minutes - On written demand on the

Corporation, any member may inspect, copy, and make extracts of the accounting books, records, and the minutes of the proceedings of the members, the Board and committees of the Board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person by the member or by the member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the Corporation.

- (C) Maintenance and Inspection of Articles and Bylaws - The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours.
- (D) Inspection by Directors - Every Director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.
- (E) Annual Report
  - (1) An annual report shall be prepared within one hundred and twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information in appropriate detail:
    - (a) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report by independent accountant with regard to such statements. If no such report exists, the balance sheet and aforementioned statements shall be accompanied by the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of

the Corporation.

- (b) A statement of the place where the names and addresses of current members are located.
    - (c) Any information that is required by Section 6.10(F).
  - (2) The Corporation shall notify each member annually of the member's right to receive a financial report under this section. Except as provided in subsection (3) of this section, on written request by a member, the Board shall promptly cause the most recent annual report to be made available to the requesting member.
  - (3) This Section shall not apply if the Corporation receives less than twenty-five thousand dollars (\$25,000) in gross revenues or receipts during the fiscal year, in accordance with California Corporations Code §6321(c), or that amount indicated by any future amendments to said section or the laws of the State of California.
- (F) Annual Statement of Certain Transactions and Indemnifications - As part of the annual report to all members, or as a separate document if no annual report is issued, the Corporation shall annually prepare and mail or deliver to its members and furnish to its Directors a statement of any transaction or indemnification of the following kinds within one hundred and twenty (120) days after the end of the Corporation's fiscal year:
- (1) Unless approved by members under Section 5233(a) of the California Corporations Code, any transaction:
    - (a) To which the Corporation, its parent, or its subsidiary was a party,
    - (b) Which involved more than fifty thousand dollars (\$50,000.00) or was one of a number of such transactions with the same person involving, in the aggregate, more than fifty thousand dollars (\$50,000.00), and
    - (c) In which either of the following persons had a direct or

indirect material financial interest, aside from a common directorship:

- (i) Any Director or officer of the Corporation, its parent, or its subsidiary;
  - (ii) Any person holding more than ten percent (10%) of the voting power of the Corporation, its parent, or its subsidiary.
- (2) The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction, and, when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.
- (3) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than ten thousand (\$10,000) paid during the fiscal year to any officer or director of the Corporation under Sections 6.08(A)(B) and (C) of these Bylaws, unless the loan, guaranty, indemnification, or advance has already approved by the members under Section 5034 of the California Corporations Code, or the loan or guaranty is not subject to the provisions of subdivision (a) of Section 5235(a) of that Code.

Section 6.11 Construction and Definitions - Unless otherwise specified or required, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

Section 6.12 Amendments

- (A) Amendment by Board

- (1) Membership Rights Limitation - Subject to the rights of members under sections 6.12(A)(4) and 6.12(B) of these Bylaws, the Board may adopt, amend, or repeal the Bylaws unless the action would:
  - (a) Materially and adversely affect the members' rights as to voting, dissolution, redemption (?), or transfer;
  - (b) Increase or decrease the number of members authorized in total or for any one class;
  - (c) Effect an exchange, reclassification, or cancellation of all or part of the memberships; or
  - (d) Authorize a new class of membership.
- (2) Changes to Number of Directors - Once members have been admitted to the Corporation, the Board may not, without the approval of the members, specify or change any Bylaw provision that would:
  - (a) Fix or change the authorized number of Directors;
  - (b) Fix or change the minimum or maximum number of Directors; or
  - (c) Change from a fixed number of Directors to a variable number of Directors or vice versa.
- (3) High Vote Requirement - If any provision of these Bylaws requires the vote of a larger proportion of the Board than otherwise required by law, such provision may not be altered, amended, or repealed except by a vote of the larger proportion specified in such provision.
- (4) Members' Approval Required - Without the approval of the members, the Board may not adopt, amend, or repeal any Bylaw that would:
  - (a) Increase or extend the terms of Directors;
  - (b) Allow any Director to hold office by designation or selection



rather than by election by member or members;

- (c) Increase the quorum for members' meetings;
- (d) Repeal, restrict, create, expand, or otherwise alter proxy rights; or
- (e) Authorize cumulative voting.

(B) Amendment by Members - New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of the members, provided, however, that any such adoption, amendment, or repeal must also be approved by the members of a particular class where that action would:

- (1) Materially and adversely affect the rights, privileges, preferences, restrictions, or conditions of such class with regard to voting, dissolution, redemption, or transfer, where the rights, privileges, preferences, restrictions or conditions of any other class are not so affected;
- (2) Materially and adversely affect that class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of any other class;
- (3) Increase or decrease the number of memberships authorized for that class;
- (4) Increase the number of memberships authorized for another class;
- (5) Effect an exchange, reclassification, or cancellation of all or part of the memberships of that class; or
- (6) Authorize a new class of memberships.

Any provision of these Bylaws which requires the vote of a larger proportion of the members than otherwise is required by law may not be altered, amended, or repealed except by vote of the greater proportion specified. No amendment may extend a Director's terms beyond that for which the Director was elected.

Any provision of these Bylaws providing for the designation or election of any

Director or Directors may be adopted, amended, or repealed only by approval of the members, subject to the consent of the person or persons entitled to designate or select any such Directors.

Section 6.13 Certificate of Secretary

**Certificate of Secretary**

I certify that I am the duly elected and acting Secretary of Placerita Canyon Property Owners Association, a California Nonprofit Public Benefit Corporation, that the above Bylaws, consisting of ***thirty four (34)*** pages, are the Bylaws of this Corporation as adopted by the Board of directors on \_\_\_\_\_ and that they have not been amended or modified since that date.

Executed on \_\_\_\_\_ 2008, at \_\_\_\_\_, California

Secretary \_\_\_\_\_