

BY LAWS
OF THE
MARQUEZ KNOLLS PROPERTY OWNERS ASSOCIATION, INC.,
OF PACIFIC PALISADES, CALIFORNIA

Article 1

Name of Corporation

The name of this corporation is:

Marquez Knolls Property Owners Association, Inc.

Article 2

Purposes and Powers

The purpose of this corporation is to promote and encourage the preservation of the beauty and healthful environment of the residential subdivisions located in the Marquez Knolls area of Pacific Palisades, California by informative, educational, mediative, and other lawful activities for the benefit of residents of the community.

The powers of the corporation shall be all powers, rights, judgments, and discretions conferred by the covenants, conditions, and restrictions applicable to tracts in the Marquez Knolls area; all powers, rights, judgments and discretions acquired by assignments from the Declarants of such covenants, conditions, and restrictions; and all powers and rights granted by the laws of the State of California on non-profit corporations.

Article 3

Geographical Jurisdiction

The Directors of the corporation as duly elected by the members of the corporation are empowered at their discretion to fix the geographical boundaries of the area over which the corporation shall have concern and jurisdiction for exercise of its powers.

Article 4

Members

All owners of the properties within the geographical jurisdiction of the corporation, and all lawful residents of such properties, shall be entitled to be members of the corporation, subject to payment of annual dues as established by the board of directors from time to time.

Article 5
Directors

The directors of the corporation shall be elected by the members of the corporation at duly noticed and convened annual meetings of the members of the corporation, and shall serve in a voluntary capacity without compensation.

The dates, hours, and places for such meetings shall be set at the discretion of the directors.

The number of directors shall be not less than three (3) and not more than seventeen (17) as established by vote or resolution of the members at duly noticed meetings, or by unanimous written consent of members.

Vacancies on the board of directors may be filled by a majority of the remaining directors.

A director of the corporation shall be held to a standard of compliance with the purpose and by-laws of said corporation higher than the general membership. In the event a director willfully fails to comply with that higher standard or any ruling of any duly recognized committee, he/she may be removed as a director by a simple majority of the board of directors at a duly noticed meeting.

As directors of the corporation, the board shall have the authority to represent the Marquez Knolls Property Owners Association in all issues including but not limited to: CC&R enforcement; Developments affecting the community such as Variances, Traffic, Public Health and Safety, and Crime prevention. The board shall have the authority to interact with other community entities, i.e., the Community Council, Chamber of Commerce, Design Review Board, Hillside and Canyon Federation, PPRA and other homeowners Associations.

Article 6
Quorum

A quorum for actions of directors shall be sixty (60%) percent of the authorized number of directors.

Any actions of directors may be effective without a meeting by unanimous consent.

There shall be no quorum requirement for meetings of members, but no action may be taken by members unless preceded by not less than fifteen (15) days written

notice of action to be taken at meetings of members, duly given to all members in good standing of the corporation.

Article 7 **Officers**

The board of directors is empowered to nominate and elect the officers of the corporation, and to establish their authorities and duties.

Any officer may be removed, either with or without cause, by a majority of the directors in office.

Article 8 **Non-Liability of Directors and Officers**

Except as otherwise provided by law, there shall be no personal liability to a third party for monetary damages against a director or officer acting in a voluntary capacity without compensation, based upon the negligent act or omission in the performance of such person's duties, if all of the following conditions are met:

- a) the act or omission is within the scope of the director's or officer's duties;
- b) the act or omission is not intentional, reckless, wanton, or grossly negligent;
- c) the act or omission is performed in good faith and is believed to be in the best interests of the corporation;
- d) damages caused by the act or omission are covered under a liability insurance policy issued to the corporation, either in the form of a general liability policy or personally to the director or officer; provided however, that no volunteer director or officer shall be personally liable for damages if the board of directors had made all reasonable efforts in good faith to obtain available liability insurance.

Article 9 **Voting Rights**

Only members in good standing of the corporation shall be entitled to vote for directors or on any other matters related to the corporation.

There shall be only one vote assigned to each residence or lot within the geographical jurisdiction of the corporation.

In the event of conflict in vote as between a property owner and a tenant of a residence, the property owner's vote shall prevail.

Article 10
Records

The corporation shall maintain financial and other records of its activities and assets for five (5) years, unless otherwise required by law.

All records shall be open to inspection by paid members upon reasonable notice and at reasonable times.

Article 11
Amendments

These bylaws may be amended by action of members or directors by majority vote at duly convened meetings, preceded by not less than fifteen days written notice of intended amendments.

In the event of conflict between amendments adopted by directors and amendments adopted by members, amendments by members shall control.

Article 12
Places of Meetings

All meetings of directors and members shall take place within the geographical boundaries of the Pacific Palisades area of Los Angeles County.

The time and place of meetings shall be established by majority vote of the directors or by request of not less than ten (10%) percent of the paid members.

Article 13
Dissolution

The property of this corporation is irrevocably dedicated to charitable purposes, and upon liquidation, dissolution or abandonment of the owner, after providing for the debts and obligations thereof, the remaining assets will not inure to the benefit of any private person but will be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable, purposes as specified in the California Revenue and Taxation Code Section 214 and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code. If this corporation holds any assets on trust, disposition of such assets shall be made in such manner as may be directed by decree of the Superior Court of the County in which this corporation's

principal office is located, upon petition therefore by the Attorney General or by any person concerned in the liquidation.

Article 14
Conflict of Interest

No director or officer shall receive personal gains from his/her participation on the Board other than those gains available to all MKPOA members through the application and exercise of the purposes and powers of the organization as stated in Article 2 of these Bylaws . A Board member shall declare a conflict of interest and excuse him/herself from Board discussions and votes that pertain to the issue where such personal gains may be expected.

Article 15
Compensation

No director or officer shall for reason of his or her office be entitled to receive any salary or compensation, but nothing herein shall be construed to prevent an officer or member of the Board from receiving any compensation from the MKPOA for duties other than as a governor or officer.

Adoption and Ratification

By-Laws originally adopted the 9th day of March 1994 by majority vote of the directors of Marquez Knolls Property Owners Association, Inc., and last amended on June 18, 2002, are hereby amended and ratified by unanimous vote of the directors as of this date, the 22th day of December 2009.

Haldis Toppel, President

Jackie Lee, Treasurer