

AMENDED

BY-LAWS OF BRENTWOOD CIRCLE HOMEOWNERS' ASSOCIATION

(Per Amendment of By-laws on March 9, 1997)

ARTICLE I.

Section 1.01. The name of the corporation is BRENTWOOD CIRCLE HOMEOWNERS' ASSOCIATION ("Association").

Principal Office

Section 1.02. The principal office of the Association is located at 12121 Wilshire Boulevard, Suite 801, Los Angeles, California. The Board of Directors is hereby granted full power and authority to change the principal office of the Association from one location to another in the County of Los Angeles, California. Any such change shall be noted by the Secretary in these By-Laws, but shall not be considered an amendment of these By-Laws.

Application

Section 1.03. These By-Laws are applicable to the Association. These By-Laws are also applicable to all Members of the Association and to Brentwood Circle.

Definitions

Section 1.04.

(a) "Brentwood Circle" is defined as that area in the City and County of Los Angeles immediately north of Sunset Boulevard and immediately west of the San Diego Freeway consisting of the streets, and lots bordering on said streets, as set forth below:

North Layton Drive
Layton Way
Downes Road
North Gunston Drive
North Woodburn Drive
Fordyce Road

(b) There shall be only one vote allotted to each residence. If a residence within Brentwood Circle is owned by two or more persons, all record owners may attend meetings and otherwise participate in the activities of the Association; however, each household shall be allotted only one member vote as provided in Section 2.06 and for the purpose of determining a quorum for Members meetings. "Voting Power" as used herein shall equal the number of residences within Brentwood Circle of which one or more owners are Members of the Association.

(c) "Governing Instruments" are the Articles of Incorporation and the By-Laws and any amendments thereto that are or shall be adopted.

(d) "Owner" means the record holder or holders of record fee title to any lot or plot of land upon which a residence exists ("Lot") within Brentwood Circle, as defined above. "Owner" shall not include any person or persons or entities who hold an interest in such Lot merely as security for performance of an obligation.

Membership Rights

Section 1.05. The qualifications for membership are ownership of a Lot within Brentwood Circle, as defined above, and payment of dues and assessments as may be established by the Association or the Board.

Purpose of the Association

Section 1.06. The purpose of the Association is to accomplish the privatization and gating of the streets referred to in Section 1.04; and, following such privatization, to manage and maintain the gating facility and the streets. It is specifically not the purpose of the Association to maintain a "planned community" nor is it the purpose of the Association to promulgate any rules or requirements which infringe upon the use, ownership and occupancy of the lots and residences themselves within the community, other than as relates to the use, maintenance and occupancy of the streets themselves.

ARTICLE II. MEETINGS OF MEMBERS

Place of Meetings

Section 2.01. All meetings of the Members shall be held at a place designated by the Board. This meeting place shall be within Brentwood Circle or as close to it as possible.

Annual Meetings

Section 2.02. The first meeting of the Members of the Association shall be held as soon as practicable after the recordation of "Covenant and Agreement For Vacation of Public Road" signed by all of the "Owners" as defined in Article I. Thereafter, the annual meeting of the Members shall be held in May of each year at a time and place to be designated by the Directors.

Section 2.03. Special meetings of the Members may be called for any lawful purpose by a majority of a quorum of the Board, the President of the Association, or by a written request signed by Members representing at least 15 percent of the total voting power of the Association. The special meeting shall be held not less than 35 nor more than 90 days after adoption of the resolution or receipt of the request by the President. Only that business stated in the notice of meeting given pursuant to Section 2.04 of these By-Laws shall be transacted at the special meeting.

Notice of Meetings

Section 2.04. The Secretary of the Association shall give written notice of any Members' meeting to each Member of record. Except as otherwise provided in this Section, the notice shall be given at least 10 but not more than 90 days before the meeting, by first class mail or by personal delivery. The notice shall be addressed to the Member at the address appearing on the books of the Association, or the address supplied by the Member to the Association for this purpose. The notice shall state the place, date, and time of the meeting. If Directors are to be elected at the meeting, the notice shall include the names of all those who are nominees at the time the notice is given. In the case of an annual meeting, the notice shall also state those matters that the Board, at the time the notice is given, intends to present for action by the Members. In the case of a special meeting, the following additional notice requirement applies: (1) the notice shall state those matters that the Board, at the time the notice is

given, intends to present for action by the Members.

Waiver of Notice or Consent of Absentees

Section 2.05. The transactions of any meeting of Members, however called and noticed, shall be as valid as though taken at a duly called, noticed, and held meeting; if: (1) a quorum is present either in person or by proxy; and (2) either before or after the meeting, each of the Members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the Minutes of the meeting. Any such waiver, consent, or approval shall be filed with the corporate records or made a part of the Minutes of the meeting.

Voting Rights

Section 2.06. All voting rights of the owners shall be subject to the following restrictions, limitations and requirements:

(a) Except as provided in this Section, on each matter submitted to a vote of the Owners, each Owner shall be entitled to cast one vote for each residence within Brentwood Circle owned.

(b) Fractional votes shall not be allowed. When there is more than one record owner of a residence ("Co-Owners"), all the Co-Owners shall be members, but only one of them shall be entitled to cast a single vote attributable to the residence.

(c) The Board shall fix, in advance, a record date or dates for the purpose of determining the Owners entitled to notice of and to vote at any meeting of Members. The record date for notice of a meeting shall not be more than ninety (90) nor less than ten (10) days before the date of the meeting. The record date for voting shall not be more than sixty (60) days before the date of the meeting or before the date on which the first written ballot is mailed or solicited. The Board may also fix, in advance, a record date for the purpose of determining the Owners entitled to exercise any rights in connection with any other action. Any such date shall not be more than sixty (60) days prior to the action.

Quorum

Section 2.07. At any meeting, the presence either in person or by proxy of Members entitled to cast at least 51 percent of the total voting power of the Association shall constitute a quorum for any action except as otherwise provided in the Article or By-Laws. 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 the action taken, other than adjournment, is approved by at least a majority of members required to constitute a quorum. If a quorum is not present at any time at a duly called meeting, a majority of those Members present in person or by proxy may adjourn the meeting at a time not less than five (5) days nor more than thirty (3) days from the meeting date, but no other business may be transacted. An adjourned meeting may be held without written notice, provided that notice is given by announcement at the original meeting. If no such announcement is made, or if the selected date is changed after adjournment, notice of the time and place shall be given to Members in the manner provided in Section 2.04 of these By-Laws. The quorum for the adjourned meeting shall be 33 1/3 percent.

Proxies

Section 2.08. At all meetings of Members, each Member may vote in person or by revocable proxy. All proxies shall be in writing and filed with the Secretary of the Association.

Any proxy covering any of the following matters that require a vote of the Members is not valid as to those matters unless it sets forth the general nature of the matter to be voted upon:

(a) Removing a Director without cause, pursuant to Section 3.06(b) of these By-Laws;

(b) Filling Director vacancies pursuant to Section 3.07 of these By-Laws;

(c) Entering into or approving a contract or transaction between the Association and one or more of the Directors, or between the Association and any entity in which one or more of the Directors has a material financial interest, when the material facts of the contract or transaction are fully disclosed pursuant to Section 7233 of the California Corporations Code;

(d) Amending the Article or By-Laws to repeal, restrict, create, or expand proxy rights;

(e) Amending the Articles after approval by the Board, in accordance with Section 7812 of the California Corporations Code;

(f) Disposing of assets other than in the usual and regular course of corporate activities pursuant to Section 7911(a)(2) of the California Corporations Code;

(g) Approving merger terms pursuant to Section 8012 of the California Corporations Code;

(h) Adopting an amendment to a merger agreement that changes any of the principal terms pursuant to Section 8015(a) of the California Corporations Code;

(i) Electing to dissolve the Association, by approval of a majority of all members or by approval of both the Board and Members pursuant to Section 8610 of the California Corporations Code; or

(j) If the corporation has more than one class of memberships outstanding upon dissolution, approving a plan of distribution of assets which is not in accordance with the liquidation rights of those classes, pursuant to Section 8719(a) of the California Corporations Code.

Action Taken Without A Meeting

Section 2.09. Any action that may be taken at a meeting of the Members, except for the election of Directors, may be taken without a meeting provided the following ballot requirements are satisfied:

(a) The Association shall distribute a written ballot to every Member entitled to vote on the matter. The ballot shall be solicited in the same manner as provided in Section 2.04 of these By-Laws for the giving of notice of meetings of Members.

(b) The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, provide a reasonable time within which to return the ballot, indicate the number of responses needed to meet the quorum requirement, and state the percentage of approvals necessary to pass the measure submitted.

(c) The proposed action shall be considered approved if:

(1) The number of votes cast by ballot within the specified time period 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 ballot.

(d) No written ballot shall be revoked.

Approval By Members Required By Statute

Section 2.10. Any approval by the Members of the following proposals, other than unanimous approval by those entitled to vote, shall be valid only if the general nature of the approved proposal was stated in the Notice of meeting or any or any waiver of Notice of meeting:

(a) Removing a Director without cause pursuant to Section 3.06(c) of these By-Laws;

(b) Filling vacancies on the Board pursuant to Section 3.07 of these By-Laws;

(c) Entering into or approving a contract or transaction between the Association and one or more of the Directors, or between the Association and any entity in which one or more of the Directors has a material financial interest, when the material facts of the contract or transaction are fully disclosed pursuant to Section 7233 of the California Corporations Code;

(d) Amending the Articles after approval by the Board, in accordance with Section 7812 of the California Corporations Code;

(e) Electing to dissolve the Association, by approval of a majority of all Members or by approval of both the Board and Members pursuant to Section 8610 of the California Corporations Code; or

(f) If the corporation has more than one class of memberships outstanding upon dissolution, approving a plan of distribution of assets which is not in accordance with the liquidation rights of those classes, pursuant to Section 8719 of the California Corporations Code.

ARTICLE III. BOARD OF DIRECTORS

Number

Section 3.01. The affairs of this Association shall be managed and its duties and obligations performed by an elected Board of Directors, consisting of nine (9) persons who shall be Members of the Association.

Nomination

Section 3.02. Nominations for election to the Board of Directors may be made by any of the following:

(a) A nominating committee appointed by the Board at least ninety (90) days prior to an annual meeting of Members, provided the Board receives the committee's nomination or nominations at least thirty (30) days prior to the annual meeting of Members.

(b) A written petition signed within eleven (11) months preceding the annual meeting by Members representing 10 percent of the "voting power" of the Association as that term is defined in the Non-Profit Mutual Benefit Corporation Law of the State of California. The petition shall identify the nominee, contain that person's written consent to serve as a Director, and be delivered to the Secretary of the Association at least thirty (30) days prior to the annual meeting.

(c) Any Member who is present in person, or by the proxy of any Member who is present by proxy, at the annual meeting of Members at which the Director is to be elected.

Election

Section 3.03. The initial members of the Board of Directors shall be:

Joseph Borda
Ben Dalby
John Hall
Tom Harmon
Elaine Helbock
Kenfield Kennedy
Linda Trope
Sorrell Trope

and one other person to be selected by the foregoing.

Section 3.04. Subsequent elections shall also be held at the annual meetings. However, if an annual meeting is not held or does not include an election, the election may be held at a special meeting of members called for that purpose. Voting for Directors shall be by voice or hand vote at the meeting.

Term

Section 3.05. Each Director shall hold office until the election of his or her successor or until the Director's death, removal, or judicial adjudication of mental incompetence.

Any person serving as a Director may be re-elected, and there shall be no limitation on the number of terms a Director may serve.

Vacancies

Section 3.06. Any vacancy on the Board caused by the death or resignation of a Director shall be filled by the remaining Directors. The successor shall serve for the unexpired term of his or her predecessor.

Compensation

Section 3.07. No Director shall receive any compensation for any service he or she may render to the Association; provided, however, that a Director may be reimbursed for actual out of pocket expenses incurred by the Director in the performance of his or her duties.

Powers and Duties

Section 3.08 The Board's powers and duties shall include, but shall not be limited to, the following:

(a) Enforcing the applicable provisions of the Articles and By-Laws;

(b) Paying taxes and assessments that are, or could become, a lien on all or a portion of any assets of the Association;

(c) Contracting for casualty, liability, and other insurance on behalf of the Association;

(d) Contracting for goods and services or otherwise for the interests of the Association;

(e) Delegating its powers to any committees, Officers, or employees of the Association expressly authorized by the Governing Instruments;

(f) Preparing budgets and financial statements for the Association as prescribed in the Governing Instruments;

(g) Formulating Rules and Regulations for the Association;

(h) Electing the Officers of the Association; and

(i) Filling vacancies on the Board of Directors, except for a vacancy created by the removal of a Director.

ARTICLE IV. MEETINGS OF DIRECTORS

Regular Meetings

Section 4.01. Regular meetings of the Board of Directors shall be held quarterly, on a Sunday afternoon to be determined by no less than two Directors, at a time and place within Brentwood Circle or at the principal offices of the Association fixed by resolution of the Board. Notice of the time and place of the meeting shall be mailed or delivered to the Board Members not less than four (4) days prior to the meeting; provided, however, that notice need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Special Meetings

Section 4.02. Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two (2) Directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting must be given to each Director not less than five (5) days nor more than fifteen (15) days prior to the date fixed for the meeting; provided, however, that notice need not be given to any Director who has signed a waiver of notice or a written

consent to holding of the meeting.

Quorum

Section 4.03. A majority of the Board shall constitute a quorum and, if a quorum is present, the decision of a majority of the Directors present shall be the act of the Board.

Open Meetings

Section 4.04. Regular and Special meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of a quorum of the Board.

Executive Session

Section 4.05. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Adjournment

Section 4.06. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment shall be given, prior to the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

Action Taken Without A Meeting

Section 4.07. The Board may take actions without a meeting if all of the Directors consent in writing to the action to be taken. If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the Common Area within three (3) days after the written consents of all Directors have been obtained.

ARTICLE V. OFFICERS

Enumeration Of Officers

Section 5.01. The Officers of this Association shall be a President, a Vice-President, a Secretary, and a Chief Financial Officer. The Board may appoint additional Officers pursuant to Article X of these By-Laws. Any number of offices may be held by the same person.

Appointment And Term

Section 5.02. The Officers of this Association, except those Officers appointed in accordance with Article X of this Article, shall be elected annually by the Board. Any vacancies shall be filled by the Board at any time, not necessarily on an annual basis, that it deems proper. Each Officer shall hold his or her office at the pleasure of the Board.

Resignation And Removal

Section 5.03. The Board may remove any Officer from office either with or without cause. An Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. The resignation shall take effect at the date of receipt of the notice or at any later time specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation by the Board shall not be necessary to make it effective.

Compensation

Section 5.04. An Officer shall not receive any compensation for any service he or she may render to the Association; provided however, that any Officer may be reimbursed for actual out of pocket expenses incurred by the Officer in the performance of his or her duties.

ARTICLE VI. PRESIDENT

Election

Section 6.01. At the first meeting of the Board, the Board shall elect one (1) of its Members to act as President.

Duties

Section 6.02. The President shall:

(a) Preside over all meetings of the Members and of the Board.

(b) Sign as President all deeds, contracts, and other written instruments that have been approved by the Board, unless the Board, by duly adopted resolution, authorizes the signature of a lesser Officer.

(c) Call meetings of the Board whenever he or she deems it necessary, in accordance with rules and notice requirements imposed by the Board and the Governing Instruments. The notice period shall not be less than three (3) days except in the case of emergencies.

(d) Have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Association.

(e) Discharge any other duties required of him or her by the Board.

ARTICLE VII. VICE-PRESIDENT

Election

Section 7.01. At the first meeting of the Board, the Board shall elect one (1) of its Members to act as Vice-President.

Duties

Section 7.02. The Vice-President shall:

(a) Act in the place and in the stead of the President in the event of his or her absence, inability, or refusal to act; and

(b) Exercise and discharge any other duties required of him or her by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

ARTICLE VIII. SECRETARY

Election

Section 8.01. At the first meeting of the Board, the Board shall elect one (1) of its Members to act as Secretary.

Duties

Section 8.02. The Secretary shall:

(a) Keep a record of all meetings and proceedings of the Board and of the Members;

(b) Keep the seal of the Association, if any, and affix it on all papers requiring the seal;

(c) Serve all required notices of meetings of the Board and the Members;

(d) Keep current records showing the names and addresses of all Members; and

(e) Sign as Secretary all deeds, contracts, and other written instruments that have been approved by the Board, if the instruments require a second Association signature and the Board has not passed a resolution authorizing another Officer to sign in the place and stead of the Secretary.

ARTICLE IX. CHIEF FINANCIAL OFFICER

Election

Section 9.01. At the first meeting of the Board, the Board shall elect one (1) of its Members to act as Chief Financial Officer.

Duties

Section 9.02. The Chief Financial Officer shall:

- (a) Receive and deposit all of the funds of the Association in any bank or banks selected by the Board;
- (b) Be responsible for and supervise the maintenance of books and records to account for Association funds and other Association assets;
- (c) Disburse and withdraw Association funds in the manner specified by the Board; and
- (d) Prepare and distribute financial statements for the Association.

ARTICLE X. SUBORDINATE OFFICERS

Appointment

Section 10.01. The Board may appoint, at any time, any subordinate Officers that the Association may require.

Duties

Section 10.02. The Board shall prescribe the term of office, authority, and duties of subordinate Officers. These duties may include the right to act in the place and stead of any Officer other than the President.

ARTICLE XI. BOOKS AND RECORDS

Required Books and Records

Section 11.01. The Association shall maintain at its principal office:

- (a) Copies of the Governing Instruments as last amended;
- (b) Adequate and correct books and records of account;

(c) Written minutes of the proceedings of its Members, of its Board, and of committees of its Board; and

(d) A Membership Register containing the name, address, and class of membership of each Member.

NON-LIABILITY AND INDEMNIFICATION

Definition of Agent

Section 12.01. For purpose of this Article, "Agent" means any present or former Director of Officer or any other employee or agent of the Association.

Non-Liability

Section 12.02. Except as provided by law, no right, power, or responsibility conferred on the Board or any committee by the Governing Instruments shall be construed as a duty, obligation, or disability charged upon any Agent. No Agent shall be liable to any party (other than the Association or a party claiming in the name of the Association) for injuries or damage resulting from the Agent's acts or omissions within what the Agent reasonably believed to be the scope of his or her Association duties ("Official Acts"), except to the extent that the injuries or damage result from the Agent's willful or malicious misconduct. No Agent shall be liable to the Association (or to any party claiming in the name of the Association) for injuries or damage resulting from the Agent's Official Acts, except to the extent that the injuries or damage result from the Agent's negligence or willful or malicious misconduct.

Indemnification

Section 12.03. The Association shall pay all expenses actually and reasonably incurred by, and satisfy any judgment or fine levied against, any Agent as a result of any action or threatened action against the Agent to impose liability on the Agent for his or her Official Acts, provided that:

(a) The Board determines that the Agent acted in good faith and in a manner the Agent reasonably believed to be in the best interests of the Association;

(b) In the case of a criminal proceeding, the Board determines that the Agent had no reasonable cause to believe his or her conduct was unlawful; and

(c) In the case of an action or threatened action by or in the right of the Association, the Board determines that the Agent acted with the care (including reasonable inquiry) that an ordinarily prudent person in a like position would use under similar circumstances.

Approval By Board

Section 12.04. Any determination of the Board required under this Article must be approved by a majority vote of a quorum consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board fails or refuses to make any such determination, the determination may be made by the vote or written consent of a majority of a quorum of the Members, provided that the Agent to be indemnified shall not be entitled to vote.

Payments

Section 12.05. Payments made pursuant to this Article shall include amounts paid and expenses incurred in settling the action or threatened action. This Article shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law.

Insurance

Section 12.06. The Association may purchase and maintain insurance on behalf of its Agents, and for any other proper purpose.

ARTICLE XIII. AMENDMENTS

Amendment Of By-Laws

Section 13.01. Prior to such time as the "Covenant and Agreement For Vacation of Public Road" signed by all of the "Owners" as defined in Article I have been recorded with the Los Angeles County Recorder, these By-Laws may be amended by a vote of

a majority of the Members of the Board of Directors. At such time as all of the "Covenant and Agreement For Vacation of Public Road" have been so recorded, then these By-Laws may be amended by the vote or written consent of two-thirds (2/3) of the votes of Members. Notwithstanding the foregoing, the percentage of a quorum or of the voting power of the Association necessary to amend a specific clause or provision in these By-Laws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

Prior Approval Of Commissioner

Section 13.02. When required under Section 11018.7 of the California Business and Professions Code, the prior written consent of the Real Estate Commissioner shall be obtained prior to submitting a proposed amendment to these By-Laws to the vote of the Members.

ARTICLE XIV. TAX-EXEMPT STATUS

Tax-Exempt Status

Section 14.01. The Board and Members of the Association shall conduct the business of the Association in such a manner that the Association shall qualify and be considered an organization exempt from Federal and State Income Taxes pursuant to Internal Revenue Code Section 528 and California Revenue and Taxation Code Section 23701t, as amended.

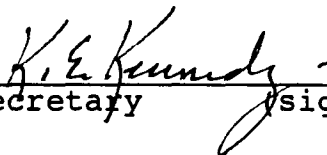
Filing

Section 14.02. The Board shall file or have filed any annual election for tax-exempt status that is required under Federal or State law, and shall cause the Association to comply with the Federal and State statutes, rules, and regulations pertaining to those exemptions.

CERTIFICATE OF SECRETARY
OF
BRENTWOOD CIRCLE HOMEOWNERS ASSOCIATION
A California Non-Profit
Mutual Benefit Corporation

I hereby certify that I am the duly elected and acting Secretary of the above Corporation and that the foregoing By-Laws, comprising nineteen (19) pages, constitute the By-Laws of the Corporation as duly adopted at a meeting of the Board of Directors of the Corporation held on March 9, 1997.

DATED: March 12, 1997.


Secretary (signature)

Kenfield E. Kennedy

(typed name)