ary, revocable permit therefor, may permit temporary planing mills; and provided further that in Business and Public Use Districts of Class J no building or structure or any part thereof shall be designed, erected, altered or maintained for any single or multiple dwelling, sleeping or human habitation purposes, except that in connection with any warehouse or business building one single family dwelling quarters for one watchman employed on said building may be used by him and his family only.

BUSINESS AND PUBLIC USE DISTRICTS OF CLASS K-

Institutions

Section 14. In Business and Public Use Districts of Class K, no building, structure or premises shall be erected, constructed, altered, or maintained which shall be used HOSPITALS AND any purpose other than that of a public or private hospital, sanitarium (except an establishment for the care or cure of persons afflicted with tuberculosis or for the care, cure or restraint of the mentally impaired or of victims of drink or drugs, which are prohibited by Article I hereof), clinic, day nursery, or charitable institution or a use permitted in a Residence District of Classes A, B, or C-1.

ACCESSORY

Section 15. Nothing contained herein BUILDINGS, shall prevent the usual accessories to uses Doctors' which are permitted by the provisions herewhich are permitted by the provisions here-Offices in of, such as the use by a physician, surgeon, DWELLINGS, ETC. dentist, or other person practicing the art of healing, artist or musician of his or her residence as an office or studio. Customary outbuildings or bridges may be located or maintained as accessory to any building lawfully within the boundaries of any district herein specified. The term accessory shall not include a business nor shall it include any building or use not on the same lot with the building or use to which it is accessory. A private garage for more than six motor vehicles shall not be deemed accessory in a Use District of Classes A, B, C-1, C-2, C-3, F, G, or K, except with the approval of the Homes Association.

LOCATION OF ACCESSORY BUILDINGS

Section 16. (a) Accessory buildings shall include and permit the building of a private garage for each existing single family dwelling, and for each apartment of any multiple dwelling on the same lot for the sole use of the occupants thereof, provided that the area, yard and court requirements thereof be not thereby diminished. amended by Amendment No. 3.)

(b) Except as otherwise provided in further restrictions applicable thereto filed of record with said County Recorder by Commonwealth Trust Company, accessory buildings in Residence Districts of Classes A, B, C-1, C-2, C-3, F, G and K shall conform to the following regulations as to their location upon the lot, provided, however, that where the slope of the lot is greater than one foot rise in six feet of run, a private garage may, with the approval of the Homes Association, be built nearer to the street.

1. In the case of an interior lot fronting upon only one street, no accessory building shall be erected or altered so as to encroach upon that half of the lot

depth nearest the street.

2. In the case of an interior lot fronting upon two or more streets, no accessory building shall be erected or altered so as to encroach upon either fourth of the lot depth nearest such streets.

3. In the case of a corner lot fronting upon two streets, no accessory building shall be erected or altered so as to encroach upon the area between such respective streets and lines drawn parallel to such streets respectively in a manner to divide the lot into two equal areas.

4. In the case of a corner lot fronting upon three or more streets, no accessory building shall be erected or altered so as to encroach upon any fourth of the lot depth nearest such streets.

5. No accessory building shall be located within ten feet of its rear or side lot line when such line forms part of the front half of the side line of an adjacent interior lot, or the front quarter of an adjacent lot whether the latter be an interior or corner lot.

6. Notwithstanding any requirement in this section, the foregoing rules shall not prohibit an accessory building where permitted by this declaration seventy-five (75) feet or more from the street bounding the block.

7. The limitations imposed by this section upon the location of an accessory building shall be waived when the accessory building is incorporated as an integral part of, and enclosed by the same enclosing walls as the building to which it is accessory.

(c) No garage for more than six motor vehicles or theatre or dance hall shall be established in any Use District so as to have a street entrance or exit for use by automobiles upon any street within 200 Hospitals, E

RESTRICTIONS AS TO PUBLIC GARAGES AND THEATRES NE Schools,

feet of the entrance to or exit from a public or private school, or playground, church, hospital, or children's home for children under 16 years of age, except where said school, playground, church, hospital, or children's home is in a Busi-ness and Public Use District of Class H. This restriction, however, shall not apply to places which are attended by not more than twelve (12) children per day.

CLASSES OF

Section 17. For the purpose of regu-HEIGHT lating and limiting the height and bulk of DISTRICTS buildings erected, there are hereby established and defined for the said property certain classes of Height Districts as fol-

> 1 Story Height Districts 2 Story Height Districts 2½ Story Height Districts3 Story Height Districts

as herein further defined and limited, with location, extent and boundaries thereof as may be defined and established in supplemental and additional restrictions hereafter filed of record with said County Recorder, provided that further and/or different classes of height districts may be established and defined in said restrictions. No building or premises or any part thereof shall be erected, constructed, altered or maintained except in conformity with the regulations herein provided for the Height District in which said premises, building or part thereof is located. Any further restrictions hereafter established and placed of record with said County Recorder which shall classify any of said property as being within any district or any class of height district unless referring specifically to some other recorded restrictions, shall be construed as referring to the district of the class defined in this declaration, or amendment thereof.

1 STORY HEIGHT

Section 18. In a 1 Story Height District DISTRICTS no building or structure shall be erected, constructed, altered or maintained with a height in excess of one story and basement, nor more than twenty-five (25) feet, except as provided in Section 22 hereof.

2 STORY HEIGHT DISTRICTS

Section 19. In a 2 Story Height District no building or structure shall be erected, constructed, altered or maintained with a height in excess of two stories, nor more than thirty-five (35) feet, except as provided in Section 22 hereof

21/2 STORY HEIGHT

Section 20. In a 21/2 Story Height Dis-DISTRICTS trict no building or structure shall be erected, constructed, altered or maintained with a height in excess of two stories and a finished attic, nor more than forty (40) feet, except as provided in Section 22 here-

Section 21. In a 3 Story Height District 3 STORY HEIGHT no building or structure shall be erected, DISTRICTS constructed, altered or maintained with a height in excess of three stories, nor more than forty-five (45) feet, except as provided in Section 22 hereof.

SPECIAL HEIGHT DISTRICT

TOWERS, TANKS

AND

PROVISIONS

Section 22. (a) The height limitations hereof shall not apply to gables, spires, flag-poles, chimneys and wireless aerials and supports, provided same are approved by the Homes Association and the Art Jury, and provided further that where the slope of the lot is greater than one foot rise in six (6) feet of run an additional story may be permitted by the Homes Association on the downhill side of the building in any Height District.

(b) Except in Residence Use Districts

of Classes A and B, towers, pent-houses

or water tanks closed in with walls down PENT-HOUSES to the ground or to main part of the build-ABOVE ing, may with the approval of Palos Verdes HEIGHT LIMIT Homes Association and the Art Jury be built and used to a greater height than permitted in the height District in which the structure is located; provided that no tower of any apartment house shall be erected, constructed, altered or maintained with rooms used or designed or intended to he used for sleeping rooms on more than three stories of said apartment house; and provided that no tower of any hotel or lodging house shall be erected, constructed, altered or maintained with rooms used or designed or intended to be used for sleeping purposes on more than five floors of said hotel or lodging house; and provided that no such tower, pent-house, or water tank shall cover at any level more than fifteen (15) percent in area of the

Section 23. (a) For the purpose of regulating and determining the area of yards, courts and other open spaces for buildings erected on said property the fol-

lot, nor have a base area greater than

sixteen hundred (1600) square feet; and

provided further that no part of any build-ing or structure on any part of said prop-

erty shall ever exceed a maximum height

of one hundred and fifty (150) feet. (As

amended by Amendment No. 1.)

GENERAL AREA REQUIREMENTS

[31]

D EAR ETC.

15

3

lowing area requirements are hereby established:

No building or part of a building shall be erected except in conformity with the area regulations herein prescribed for the Use District in which said building is located. Unless otherwise expressly pro-vided the terms "rear yard," "side yard," "outer court" or "inner court" when used herein shall be deemed to refer only to a rear yard, side yard, outer court or inner court required herein.

(b) If a lot extends through from one street to another street, public alley, walk, court or public park one-half of the narrowest street, alley, walk, court or public park on which such lot abuts may be considered as a part of the lot in computing the size of the rear yard required except that if such one-half of the narrowest street, walk, court, alley or park is greater than the rear yard required, then only as much of said street as is required for the rear yard shall be considered as a part of said yard and provided that in no event shall the open and unoccupied space on the rear of the lot be less than five feet in depth.

PERCENTAGE OF LOT OCCUPIED

Section 24. No building or structure shall be erected, constructed, altered or maintained which shall occupy either alone or with other buildings, a greater percentage of the area of the lot than as follows:

(a) In Residence Districts of Class A not more than thirty (30) per centum.

(b) In Residence Districts of Classes B, C-1, C-2, C-3, and in Business and Public Use Districts of Classes F, G and K, and for multiple dwellings in any use district, in the case of corner lots not more than seventy (70) per centum and in the case of interior lots not more

than sixty (60) per centum.

The measurements shall be taken at the ground level; except that in the case of hotels the measurement may be taken at the floor level of the lowest bedroom story and in the case of other multiple dwellings where there are stores or shops on the entrance story, the measurements may be taken at the story above the top of such entrance story. No measurements of lot area shall include any portion of any street or alley. Any portion of a corner lot distant more than sixty (60) feet, from the corner line measured along the front line of the lot, shall be treated as an interior lot.

Section 25. (a) Immediately behind REAR YARDS every dwelling erected in any Use District there shall be a rear yard extending across the entire width of the lot. Such yard shall be at every point open and unob-structed from the ground to the sky and shall be of the depth described in Section 27 hereof. Every part of such yard shall be directly accessible from every other part thereof. The depth of said yard shall be measured at right angles from the ex-treme rear part of the dwelling:

(1) To the middle line of the alley where an alley immediately abuts a lot and extends across its entire width;

(2) To the rear lot line, where there is no such alley;

(3) To the nearest wall of the building, where there is another building at the rear as permitted herein.

The provisions of this Section shall not apply to hotels nor to Business and Public Use Districts of Class J.

(b) In Business and Public Use Districts of Classes D, E and H the lowest level of the rear yard shall not be above the sill level of the second story windows nor in any case more than 18 feet above the curb level.

In Residence Districts of Classes A, B, C-1, C-2, C-3, and in Business and Public Use Districts of Classes F. G and K the lowest level of a rear yard shall not be above the curb level, except that a private garage or other out-building not more than one story in height may be built in the open space required for the rear yard if the required rear yard area be not thereby diminished, and egress from said rear yard to rear lot line be provided and maintained open and unobstructed to the sky of a width equal to the minimum width of required rear yard, and provided further that not more than one private garage may be built on any one lot in a Residence District of Class A.

Section 26. If a room in which persons Courts live, sleep, work or congregate receives its light and air in whole or in part directly from an open space on the same lot with the building, there shall be at least one inner court, outer court, side yard or rear yard upon which a window or ventilating skylight opens from such room. Such inner court, outer court or side yard shall be at least of the area and dimensions herein prescribed for an inner court in the

Use District in which it is located. Business and Public Use Districts of Class J such inner court, side yard or rear yard shall be at least of the area and dimension herein prescribed for a court in such dis-The unoccupied space within the lot in front of every part of such window shall be not less than five (5) feet measured at right angles thereto and not less than thirty-five (35) square feet in area. Courts, yards, and other open spaces if provided in addition to those required need not be of the area and dimensions herein prescribed.

AREA REQUIRE-MENTS IN BUSINESS AND PUBLIC USE DISTRICTS OF CLASSES D, E, H, AND J

Section 27. (a) In Business and Public Use Districts of Classes D, E, H, and J yards and courts shall not be required except where windows are required, in which case the provisions of Sections 24 and 25 hereof shall apply and the dimensions of said yards and courts shall be the same as required in a Class C-1 District by paragraph (b) hereof, provided that said provisions shall not apply to windows opening on an open porch or arcade.

AREA REQUIRE-MENTS IN CLASS A, B, C-1, C-2, C-3, F, G, AND K USE DISTRICTS

(h) In Residence Districts of Classes A, B, C-1, C-2, C-3, and in all Business and Public Use Districts of Classes F, G and K, and for each multiple or single dwelling erected in any Use District, the minimum width of outer courts, inner courts and rear yards shall be as follows: (Height of building based on full number of stories in the building measured upward from and including the lowest story in which there is an apartment or bedroom.) (As amended by Amendment No. 1.)

		Outer Court and Side Court Inner Court			Rear Yard on Inside Lot
Stories	Height of Building		mum	mum	Mini- mum Depth
	(ft.)		(aq. ft.)		(ft.)
1	25	5	80	7	12
2	35	7	100	8	15
21/2	40	8	120	10	18
3	45	10	160	12	20
	Rea	r Yard or	Corne	r Lot	

The minimum depth of a rear yard on a corner lot

shall be as follows: Depth of Corner Lot

Depth of Corner Lot
Not exceeding 100
feet.

Not less than 10% of the
depth of the lot nor less than
five feet, nor less than the
minimum width required for
an outer court, based on the
number of stories in such
building.

Exceeding 100 feet.

Not less than twelve (12) feet. Depth of Rear Yard

SIDE YARDS

(c) In Residence Districts of Classes A, B, F, G and K, along each side lot line there shall be a side yard of a minimum

width of five (5) feet; provided, however, that upon the presentation of a duly executed party wall agreement between owners of two adjoining lots and with the written approval of the Art Jury, this requirement shall not apply as to said lot line. In Residence Districts of Classes C-1, C-2 and C-3, and in Business and Public Use Districts of Classes D, E and H, side yards shall not be required except where windows are required, in which case said side yards shall be of the width required for outer courts or side courts in paragraph (b) above. (As amended by Amendment No. 3.)

Section 28. No building for Residence ADDITIONAL use shall be built nearer in any part than BUILDINGS ON ten (10) feet from any other building for THE SAME LOT single or multiple residence use on the same lot. If a building is erected on the same lot with another building, the several buildings shall for the purpose of this declaration be considered as a single building. Any structure, whether independent of or attached to a building, shall for the purposes hereof be deemed a building or a part of a building.

No building or structure of any kind shall be placed upon the same lot with an existing building or structure so as to decrease the minimum size of courts or yards as herein prescribed, excepting a one-story accessory private garage or out-building, as provided in Section 25 hereof.

Section 29. (a) The area required in a court or yard at any given level shall be open from such level to the sky unobstructed, except for the ordinary projections of sky-lights and parapets above the bottom of such court or yard, and except for the ordinary projections of window sills, belt courses, cornices, and other ornamental features to the extent of not more than four inches. However, where a side yard or an outer court opens on a street, a cornice may project not over five feet into such side yard or outer court within five feet of the street wall of the building. And provided also that in a Residence District of Class A a single family dwelling having a side yard of a clear and unobstructed width of not less than five feet may have a cornice or eave projecting not more than two feet into the side yard on the opposite side.

An open or latticed enclosed iron (b) fire escape or stairway may project not more than four feet into a rear yard or an inner court.

AREA REQUIRE-EXCEPTIONS

(c) A corner of a court or yard may be cut off between walls of the same building provided that the length of the wall of such cut-offs does not exceed four feet.

(d) An offset to a court or yard may be considered as a part of such court or yard provided that it is no deeper in any part than it is wide on the open side and that such open side he in no case less than

six feet wide.

INTERPRETATION

Section 30. In interpreting and applying the provisions of this declaration they shall be held to be the minimum requirements adopted for the promotion of the health, safety, comfort, convenience and general welfare of the owners and occupants of said property. It is not intended by this declaration to interfere with any provisions of law or ordinances or any rules, regulations, or permits previously adopted or issued or which may be adopted or issued pursuant to law relating to the use of buildings or premises; nor is it intended by this declaration to interfere with or abrogate or annul easements, covenants or other agreements between parties; provided, however, that where this declaration imposes a greater restriction upon the use of buildings or premises or upon the height of buildings or requires larger yards, courts or other open spaces than are imposed or required by such provisions of law or ordinances or by such rules, regulations or permits, or by such easements, covenants or agreements, then and in that case the provisions of this declaration shall control.

ALTERATIONS

BUILDING PERMITS

No USE PRIOR TO ISSUANCE OF CERTIFICATE OF COMPLETION AND COMPLIANCE

Section 31. No building or structure AND CHANGE erected, constructed, or premises used on IN OCCUPANCY any part of said property shall at any time be altered so as to be in violation of this declaration.

> Section 32. No building permit shall be issued by the Building Commissioner of the Homes Association for the erection or alteration of any building or structure con-trary to the provisions of this declaration.

> Section 33. No owner or lessor of any portion of said property shall use or permit the use of any building or premises or part thereof created, erected, changed, or converted wholly or partly in its use or structure until a certificate of completion and compliance, to the effect that the building or premises or the part thereof so created, erected, changed or converted and the proposed use thereof conform to the provisions of this declaration, shall have been issued by the Homes Association.

Section 34. (a) To preserve the attrac- GENERAL tiveness of the said property and to prevent the erection, alteration or maintenance of buildings of undesirable and inharmo. ARCHITECTURE nious design that would depreciate their neighbors, there are hereby established and defined for said property certain districts combining the usual architectural forms as

Type I Architecture District, Type II Architecture District and Type III Architecture District, as herein further defined and limited, with location, extent and boundaries thereof as may be defined and established in supplemental declarations of restrictions hereafter filed by Commonwealth Trust Company of record with said County Recorder, provided that further classes of architecture districts may be established and defined in such declarations. No building or structure shall be erected, constructed, altered or maintained on said property or any part thereof, except in conformity with the regulations herein provided for the Type of Architecture District in which said building or structure is located, and except as provided in Article III of this declaration.

(b) A design must be reasonably good of its kind in order to be approved by the Art Jury. A poorly designed example of any sort of architecture, regardless of its nominal "style," or of its cost, shall be dis-

approved.

(c) Materials, color and forms must be used honestly, actually expressing what they are, and not imitating other materials (such as tin, tile, wood and sheet metal, shamming stone, etc.), as for instance, wood being treated frankly as wood and not in imitation of stone, wherever it is used. In this hilly country, roofs will be much seen from above, and their form and color are important to the success and attractiveness of the property. The design of the building must be of such a kind or type as will, in the opinion of the Art Jury, be reasonably appropriate to its site and harmonize with its surroundings, including the architectural character of neighboring improvements for which designs have previously been approved. The word "type" is used rather than "style" because attempts to reproduce "archaeological" or 'period" styles shall be discouraged.

Section 35. In Type I Architecture Districts buildings or structures shall conform to the following general requirements and

REQUIREMENTS

TYPEI ARCHITECTURE

definitions, subject to the discretion of the Art Jury:

Type I shall be that distinctive type of architecture which for two decades or more has been successfully developing in California, deriving its chief inspiration directly or indirectly from Latin types, which developed under similar climatic conditions along the Mediterranean.

COLOR: Generally light in tone (of shades to be approved for each individual

MATERIALS: Plaster or stucco exterior wall surfaces of a durable construction, or where they can be afforded, concrete stone or an approved artificial stone, are to be preferred. In rare cases an exterior finish of wood or clay products may be approved in Type I districts, but only when treated in harmony with the dominant note of neighboring building.

ROOFS: Low roofs are desired in Type I districts, preferably not steeper than thirty (30) degrees and never to exceed thirty-five (35) degrees maximum. They should be of tile of an approved color, or if of shingles the natural weather tone shall be preferred. Roof if flat, enclosed by parapet walls. Paper or other approved prepared roofings of these flat roofs to be sprinkled with gravel or other natural material, generally light in tone.

Type II Section 36. In Type II Architecture Architecture Districts buildings and structures shall con-DISTRICTS form to the following general requirements and definitions, subject to the discretion of the Art Jury:

> Type II varies from Type I in greater latitude of architectural character. Type I designs may be approved in Type II districts. However, where some special local start of a variant type is made, with the approval of the Art Jury, other nearby buildings may be required to harmonize,

COLOR, MATERIALS and ROOFS: Requirements the same in general as for Type I, with local variations subject to the approval of the Art Jury. A greater use of wood exterior finish may be approved than in Type I districts, with an accompanying latitude in steepness of roof pitch. The maximum allowable pitch for story and a half houses in Type II districts shall be forty (40) degrees, and for two-story houses forty-five (45) degrees maximum, preferably less.

Section 37. In Type III Architecture Type III Districts buildings and structures shall Architecture conform to the following general require- DISTRICTS ments and definitions, subject to the discretion of the Art Jury:

Type III varies from Type II as follows and Type II buildings will not be discouraged in Type III districts where they are made to harmonize with the adjacent improvements, but Type I buildings may not be approved:

COLOR AND MATERIALS: To be varied as occasion warrants with the approval of the Art Jury. Greater use of clay products exterior finish may be approved in Type III districts.

ROOFS: A slope or pitch of as much as sixty (60) degrees may be allowed in some cases, when not considered inharmonious with the neighboring buildings or contour of the surrounding ground.

Section 38. In Type IV Architecture Districts all buildings or structures shall conform to the requirements of Type II Archi- DISTRICTS tecture Districts as defined and limited in said Declaration No. 1, provided that the Bank of America reserves to itself, its successors and assigns the sole right to establish a general group design and color scheme, with the approval of the Art Jury, for any and all buildings and structures to be erected in said Type IV Districts, which said design shall indicate the general spacing of bays or openings, exterior facades, roof lines, gables and towers. No building or structure shall be erected, constructed, altered or maintained on any lots in said District except in conformity with said design and color scheme, as interpreted by the Art Jury; provided that if within ninety (90) days after the receipt in writing by Bank of America, its successors or assigns, of a request for the completion of said design for any lot in said Type IV Architecture District from the owner thereof, reasonably adapted to the uses and purposes of said lot and permitted and authorized by the restrictions applicable thereto under the terms of the deed or contract of sale of said lot, said Bank of America, its successors or assigns, shall fail to complete said design and color scheme as to said lot to the satisfaction of the Art Jury, the Art Jury shall without further notice be empowered to establish a design and color scheme as to said property and no building or structure shall thereafter be erected,

ARCHITECTURE

constructed, altered or maintained on said property except in conformity with said last named design and color scheme or such changes therein as may be approved by the Art Jury. (Added by Amendment No. 3.)

ARTICLE V OTHER RESTRICTIONS

KEEPING OF

Section 1. No cattle, hogs, or other ani-STOCK OR mals, rabbits or poultry, may be kept in POULTRY any part of said property unless written permission be obtained from the Homes Association, which permission shall be granted and shall be revocable at the pleasure of said Association, under uniform regulations.

CONSTRUCTION

Section 2. No building, any part of TO BE which is for dwelling purposes, shall be DILICENTLY in any manner occupied while in the course PROSECUTED AND of original construction or until made to NEW MATERIAL comply with all requirements as to cost USED and with all other conditions set forth or referred to herein or in any further re-strictions established and applicable thereto. The work of construction of any buildof said property shall be constructed from ing or structure shall be prosecuted diligently and continuously from the time of commencement until the same shall be fully completed. Every building, fence, wall or other structure placed on any part new material only and not from old or second hand material, and no building con-structed elsewhere shall be moved to or constructed on said property, except with the approval of the Homes Association and the Art Jury.

STATUS OF SPLIT LOT OWNERSHIP

Section 3. An ownership or single lot holding comprising parts or portions of two or more adjoining lots, or all of one lot and parts of one or more lots adjacent thereto or other re-subdivision approved as herein provided, the total average width of which is not less than fifty (50) feet shall be deemed to be a single lot or building site for the purposes hereof.

COST OF

Section 4. The cost or value of the first IMPROVEMENTS building to be erected on any lot, including a reasonable fee of architect and reasonable profit for builder, shall be not less than the amount specified for that lot in any subsequent restrictions affecting the same and said minimum cost at any future date is to be taken as that sum which will build the

same amount of building as in the judg-ment of the Board of Directors of the Homes Association was possible to be built for the sum named on July 1, 1923. Nothing in this clause is intended to prevent the building of private garages or other approved accessory buildings, after or at the same time with the construction of the main building.

Section 5. Commonwealth Trust Company reserves the right to make such cuts and fills as are necessary to grade the streets or private ways, whether dedicated or not dedicated, within the boundaries thereof, in accordance with such grades as it may establish, including the right so far as is reasonable and proper for the necessary support and protection of streets so graded, to slope upon abutting lots, and may assign said rights or any of them to Palos Verdes Homes Association. (As amended by Amendment No. 3.)

> OWNER LIABLE FOR DAMAGE TO STREETS CAUSED BY NEGLIGENCE

STREET GRADES.

CUTS AND FILLS

Section 6. If in the opinion of the Homes Association any public improvement, planting, tree or utility of any character shall be damaged by the negligence or carelessness of any property owner or of any person working by or through any property owner, then the Homes Association shall have the right to repair such damage, and/or to replace such planting and/or tree, to pay for same out of the general fund and to assess the cost thereof against the property of such owner; and it is hereby expressly stipulated that such expense shall constitute a lien against such property, and such lien is hereby reserved and established and shall be enforceable by the Homes Association in its own name or in the name of any property owner in said property in any court having competent jurisdiction. When paid by the property owner against whom the same has been assessed, the amount of said expense shall be returned to the general fund of the Homes Association.

Section 7. No tree over twenty feet in height above the ground shall be trimmed, cut back, removed or killed except with the approval of the Homes Association, and representatives of the Homes Association and/or of the Art Jury shall have the right at any time to enter on or upon any property for the purpose of cutting back trees or other plantings which may grow up to a greater height than in the opinion

TRIMMING AND REMOVAL OF TREES AND SHRUBS

of the Homes Association is warranted to perior jurisdiction.

maintain the view and protect adjoining property. The Homes Association shall have sole authority and right to trim, remove, replace, plant or re-plant or otherwise care for the trees, shrubs and plantings in the sidewalk or other spaces in front of lots or adjoining them, subject to any county or other officials having su-

shall first have been obtained from Palos Verdes Homes Association, and that before any use thereof a Certificate of Completion and Compliance shall also have been issued therefor by said Association. (Added by Amendment No. 1.)

Section 10. To maintain the health, MAINTENANCE safety and general welfare of people re- of HEALTH, siding on said property, and to prevent SAFETY danger from fires, street traffic or other AND WELFARE hazards to life and limb or property, Palos

RIGHT TO PLANT AND MAINTAIN VACANT AND UNIMPROVED Lors

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Section 8. The Homes Association shall have the right at all times to enter on or upon any lot or parcel of said property that is vacant or unimproved by the owner thereof, and to plant or re-plant, trim, cut back, remove, replace and/or maintain hedges, trees, shrubs or flowers on the front half and/or on the area within fifteen (15) feet of any rear or within ten (10) feet of any side line and/or keep cultivated and/or grow, reap and remove crops on the whole area of any parcel, lot or building site of said property, and the said Homes Association or any officer or agent thereof, shall not thereby be deemed guilty of any manner of trespass. When the owner of a parcel or lot so planted or maintained by the Homes Association shall give bona fide evidence and written notice to said corporation of his intention to improve the same within thirty days, the Homes Association may within said thirty days and until work on said improvements is commenced, transplant, remove or dispose of any or all of the plantings which may have been made

to time deem advisable and necessary and all parts of said property shall at all times be maintained subject to said rules and regulations; provided, however, that all such rules and regulations shall be in addition to and not interfere with any regulations of County, State or other duly constituted public authority. No fires shall be built or maintained except in chimneys, fireplaces or other fire arrangements for which a written permit has been issued by said Association. (Added by Amendment No. 1.) Section 11. No obstruction, diversion, MAINTAINING

any lot, shall be made by any lot owner

in such a manner as to cause damage to other properties or, except with the approval of Palos Verdes Homes Associa-

tion as to the adequacy of such constructed, diverted, bridged or confined channel in such a manner as to carry the amount of storm water liable to flow into

it, and the right is expressly reserved to

Bank of America, its successors and

assigns, as an incident of the development of the entire properties including the con-

struction of streets, gutters, ditches and otherwise, to cause reasonable increases or

decreases in the amount of water which

would in a state of nature flow into and through any such natural storm water

channels. (Added by Amendment No. 1.)

Verdes Homes Association shall adopt such

rules and regulations as it may from time

bridging or confining of the existing chan- NATURAL nels, through which surface water in time DRAINAGE of storms naturally flows upon and across

PRIVIES AND CESSPOOLS

Section 9. No privy shall be erected, maintained or used upon any part of said real property, but a temporary privy may with the approval of Palos Verdes Homes Association be permitted during the course of construction of a building. Any lavatory, toilet or water-closet that shall be erected, maintained or used thereon shall be enclosed and located within a building herein permitted to be erected on said premises; and, until an adequate public sewerage system shall be provided therefor, the same shall be properly connected with an underground cesspool, so constructed, covered and operated that no offensive odors shall arise or otherwise escape therefrom; and provided further, that no such cesspool shall be constructed. altered or maintained unless a proper building and plumbing permit therefor

Section 12. No plants or seeds infected with noxious insects or plant diseases shall be brought upon, grown or maintained upon any part of said property and no plants or seeds shall be brought upon any part of said property except in ac-cordance with regulations established by and subject to inspection by the Park Department of Palos Verdes Homes Asso-

INSECT PESTS PLANT DISEASES

ciation as to their freedom from insect pests and plant diseases. The right is specifically reserved to said Park Department to enter upon any part of said property and inspect all plants and seeds there-on at any time, and if after due notice from said Park Department of the existence on any part of said property of infectious plant diseases or insect pests the owner thereof fails or neglects to take such measures for the eradication or control of the same as said Park Department deems necessary for the protection of the community, to enter thereon and at the expense of the owner thereof to destroy or remove infected or diseased plants and/or spray the same and/or take such other measures as may be necessary in the opin-ion of said Park Department to protect the same and/or take such other measures as may be necessary in the opinion of said Park Department to protect the community from the spread of such infection. (Added by Amendment No. 1.)

ARTICLE VI

DURATION, ENFORCEMENT, AMENDMENT

DURATION OF RESTRICTIONS

Section 1. All of the restrictions, conditions, covenants, liens and charges set forth in this declaration of restrictions shall continue and remain in full force and effect at all times against said property and the owners thereof, subject to the right of change or modification provided for in Sections 2 and 3 of Article VI hereof, until January 1, 1960, and shall as then in force be continued automatically and without further notice from that time for a period of twenty years, and thereafter for successive periods of twenty years each without limitation unless within the six months prior to January 1, 1960, or within the six months prior to the expiration of any successive twenty year period thereafter a written agreement executed by the then record owners of more than one-half in area of said property, exclusive of streets, parks, and open spaces be placed on record in the office of the County Recorder of Los Angeles County by the terms of which agreement any of said conditions, restrictions, covenants, liens or charges are changed, modified or extinguished in whole or in part, as to all or any part of the property originally subject thereto, in the manner and to the extent therein provided. In the event that any such written agreement of change or modification be

duly executed and recorded, the original conditions, restrictions, covenants, liens and charges as therein modified shall continue in force for successive periods of twenty years each unless and until further changed, modified or extinguished in the manner herein provided.

Section 2. Amendment, change, modification or termination of any of the conditions, restrictions, reservations, covenants, liens or charges set forth and established in Articles I, II, III and VI hereof (except the maintenance and improvement charges as provided in Section 3 of Article II hereof) may be made by Commonwealth Trust Company or its successors in interest, as the owner of the reversionary rights herein provided for, by mutual written agreement with the then owners of record (including the mortgagees under a recorded mortgage and the trustee under a recorded deed of trust) of not less than ninety (90) per cent in area of said property and with not less than eighty (80) per cent of all of the then owners of record title of said property and with the Homes Association, duly executed and placed of record in the office of the County Recorder of Los Angeles County, California.

> OF OTHER RESTRICTIONS

MODIFICATION

RESTRICTIONS

OF BASIC

Section 3. Any of the conditions, restric- MODIFICATION tions, covenants, reservations, liens or charges set forth in Articles IV and V hereof or hereafter established in any declaration of additional restrictions or deed, contract of sale or lease legally filed of record unless otherwise provided therein, may be changed or modified by written instrument duly executed and placed of record; (1) As to any property then owned by Commonwealth Trust Company, by Palos Verdes Homes Association and Common-wealth Trust Company; (2) as to any other property, by Palos Verdes Homes Association, the owner or owners of record of two-thirds in area of such property and Commonwealth Trust Company or its successors in interest as owner of the reversionary rights herein; provided, however, that in either case no change or modification shall be made without the written consent duly executed and recorded of the owners of record of not less than two-thirds in area of all lands held in private ownership within three hundred feet in any direction of the property concerning which a change or modification is sought to be made, and provided further that this shall

not be construed as requiring the consent of the owners of any property not under jurisdiction of the Homes Association; and also provided that any approval given thereto by the Homes Association shall not be valid unless and until it shall first have had a public hearing thereon.

RECORDS AND REPORTS

Section 4. (1) Any agent or officer of the Homes Association and/or of the Art Jury may at any reasonable time enter, inspect and report upon any property subject to the jurisdiction of the Homes Association and/or the Art Jury as to its maintenance or improvement in compliance with the provisions hereof; and the Homes Association, the Art Jury and/or any agent or officer thereof shall not thereby be deemed guilty of any manner of trespass for such entry or inspection. The Homes Associa-tion and/or the Art Jury may issue a certificate of completion and compliance as to any property so inspected and make and collect a charge therefor.

(2) For the purpose of making a search upon or guaranteeing or insuring title to, or any lien on and/or interest in any lot or parcel of said property, and for the purpose of protecting purchasers and encumbrancers for value and in good faith as against the performance or non-performance of any of the acts in this declaration of restrictions authorized, permitted or to be approved by the Homes Association and/or the Art Jury, the records of the Secretary of the Homes Association and/or of the Art Jury shall be conclusive as to all matters shown by such records and the issuance of a certificate of completion and compliance by the Homes Association and by the Art Jury showing that the plans and specifications for the improvements or other matters herein provided for, or authorized, have been approved and that the said improvements have been made in accordance therewith, or of a certificate as to any matters relating to the Homes Asso-ciation or to the Art Jury by the respective secretaries thereof shall be conclusive upon all persons and shall fully justify and protect any title company or person certifying, guaranteeing, or insuring the said title, or any lien thereon, and/or any interest therein, and shall also fully protect any purchaser or encumbrancer in good faith and for value in acting thereon, as to all matters within the jurisdiction of the Homes Association and/or the Art Jury. In any

event after the expiration of one year from the date of the issuance of a building permit by the Homes Association for any structure, work, improvement or alteration, the said structure, work, improvement or alteration shall, in favor of purchasers and encumbrancers in good faith and for value be deemed to be in compliance with all the provisions hereof, unless actual notice executed by the Homes Association and/or the Art Jury of such non-completion and/or non-compliance, shall appear of record in the office of the County Recorder of Los Angeles County, California, or legal proceedings shall have been instituted to enforce completion and/or compliance.

Section 5. If at any time the owner or Annexation of owners of lands adjoining or outside of said property shall agree with Commonwealth Trust Company or its successors in interest and/or Palos Verdes Homes Association to hold, sell and convey said land subject to restrictions, conditions, covenants, reservations, liens or charges set forth in a Declaration of Restrictions by such owner or owners approved by the Homes Association and the Art Jury, and such agreement and/or Declaration of Restrictions shall thereafter be recorded in the office of the County Recorder of Los Angeles County, California, the Homes Association and the Art Jury shall then and thereafter have power to do and perform any and all of the acts, to fix, impose and collect charges, assessments and dues from the owners of said property as therein provided and to grant said owners membership in the Homes Association as therein agreed to and provided; provided, however, that the Art Jury shall have full jurisdiction over all lands and property over which the Homes Association may at any time have jurisdiction.

Section 6. Each and all of said restrictions, conditions and covenants, reservations, liens and charges is and are for the benefit of each owner of land (or any interest therein), in said property and they and each thereof shall inure to and pass with each and every parcel of said property, shall apply to and bind the respective successors in interest of Commonwealth Trust Company. Each grantee of Commonwealth Trust Company of any part or portion of the said property by acceptance of a deed incorporating the substance of this declaration either by setting it

ADDITIONAL PROPERTY

REVERSION OF TITLE

forth or by reference therein, accepts the same subject to all of such restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers of the Art Jury and of the Homes Association. A breach of any of the restrictions, conditions and covenants hereby established shall cause the real property upon which such breach occurs to revert to Commonwealth Trust Company or its successor in interest as owner of the reversionary rights therein provided for, and the owner of such reversionary rights shall have the right of immediate re-entry upon such real property, in the event of any such breach; and, as to each lot owner in the said property, the said restrictions, conditions, and covenants shall be covenants running with the land, and the breach of any thereof, and the continuance of any such breach may be enjoined, abated or remedied by appro-priate proceedings by the owner of the reversionary rights or by any such owner of other lots or parcels in said property or by the Homes Association, but such reversion shall not affect or impair the lien of any bona fide mortgage or deed of trust which shall have been given in good faith, and for value; provided, however, that any subsequent owner of said property shall be bound by the said restrictions, conditions, and covenants, whether obtained by foreclosure or at trustee's sale or otherwise.

or its successors in interest and/or by Palos Verdes Homes Association and/or by any lot owner subject to the jurisdiction of the Homes Association; and such remedy shall be deemed cumulative and

> CONSTRUCTION AND VALIDITY OF RESTRICTIONS

Section 9. All of said restrictions, conditions, covenants, reservations, liens and charges contained in this declaration shall be construed together, but if it shall at any time be held that any one of said restrictions, conditions, covenants, reservations, liens or charges or any part thereof, is invalid, or for any reason becomes unenforceable no other restriction, condition, covenant, reservation, lien or charge or any part thereof, shall be thereby affected or impaired; and that the grantor and grantee, their successors, heirs and/or assigns shall be bound by each article, section, subsection, paragraph, sentence, clause and phrase of this declaration irrespective of the fact that any article, section, subsection, paragraph, sentence, clause or phrase be declared invalid.

> ASSIGNMENT OF POWERS

Section 10. Any or all of the rights and/or powers of Commonwealth Trust Company herein contained as to any of the said property may be delegated, transferred, assigned or conveyed to any person, corporation or association or to Palos Verdes Homes Association, and wherever the Commonwealth Trust Company is herein referred to, such reference shall be deemed to include its successors in interest as owner of the reversionary rights herein provided for.

> INTERPRETATION AND ENFORCE-MENT BY HOMES ASSOCIATION

VIOLATION OF

Section 7. The violation of any of the CONDITIONS restrictions or conditions or breach of any of the covenants hereby established shall also give to Commonwealth Trust Company or its successors in interest and/or to Palos Verdes Homes Association the right to enter upon the property upon or as to which such violation or breach exists, and to summarily abate and remove at the expense of the owner thereof, any erection, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and Commonwealth Trust Company or its successors in interest or Palos Verdes Homes Association shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal.

VIOLATION CONSTITUTES

Section 8. Every act or omission, whereby any restriction, condition or covenant NUISANCE in this declaration set forth, is violated in whole or in part, is declared to be and shall constitute a nuisance, and may be abated by Commonwealth Trust Company

Section 11. In its own name, so far as it may lawfully do so, and/or in the name of Commonwealth Trust Company or of any lot or parcel owner subject to its jurisdiction, Palos Verdes Homes Association shall interpret and/or enforce any or all restrictions, conditions, covenants, reservations, liens, charges and agreements herein or at any time created for the benefit of the said property or in any property which may thereby be expressly made subject to its jurisdiction by the owners thereof, or to which said lots or any of them, may at any time be subject. In case of uncertainty as to meaning of said provisions or of any provisions of this declaration, the Homes Association shall (except as to the provisions of Article III hereof, which shall be interpreted by the

Art Jury) in all cases interpret the same

and such interpretation shall be final and conclusive upon all interested parties.

RIGHT TO Section 12. The provisions contained ENFORCE in this declaration shall bind and inure to RIGHT TO the benefit of and be enforceable by Com-monwealth Trust Company, Palos Verdes Homes Association, by the owner or owners

of any property in said tract, their, and cach of their, legal representatives, heirs, successors and assigns and failure by the Commonwealth Trust Company, Palos Verdes Homes Association or any property owner, or their legal representatives, heirs, successors or assigns, to enforce any of such restrictions, conditions, covenants,

reservations, liens or charges shall in no event be deemed a waiver of the right to do so thereafter.

Section 13. Any portion of the said EXCEPTIONS property or any interest therein, title to which is acquired by the State of California and/or the United States of America and/or by any public authority, may with the written approval of the Commonwealth Trust Company or its successors in interest to the reversionary rights provided for herein, and the Art Jury, be spe-cifically exempted from any or all of the provisions herein except the provisions of Article I hereof.

In WITNESS WHEREOF, said COMMONWEALTH TRUST COMPANY has this 26th day of June, 1923, hereunto caused its corporate name and seal to be affixed by its President and Assistant Secretary, thereunto duly authorized.

COMMONWEALTH TRUST COMPANY,

By JONATHAN S. DODGE, President. By W. E. PINNEY, Assistant Secretary.

(Seal)

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STATE OF CALIFORNIA, COUNTY OF LOS ANGELES. 55

On this 26th day of June, in the year one thousand nine hundred and twenty-three, before me, Grace A. Wagner, a Notary Public in and for the said County, personally appeared Jonathan S. Dodge, known to me to be the President, and W. E. Pinney, known to me to be the Asst. Secretary of the corporation that executed the within instrument, on behelf of the corporation therein named, and acknowledged to me that such corporation executed the same.

GRACE A. WAGNER,

Notary Public in and for the County of Los Angeles, State of California.

(Seal)

[41]

ARTICLES OF INCORPORATION OF PALOS VERDES HOMES ASSOCIATION

Know All Men By These Presents: That we, the undersigned, a majority of whom are citizens and residents of the State of California, have this day voluntarily associated ourselves together for the purpose of forming a non-profit co-operative corporation, under the provisions of Title XXII of Part IV of Division First of the Civil Code, State of California, approved March 21, 1872, as thereafter amended, and we hereby certify:

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The name of the corporation shall be "Palos Verdes Homes Association."

TT

The purposes for which it is formed are:

(1) To purchase, construct, improve, repair, maintain, operate, care for, own, and /or dispose of parks, parkways, playgrounds, open spaces and recreation areas, tennis courts, golf courses and/or club houses, swimming pools, bath houses, bathing beaches, boats, boat houses, boat landings, life rafts, life guards, life saving apparatus, skating rinks, hangars and fields for aircraft, band stands, dancing pavilions, casinos, places of amusement, hospitals, museums, aquariums, community buildings, community club houses, and, in general, community facilities appropriate for the use and benefit of its members and/or for the improvement and development of the property hereinafter described.

(2) To improve, light and/or maintain streets, roads, alleys, trails, bridle paths, courts, walks, gateways, fences, and ornamental features now existing or hereafter to be erected or created, fountains, shelters, comfort stations, and/or buildings and improvements ordinarily appurtenant to any of the foregoing, grass plots and other areas, trees and plantings within the lines of the streets immediately adjoining or within the property hereinafter referred

(3) To purchase, construct, maintain, and operate water works, pumping plants, and systems for the transportation and distribution of water and/or to purchase and distribute water for irrigation, domestic and/or other purposes in connection with the maintenance and use of property under its jurisdiction and care.

(4) To purchase, construct, improve, and/or maintain sewer systems, stormwater sewers, drains, and other utilities in-

stalled or to be installed upon said lands in connection therewith.

- (5) To care for any lots and plots in said property, remove grass, weeds, and any unsightly or obnoxious thing therefrom, and to take any action with reference to such lots and plots as may be necessary or desirable in the opinion of the Board of Directors of this corporation, to keep the property neat and in good order; and to make and collect charges therefor.
- (6) To provide for the sweeping, cleaning, and sprinkling of streets, collection and disposition of street sweepings, garbage, ashes, rubbish, and the like; and to make and collect charges therefor.
- (7) To provide, so far as it may be lawful so to do, for community fire and/or police protection for the protection of all or any portion of the said property and/or the owners of said property and/or residents thereon,
- (8) So far as it can legally do so, to grant franchises, rights-of-way, and easements for public utility or other purposes upon, over and/or under any of said property.
- (9) To acquire by gift, purchase, lease or otherwise acquire and to own, hold, enjoy, operate, maintain, and to convey, sell, lease, transfer, mortgage and otherwise encumber, dedicate for public use and/or otherwise dispose of, real and/or personal property either within or without the boundaries of said property.
- (10) To acquire by purchase, gift or otherwise, and to own and/or dispose of such works of art as may be approved by the Palos Verdes Art Jury established by restrictions effective upon said property or portions thereof.
- (11) To create, maintain, and operate a Department of Buildings which shall be in charge of a Building Commissioner named by the Board of Directors of said corpora-

tion to serve at their pleasure, which Building Commissioner shall have full and sole authority to approve or disapprove in the name of said corporation and to issue building permits for any and all plans, specifications or construction work of any kind within the jurisdiction of said corporation, and shall inspect and supervise the construction of buildings and structures in or upon said property in accordance with the powers and rights conferred upon it by virtue of any restrictions or contractual agreements which may be placed upon or exist in connection with any of said property; to provide for the safety of building construction by establishing regulations for the granting of building permits, and for making and collecting a charge therefor, including such provisions as are usually contained in building codes; and to provide for light, air, sanitation, health, comfort, and convenience for the occupants of existing and/or hereafter erected buildings by establishing such regulations as are usually included in housing codes or zoning regulations.

- (12) To keep records of building permits and/or other approvals or disapprovals made or issued by this corporation and to keep books and records showing all charges, levies, and assessments made, and to furnish certified copies of any record which the Board of Directors may authorize to be furnished and, from time to time, to issue certificates of completion and compliance covering respective parcels of property with respect to which buildings, structures, and/or other improvements or changes have been made, all as provided in the restrictions, conditions, and covenants affecting said property or portions thereof; and to make and collect charges therefor.
- (13) To enforce liens, charges, restrictions, conditions, and covenants existing upon and/or created for the benefit of parcels of real property over which said corporation has jurisdiction and to which said parcels may be subject to the extent that this corporation has the legal right to enforce the same; and to pay all expenses incidental thereto; and to enforce the decisions and rulings of the Palos Verdes Art Jury having jurisdiction over any of said property to the extent that said corporation is authorized in said restrictions, conditions, and covenants to enforce same and to pay the expenses in connection there-

with and such other expenses of the Art Jury as this corporation may assume.

- (14) To pay the taxes and assessments which may be levied by any public authority upon property used or set apart for streets, parks or recreation areas, and improvements thereon, now or hereafter opened, laid out or established in said property or on such other open recreation spaces as shall be maintained for the general benefit and use of the owners of lots in said property, and their successors in interest, and also on ornamental features, tennis courts, pumping plants, water systems, community club houses, sewers, and other utilities and storm drains established in or upon said property whether taxed or assessed as a part of said property or separately, and on any property of the Palos Verdes Homes Association or which may be held in trust for the Palos Verdes Art Jury, as provided in any restrictions, conditions or covenants to which said property may be subject.
- (15) To establish or make provisions for the establishing of such Planning Board, Park Board, Health Board, Library Board, Recreation Board, and/or any other board specified in or permitted by the Bylaws of this corporation for the general welfare of the owners of said property or residents thereon, and for these purposes to have authority to delegate to such boards such powers as the Palos Verdes Homes Association may lawfully delegate. and to make provision for the use by any such board and/or boards of such funds as the Board of Directors of the Palos Verdes Homes Association may, from time to time, deem advisable.
- (16) To exercise such powers of control, interpretation, construction, consent, decision, determination, modification, amendment, cancellation, annulment, and/or enforcement of covenants, reservations, restrictions, liens, and charges imposed upon said property, as may be vested in, delegated to, or assigned to this corporation and such duties with respect thereto as may be assigned to and assumed by this corporation.
- (17) To nominate to the proper person or corporation and/or to make appointments of members of the Palos Verdes Art Jury having jurisdiction over said property in accordance with the provisions of such restrictions, conditions, and covenants

as may be in effect upon any of said property.

(18) To receive, file, and preserve such reports as may, from time to time, be made to it; and to publish and distribute bulletins and reports.

(19) To approve and/or disapprove, as provided by restrictions, conditions, and covenants affecting said property, plans and specifications for and/or location of fences, walls, poles and structures to be erected or maintained upon said property or any portion thereof, and to approve or disapprove the kind, shape, height, and material for same and/or the block plan indicating the location of such structures on their respective building sites and such grading plans as may be required, and to issue or refuse to issue permits for the same; to pay any and all expenses and charges in connection with the performance of any of said powers or the carrying out of any of said purposes; to supervise construction of any buildings or structures to the extent deemed necessary by the Board of Directors, and to establish rules therefor,

(20) To approve or disapprove of subdivisions or re-subdivisions of any of said property from time to time to the extent and in the manner that it may exercise such approval or disapproval as provided in restrictions, conditions, and covenants affecting said property.

(21) To regulate and/or prohibit the erection, posting, pasting or displaying upon any of said property of bill-boards and/or signs of all kinds and character, and to remove and/or destroy all signs placed, erected or maintained upon said property without the authority of this corporation and/or the Palos Verdes Art Jury as provided in such restrictions, conditions, and covenants, as may affect the said property or any portion thereof.

(22) To fix, establish, levy, and collect annually such charges and/or assessments upon each and every lot or parcel of said property which may be subject to and in accordance with the restrictions, conditions, and covenants affecting said property; provided, that the amount of such annual charges or assessments shall be determined as provided in said restrictions, conditions, and covenants by the Board of Directors of this corporation.

(23) To expend the moneys collected by this corporation from assessments and charges and other sums received for the payment and discharge of costs, expenses, and obligations incurred by said corporation in carrying out any or all of the purposes for which this corporation is formed.

(24) Generally, to do any and all lawful things which may be advisable, proper, authorized, and/or permitted to be done by Palos Verdes Homes Association under or by virtue of any restrictions, conditions, and/or covenants or laws affecting said property or any portion thereof (including areas now or hereafter dedicated to public use) and to do and perform any and all acts which may be either necessary for, or incidental to the exercise of any of the foregoing powers or for the peace, health, comfort, safety, and/or general welfare of owners of said property, or portions there-of, or residents thereon. In exercising any of said powers, the Board of Directors may, so far as may legally be done, follow the same procedure as followed by Boards of Trustees of cities of the 6th Class of the State of California, so far as same are not in conflict with any of the provisions contained in restrictions, conditions, and covenants affecting said property, and provided that such method of procedure may be discontinued at any time as to said property or any portion thereof or as to any portion of said property which is or shall be annexed to or become a part of an incorporated city.

(25) To borrow money and mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred and to do any and all things that a corporation organized under the said laws of the State of California may lawfully do when operating for the benefit of its members or the property of its members, and without profit to said corporation.

All of the foregoing purposes and powers are to be carried into effect and exercised for the purpose of doing, serving, and applying the things above set forth for the benefit of that certain district or area and /or the people residing therein, situate in the County of Los Angeles, State of California, being a portion of Lot "H" of the Rancho Los Palos Verdes as set forth and described in that certain deed dated March 1, 1923, executed by Jay Lawyer, et ux,

to Commonwealth Trust Company, a corporation, and recorded in Book 1849, page 389 of Official Records, Records of Los Angeles County, California, together with any and all other property which may hereafter, through the operation of restrictions, conditions, covenants, and/or contracts pertaining to same be placed under or submitted to the jurisdiction of this corporation and be accepted as within the jurisdiction of this corporation by resolution of the Board of Directors of this corporation,

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The principal place of business of said corporation shall be in the City of Los Angeles, State of California.

IV.

The term for which said corporation is to exist is fifty (50) years from the date of its incorporation,

V.

The number of directors of said corporation shall be five (5), and the names and residence of the directors who are appointed for the first year and to serve until the election or qualification of their successors are as follows:

Names James F. Dawson John C. Low Jay Lawyer J. H. Coverley M. V. Boaz Residing at Redondo Beach, Cal. Hermosa Beach, Cal. Los Angeles, Cal. Los Angeles, Cal. Los Angeles, Cal.

VI.

The voting power and property rights and interests of the members shall be unequal and shall be determined and fixed as follows:

For the purpose of determining the voting power and the property rights and interests of each member of the corporation, a building site shall be taken to be a lot (exclusive of streets, open recreation areas, and lands excepted, reserved, segregated or retained in accordance with the restrictions, conditions, and covenants affecting same, shown on any map of record);

- (a) Of any ordinary subdivision of said land subject to the jurisdiction of this corporation, or
- (b) Of any re-subdivision of any plots or parcels of said land which re-subdivision is permitted by this corporation

and is approved by the restrictions applicable thereto and thereby allowed to be used as a building site, or

(c) Of any subdivision or re-subdivision of any land which hereafter becomes subject to the jurisdiction of the Palos Verdes Homes Association by virtue of restrictions, conditions, covenants, and/or contracts relating thereto, and by acceptance of jurisdiction by the Board of Directors of this corporation.

That each member of this corporation shall have the right to cast as many votes at any meeting of the members of this corporation as the number of building sites to which, as shown by the records of this corporation, he holds the legal or equitable title, and/or contract of purchase; provided, however, that no person or corporation holding title as security for the payment of money or performance of other obligations shall have the right to a vote by reason thereof; and provided, further, that when the legal or equitable title to, or contract for purchase of, a building site is vested in or is in the name of two or more persons in joint tenancy or otherwise, the several owners or contract holders or purchasers of said building site shall collectively be entitled to only one vote, which vote may be cast in the manner provided by the By-laws of this corporation.

Each member of this corporation shall have such an interest in all the property owned by this corporation as is represented by the ratio of the number of votes to which said member is entitled to the total number of votes to which all members of this corporation are entitled; provided, however, that during the continuance and life of this corporation and renewals thereof, no member of this corporation shall have the right of distribution of any real or personal property held by or in the possession or control of this corporation; provided, however, that those persons who are members of this corporation at the time of its dissolution may, upon said dissolution, be and become entitled to such property as may be owned by this corporation and as may be subject to distribution among its members in proportion to their interests and property rights as above determined and according to the law then in force and effect.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 16th day of May, 1923.

JAMES F. DAWSON	(SEAL)
JOHN C. LOW	(SEAL)
JAY LAWYER	(SEAL)
J. H. COVERLEY	(SEAL)
M. V. BOAZ	(SEAL)

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES.

On this 16th day of May, A. D., 1923, before me, NELLIE GRACE FRANTZ, a Notary Public in and for the County of Los Angeles, State of California, personally appeared James F. Dawson, John C. Low, Jay Lawyer, J. H. Coverley and M. V. Boaz, known to me to be the persons whose names are subscribed to the within instrument, and who acknowledged to me that they executed the same.

NELLIE GRACE FRANTZ,

Notary Public in and for the County of Los Angeles, State of California.

(Notarial Seal)

104057
ENDORSED
FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF CALIFORNIA
May 24, 1923

FRANK C. JORDAN, Secretary of State, By FRANK H. CORY, Deputy.

STATE OF CALIFORNIA DEPARTMENT OF STATE

I, Frank C. Jordan, Secretary of State of the State of California, do hereby certify that I have carefully compared the annexed copy of Articles of Incorporation of

"PALOS VERDES HOMES ASSOCIATION"

with the original now on file in my office, and that the same is a correct transcript therefrom, and of the whole thereof. I further certify that this authentication is in due form and by the proper officer.

IN WITNESS WHEREOF. I have hereunto set my hand and have caused the Great Seal of the State of California to be affixed hereto this 25th day of May, A. D., 1923.

Frank C. Jordan, Secretary of State.

(GREAT SEAL OF THE STATE OF CALIFORNIA)

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BY-LAWS

OF

PALOS VERDES HOMES ASSOCIATION

Adopted June 25, 1923, Amended Nov. 14, 1923

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ARTICLE	XIX.	BOOKS AND PAPERS
ARTICLE	XX.	CERTIFICATES OF MEMBERSHIP
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ARTICLE I

MEMBERSHIP AND DUES

BUILDING SITE DEFINED

Section 1. A "building site" shall be taken to be a lot (exclusive of streets, open recreation areas, and lands excepted, reserved, segregated or retained in accordance with the restrictions, conditions, and covenants affecting same, shown on any map of record):

(a) Of any original subdivision which is now on file or which shall hereafter be filed in the office of the County Recorder of the County of Los Angeles, California, of that certain tract of land situated in the County of Los Angeles, State of California, being a portion of Lot "H" of the Rancho Palos Verdes as set forth and described in that certain deed dated March 1, 1923, executed by Jay Lawyer et ux, to Commonwealth Trust Company, a corporation, and recorded in Book 1849, page 389 of

Official Records of Los Angeles County, California, or

- (b) Of any re-subdivision of any plots or parcels of said land which re-subdivision is approved by this corporation and is permitted by the restrictions applicable thereto and thereby allowed to be used as a building site, or
- (c) Of any subdivision or re-subdivision of any land which hereafter becomes subject to the jurisdiction of Palos Verdes Homes Association by virtue of restrictions, conditions, covenants, and/or contracts relating thereto, and by acceptance of jurisdiction by the Board of Directors of this corporation.

The members of this corporation shall be all who hold legal title of record to any such building site or who, while holding a contract for the purchase of any such building site from Commonwealth Trust

Company, shall reside upon the building site described in such contract. Such holding of legal title or such residence shall be the sole qualification for membership in the corporation. Contract holders shall establish their right to membership to the satisfaction of the Secretary of this corporation.

OHALIFICATIONS OF MEMBERS

Section 2. The following persons shall be qualified to be, and shall become members of this corporation;

- (a) Persons holding legal title to or an interest in any such building site, except as provided in (b) of this paragraph and provided, further, that no person or corporation taking title hereafter as security for the payment of money or performance of other obligations shall thereby become entitled to membership.
- (b) Persons holding a contract for the purchase of any building site, who shall reside upon the property described in such contract, in which case the holder of the legal title shall not be qualified for membership by virtue of holding the title to such building site.
- (c) The owner or owners of land adjoining or adjacent to said property when such land shall have been placed under the jurisdiction of the Art Jury and Palos Verdes Homes Association in accordance with the provisions of Section 6 of this Article.

- CREATION OF Section 3. (a) The acceptance by a MEMBERSHIP grantee of a deed conveying to him such real property as to qualify him for membership in said Association shall ipso facto constitute such grantee a member of said Association.
 - (b) The acceptance by a purchaser of a contract of sale covering such real property as shall qualify him for membership, together with the act of residing thereon by such purchaser, shall ipso facto constitute such purchaser a member of said Association.
 - (c) The certificate of the Secretary certifying that a person is a member of this corporation shall be conclusive evidence in favor of all third persons as to the facts recited therein.

TERMINATION OF MEMBERSHIP

Section 4. Whenever a member of said Association becomes disqualified for membership, as hereinabove provided, such person shall ipso facto cease to be a mem-

ber of said Association; if the member holds the legal title to more than one such building site, then upon the transfer of record of the legal title to all his building sites, or, if the member does not hold the legal title to any building site, then upon such member ceasing to be the holder of a contract for the purchase of any such building site or upon his ceasing to reside upon the building site described in such contract. A member holding the legal title of record to more than one building site may transfer membership with each building site transferred and retain membership for each building site not transferred. When a building site is owned of record in joint tenancy or tenancy-in-common, the membership as to such building site shall be joint and the rights of such membership shall be exercised only by the joint action of all owners of such building

Section 5. No membership fee shall be charged, nor shall members be required to pay at any time any amount to carry on the business of the corporation, except to pay annually the maintenance charge or assessment, which is or may be made a lien on the respective properties of the members, and such other liens, fees and charges as are set forth, authorized or permitted in the Declaration of Establishment of restrictions and conditions of Commonwealth Trust Company, dated June 26th, 1923, and recorded on July 5th, 1923, in the office of the County Recorder of the County of Los Angeles, State of California, in Volume 2360 of Official Records of Los Angeles County at page 231 and following pages, or any amendments thereof, or as set forth in any other Declaration of Commonwealth Trust Company, its assigns or successors in interest, applicable to said property on file or hereafter filed in the office of said County Recorder.

Section 6. If at any time the owner or owners of land adjoining, adjacent or within a distance deemed reasonable by the directors hereof of any portion of said property shall agree with the directors hereof to hold, sell and convey said land subject to conditions, restrictions, covenants, reservations, liens or charges set forth in a declaration of restrictions by such owner or owners approved by the Board of Directors of this corporation and the Art Jury, and such agreement and declaration are

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hereafter recorded in the office of the Re-corder of the County of Los Angeles, the Board of Directors of this corporation and the Art Jury shall have power to do and perform any and all of the acts and to fix, impose and collect charges, assessments and dues from the owners of lots in such property, on such basis, authority and power as they may have for the said property. Owners and contract holders of such additional property shall be entitled to membership in Palos Verdes Homes Association with property rights and voting power upon the same basis and conditions as herein provided for owners and contract holders already under the jurisdiction of the Palos Verdes Homes Association and the Board of Directors of this corporation and the Art Jury shall thenceforth have and assume the enforcement of the restrictions, conditions, covenants, reservations, liens or charges created for the benefit of the owners of building sites in said last named property, or to which said building sites may at any time be subject.

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Section 7. No member of this corpora-RIGHTS tion shall have any right of property in AND INTEREST any of the real or personal property held by, or in the possession and control of this corporation, except those persons who are members of this corporation at the time of its dissolution, and their rights shall be determined by the law then in force and ef-Each member of this corporation shall have such an interest in all the property owned by this corporation as is represented by the ratio of the number of votes to which said member is entitled to the total number of votes to which all members of this corporation are entitled; provided, however, that during the continuance and life of this corporation and renewals thereof, that no member of this corporation shall have the right of distribution of any real or personal property held by or in the possession or control of this corporation, provided, however, that those persons who are members of this corporation at the time of its dissolution may, upon said dissolution, be and become entitled to such property, as may be owned by this corporation and as may be subject to distribution among its members in proportion to their interests and property rights as above determined and according to the law then in force and effect,

ARTICLE II VOTING POWER

At all corporate meetings the voting power of the members of this corporation shall be unequal according to the following rules, to-wit:-

(a) Except as provided in (d) of this paragraph, each member of this corpora-tion shall have at least one vote at any meeting of the members of the corporation.

(b) Except as provided in (d) of this paragraph, each member of this corporation holding legal title to more than one building site shall have the right as such member, at any meeting of the members of this corporation, to cast a number of votes equal to the total number of building sites, the title to which is held by him.

(c) Except as provided in (d) of this paragraph, each person who is a member of this corporation by reason of being a purchaser of more than one building site located in any subdivision of the said property under a contract or contracts of purchase shall have the right to cast as many votes, at any meeting of the members of this corporation, as shall equal the total number of building sites covered by his contract or contracts.

(d) When legal title to a building site is vested in, or subject to contract or agreement to convey to two or more persons in joint tenancy or otherwise, the several owners or purchasers of said building site shall collectively be entitled to one vote only therefor.

ARTICLE III CORPORATE POWERS

The corporate powers of this corporation shall, except as otherwise provided herein, be vested in a Board of Directors who shall be members of this corporation, and three shall constitute a quorum for the transaction of business but a smaller number may adjourn from time to time.

ARTICLE IV

THE BOARD OF DIRECTORS

Section 1. The Directors shall be elec- ELECTION OF ted by secret ballot at the Annual Meet- DIRECTORS ing of the members to serve in the first instance as follows: one for a period of one year, two for a period of two years and two for a period of three years, and to serve until their successors are elected. Their successors shall be elected for a term

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of three years. The Board of Directors shall be the judge of the election and qualifications of its own members subject to review by the courts. Any member of the Board of Directors who shall have been convicted of a crime while in office shall thereby forfeit his office.

VACANCIES IN THE BOARD

Section 2. Vacancies in the Board of Directors shall be filled by the remaining OF DIRECTORS Directors when assembled as a Board and such appointees shall hold office until the next Annual or Special Meeting of the members thereafter at which time an election for the unexpired portion of the term shall be held.

POWERS OF DIRECTORS power:

Section 3. The Directors shall have

To call special meetings of the members whenever they deem it necessary, and they shall call a meeting at any time upon the written request of members holding the legal title of record of 20% in number of all said building sites.

(b) To select from their own number a president and vice-president and to appoint and remove a secretary, building commissioner, manager, and as herein further provided one or more members of the Art Jury, but no director shall serve as any of such officers; and subject to the further provisions hereof, to adopt appropriate resolutions prescribing their duties, fixing their compensation and requiring from them security for faithful service.

(c) Except as otherwise herein provided, to conduct, manage, and control the affairs and business of this corporation and to make regulations and rulings not inconsistent with the laws of the State of California, or of the By-Laws of this corporation for the guidance of the officers and management thereof, provided that not less than one-fourth of the receipts of the total annual maintenance charge or assessment, mentioned in Article I hereof, shall be appropriated and set aside for the sole use and support of the Park and Recreation Board as hereinafter provided.

(d) To determine its own rules of procedure, punish directors for misconduct and compel attendance of directors.

(e) To determine, levy and assess annually the maintenance charge or assessment mentioned in Article I hereof, and such other charges or fees as it may have power or jurisdiction over and to fix the rate per annum of such maintenance charge or assessment, but never to exceed in any one year the total annual tax rate established for all purposes for the then current fiscal year by the City Council of the old City of Los Angeles.

(f) To make all needful rules and regulations for the conduct of election, for the prevention of fraud in elections and for the recount of the ballots in case of

doubt or fraud.

Section 4. It shall be the duty of the Directors:

DUTIES OF DIRECTORS

- (a) To cause to be kept a complete record of all their minutes and acts, and of the proceedings of the members, and present a full statement at the regular annual meeting of the members, showing in detail the assets and liabilities of the corporation, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the members when required by persons holding of record the legal title to at least one-half of the said building sites.
- (b) Except as otherwise provided herein, to supervise all officers and see that their duties are properly performed, and cause certificates of membership to be issued to the members of the corporation.
- (c) To hold, after due notice, such public hearings as may be necessary or advisable for the modification, amendment, or approval of any restrictions, conditions, covenants, reservations, liens or charges applicable to any property subject to the jurisdiction of this corporation, or applying for acceptance thereof.

ARTICLE V

MEETINGS

Section 1. The annual meeting of the MEETINGS OF members shall be held in the City of Los MEMBERS Angeles, County of Los Angeles, on the second Tuesday in January of each year, and shall be called by a notice in writing mailed to each member at his last known place of residence or business, or directed to each member at Los Angeles; such notice to be deposited in the United States post-office at Los Angeles at least ten days preceding the date of meeting, and postage thereon must be prepaid.

Special meetings of the members shall be called in like manner after five days' notice.

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No meeting of members shall be competent to transact business unless the record holders of legal title to a majority of the said building sites be represented, except to adjourn from day to day or until such time as may be deemed proper.

At such annual meeting of the members, Directors for the ensuing year shall be elected by secret ballot, to serve as herein provided and until their successors are elected. If, however, for want of a quorum or other cause, a member's meeting shall not be held on the day above named, or should the members fail to complete their elections, or such other business as may be presented for their consideration, those present may adjourn from day to day until the same shall be accomplished.

MEETINGS OF

Section 2. Regular meetings of the Di-DIRECTORS rectors shall be held on the second and fourth Wednesday of each month, at the office of this corporation at two o'clock, p.m. provided that the Board of Directors may change, by regulation, the day of holding the regular meeting. No notice of the regular meeting of the Board of Directors need be given. The President or any two of the Directors, may call special meetings of the Directors at any time, and notice shall be given of such called meeting by depositing in the United States Post Office at Los Angeles, California, a written or printed notice thereof, with the postage thereon prepaid, addressed to each Director at the last address left with the Secretary, at least four days before the time of meeting, or by serving personally such notice on each Director one day before such meeting. Such service of notice shall be entered on the minutes of the corporation, and the said minutes, upon being read and approved at a subsequent meeting of the Board shall be conclusive upon the question of service.

Notice specified in this Article for the members need be given only to members appearing as such on the books of the corporation.

All meetings of Directors and sessions of their committees shall be open to mem-

ARTICLE VI

RECULATIONS AND RESOLUTIONS

The Board of Directors shall act only by the adoption of a regulation or a resolution; and all regulations and resolutions,

except regulations making appropriations, shall be confined to one subject which shall be clearly expressed in the title. The regulations making appropriations shall be confined to the subject of appropriations. No regulation shall be passed until it has been read on two separate days or the requirement of readings on two separate days has been dispensed with by an affirmative vote of four Directors. The final reading shall be in full, unless the regulation shall have been typed or printed and a copy thereof furnished to each member prior to such reading. The ayes and noes shall be taken upon the passage of all regulations on resolutions and entered upon the journal of the proceedings of the Board of Directors, and every regulation or resolution shall require on final passage the affirmative vote of three Directors. No Director shall be excused from voting except on matters involving the consideration of his own official conduct, or where his financial interests are involved. Provisions shall be made for the printing and publication in full of every regulation within thirty (30) days after its final passage.

ARTICLE VII

THE RECALL

Section 1. The Board of Directors or PROCEDURE any director may be removed from office by the members as herein provided.

Any member may make and file with the secretary an affidavit containing the name or names of the director or directors whose removal is sought and a statement of the grounds for removal. The secretary shall thereupon deliver to the member making such affidavit copies of petition blanks for such removal, printed forms of which he shall keep on hand. Such blanks shall be issued by the secretary with his signature and official seal thereto attached; they shall be dated and addressed to the directors, shall contain the name of the person to whom issued, the number of blanks so issued, the name of the director or directors whose removal is sought. A copy of the petition shall be entered in a record book to be kept in the office of the secre-The petition before being returned and filed shall be signed by members who are holders of record title of at least fifty (50) per cent of all of said building sites owned by members and to every signature shall be added the place of residence of the signer, giving the street and number

FOR FILING RECALL. PETITION

or other description sufficient to identify the place. Such signatures need not all be on one paper, but the circulator of every such paper shall make an affidavit that each signature appended to the paper is the genuine signature of the person whose name it purports to be. All such papers shall be filed as one instrument, with the endorsements thereon of the names and addresses of three persons designated as fil-

ing the same.

EXAMINATION

Section 2. Within ten days after the AND AMEND- filing of the petition the secretary shall MENT OF ascertain whether or not the petition is RECALL signed by the requisite number of mem-PETITIONS bers and shall attach thereto his certificate showing the result of such examination. If his certificate shows the petition to be insufficient, he shall forthwith so notify in writing one or more of the persons designated on the petition as filing the same, and the petition may be amended at any time within ten days after the giving of said notice, by the filing of a supplementary petition upon additional petition papers, issued, signed and filed as provided herein for the original petition. The secretary shall, within ten days after such amendment, make like examination of the amended petition, and attach thereto his certificate of the result. If then found to be insufficient, or if no amendment was made he shall file the petition in his office and shall notify each of the persons designated thereon as filing it of that fact. The final finding of the insufficiency of a petition shall not prejudice the filing of a new petition for the same purpose.

CALLING OF

Section 3. If the petition or amended RECALL petition shall be certified by the secretary ELECTION to be sufficient he shall submit the same with his certificate to the Board of Directors at its next meeting and shall notify the director or directors whose removal is sought of such action. The Board of Directors shall thereupon, within ten days of the receipt of the secretary's certificate, call a special members' meeting for the purpose of a recall election to be held not less than thirty nor more than forty-five days thereafter. Provided, that if an annual members' meeting is to occur within sixty days after the receipt of said certificate, the Board of Directors may in its discretion provide for the holding of the recall election on the date of such annual meeting.

Section 4. Unless the director or di- FORM OF rectors whose removal is sought shall have BALLOT resigned within ten days after the receipt TO RECALL by the Board of Directors of the secretary's DIRECTOR certificate the form of ballot at such elec-tion shall be as nearly as may be: "Shall A be recalled? Shall B be recalled?" etc., the name of the director or directors whose recall is sought being inserted in place of A, B, etc., and the ballot shall also contain the names of the candidates to be elected in place of the men recalled, as follows: "Candidate for the place of A, if recalled; candidate for the place of B, if recalled," etc., but the director or directors whose recall is sought shall not themselves be candidates upon such ballot.

In case of those voting for or against the recall of any director the members who are holders of record title of two-thirds (%) of all said building sites owned by members, shall vote in favor of recalling such director he shall be thereby removed, and in that event the candidate who receives the highest number of votes for his place shall be elected thereto for the balance of the unexpired term.

If the director or directors sought to be removed shall have resigned within ten days after the receipt by the Board of Directors of the secretary's certificate referred to in this section above hereof, the form of ballot at the election shall be the same, as nearly as may be, as the form in use at an annual members' meeting.

ARTICLE VIII OFFICERS

The officers shall be a President, Vice-President, Secretary, Building Commissioner and Manager, which officers shall be elected by and hold office at the pleasure of the Board of Directors, except as provided herein; and a Park and Recreation Board, Planning Board, Health Board, and Art Jury as provided in these By-laws.

ARTICLE IX

PRESIDENT AND VICE-PRESIDENT

The Board of Directors shall, at their first regular meeting, elect one of their number to act as President and another to act as Vice-President, to serve for one year and until their successors are elected; and, if at any time the President shall be unable to act, the Vice-President, shall take his place and perform his duties; and, if the Vice-President, from any cause, shall be unable to act, they shall appoint some other member of the Board to act, in whom shall be vested for the time being all the duties and functions of the office of President, or in his absence, or inability to act, the Vice-President, or, in the absence or inability to act of both the President and the Vice-President, the Director appointed as above provided, who:

1st. Shall preside over all meetings of the members and Directors and shall have the casting vote.

2nd. Shall sign as President all certificates of membership and all instruments of writing which have been first approved by the Board of Directors.

3rd. Shall have such other powers consistent with the office as may be conferred upon him by the Board of Directors.

4th. Shall be recognized as the official head of Palos Verdes Homes Association for all ceremonial purposes and by the courts for serving civil processes.

ARTICLE X

SECRETARY

The Board of Directors shall elect a Secretary to serve at the pleasure of the Board, with the following duties:

- 1. To keep a record of all the proceedings of the Board of Directors and of the members.
- 2. To keep the corporate seal of the corporation and the book of blank certificates of membership; to fill up and countersign all certificates issued, and make the corresponding entries in the margin of such book of issuance; and he shall affix said corporate seal to all papers requiring a seal.
- 3. To serve all notices required either by law or the By-laws of the corporation, and in case of his absence, inability, refusal or neglect so to do, then such notices may be served by any person thereunto directed by the President or Vice-President of the corporation.
- 4. To keep proper books showing the date of issuance of each certificate of membership and the name of the person to whom issued, and showing the date of and parties to each transfer of membership.

ARTICLE XI

THE BUILDING COMMISSIONER

Section 1. The Department of Buildings shall be in charge of a Building Commissioner named by the Board of Directors to serve at their pleasure, who shall have full, sole and final authority to approve or disapprove in the name of said corporation and to issue Building Permits and Certificates of Completion and Compliance for any and all plans, specifications or con-struction work of any kind within the jurisdiction of said corporation, and shall inspect and superintend the construction of buildings and structures in or upon said property in accordance with the powers and rights conferred upon it by virtue of any and all restrictions or contract agreements which may at any time be placed upon or exist in connection with any of said property or any property over which this corporation shall have or accept jurisdiction.

Section 2. The Board of Directors shall BUILDING provide for the safety of building construc- Cope tion by establishing and enforcing regulations for the granting of said Building Permits and Certificates of Completion and Compliance by the Building Commissioner and for making and collecting a charge therefor, including such provisions as are usually contained in city building codes; and to provide for light, air, sanitation, health, comfort, and convenience for the occupants of existing and/or hereafter erected buildings by establishing such regulations as are usually included in city housing, sanitation, plumbing, electric wiring and other codes or zoning regulations.

Section 3. The Building Commissioner RECORDS shall keep records of all building permits and/or other approvals or disapprovals made or issued by and in the name of this corporation and furnish certified copies of any record which the Board of Directors may authorize to be furnished and, from time to time, to issue Certificates of Completion and Compliance covering respective parcels of property with respect to which buildings, structures, and/or other improvements or changes have been made, as herein provided.

Section 4. The Homes Association and PERMIT FOR every officer, board, or employee thereof, ASSOCIATION performing any act or erecting, construct- Work ing, altering or maintaining any building,

structure, improvement, work of art, etc., shall secure a Building Permit and a Certificate of Completion and compliance and approval of the Building Commissioner and/or the Art Jury, in the same manner as required of any private owner subject to the jurisdiction of the Home Association and the Art Jury.

Section 5. No building permit shall be issued by the Building Commissioner for any building or structure or any part thereof unless and until it conforms to all the then requirements of ordinances of the County of Los Angeles, California, applicable thereto, and to the California State Housing Act, State Tenement House Act, State Hotel and Lodging House Act, State Dwelling House Act, and all other State Acts and requirements as to housing and sanitation applicable to incorporated cities, and said laws and amendments thereto shall have the same force and effect as if property were all within an incorporated city of the State of California, except such modifications and variations thereto as may be adopted by regulation by the Board of Directors. (As amended Nov. 14, 1923.)

ARTICLE XII

THE MANAGER

THE MANAGER

Section 1. The Manager shall be the chief executive officer of the corporation. He shall be chosen by the Board of Directors solely on the basis of his executive and administrative qualifications. The choice shall not be limited to inhabitants of the said property. The Manager shall be appointed for an indefinite period. He shall be removable by the Board of Directors. If removed at any time after six months he may demand written charges and a public hearing on the same before the Board of Directors prior to the date on which his final removal shall take effect, but during such hearing the Board of Directors may suspend him from office. During the absence or disability of the Manager the Board of Directors shall designate some properly qualified person to per-form the duties of the office.

POWERS AND

Section 2. The Manager shall be re-DUTIES OF sponsible to the Board of Directors for the THE MANAGER proper administration of all affairs of the corporation, and to that end shall make all appointments, except as otherwise provided in these By-laws. Except when the Board

of Directors is considering his removal, he shall be entitled to be present at all meetings of the Board of Directors and of its committees and to take part in their discussions.

Section 3. The Manager shall prepare Annual and submit to the Board of Directors the BUDGET annual budget after receiving estimates made by the heads of the departments.

ARTICLE XIII

ADMINISTRATIVE DEPARTMENTS

Section 1. There shall be administrative departments as follows:

Law, works and utilities, safety and wel- ADMINISTRA fare, library, and finance, and a Park and DEPARTMEN Recreation Board, Planning Board, Health CREATED Board, and Art Jury, the functions of which shall be prescribed by the Board of Directors except as otherwise provided herein. The Board of Directors shall fix all salaries, which in the classified service shall be uniform for each grade, as established by the Service Commission, and the Board of Directors may, by a four-fifths vote, create new departments, combine or abolish existing departments or establish temporary departments for special work, except the Art Jury and the Park and Recreation Board and except as otherwise provided herein.

Section 2. At the head of the depart- DUTIES OF ments of law, works and utilities, safety DIRECTORS and welfare, library, and finance, there DEPARTMEN shall be a director. Each director shall be chosen on the basis of his general executive and administrative experience and ability and of his education, training and experience in the class of work which he is to administer. The director of the department of law shall be a lawyer; of the library, a trained librarian; of works and utilities, an experienced and qualified engineer; of safety and welfare, a man who has had administrative experience; of finance, a man who has had experience in banking, or other financial matters; or in each case the person must have rendered active service in the same department in this or some other community. The manager may appoint an advisory Library Board, to serve at his pleasure and to advise and aid him and the librarian in library matters, and for other advisory boards.

DEPARTMENT

Section 3. Each department director DIRECTORS shall be appointed by the manager and may be removed by him at any time.

RESPONSIBILITY OF DEPARTMENT

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Section 4. The department directors and the various boards and officers thereof, Directors except as otherwise provided herein, shall be immediately responsible to the manager for the administration of their departments, and their advice in writing may be required by him on all matters affecting their departments. They shall prepare departmental estimates, which shall be open to public inspection, and they shall make all other reports and recommendations, concerning their departments at stated intervals or when requested by the manager. The Board of Directors, the manager, and any officer or board authorized by them, or either of them, shall have power to make investigations as to corporation affairs, and compel the production of books and papers.

ARTICLE XIV

PARK AND RECREATION BOARD

Section 1. The Department of Parks, Boulevards, Forestry, Music and Recreation shall be under the control and management of a Board to be known as the Park and Recreation Board composed of the manager and three persons named by the manager, well known for their intelligence and integrity, and whose term of office shall be for a period of three (3) years; provided, that the first members of said Board shall so classify themselves by lot that the term of one member shall expire at the end of one year, one at the end of two years, and one at the end of three years from the date of their first appointment, and at the expiration of the term of each member his successors shall be appointed by the manager for a term of three years from the date of expiration of the official term of his predecessor. Vacancies shall be filled by the manager for the unexpired portion of the term. Said commissioners shall serve without compensation. They shall elect their own officers, adopt their own rules and regulations and shall meet at least once a month. Two members of the Board shall constitute a quorum for the transaction of business and an affirmative vote of at least two appointed members shall be necessary to authorize any action of the Board.

Section 2. Said Board shall keep record Secretary of its proceedings and shall appoint a Secretary who shall not be a member of the Board and who shall hold office at the pleasure of the Board.

Section 3. The Park and Recreation OTHER Board shall also appoint a Landscape OFFICERS Architect, to advise the Board, and a Chief Executive Officer as superintendent EmpLoyees under the Board who shall hold office at the pleasure of the Board and who shall in behalf of said Board and of this corporation have charge, supervision and direction of all work and of all officers and employees under said Board and may dismiss any officer or employee under him except the Secretary and Landscape Architect of the Board or other consulting expert who may be called in to render special service.

Section 4. The Park and Recreation Powens and Board shall have power and it shall be its DUTIES OF THE

PARK AND RECREATION BOARD

- (a) To devise and adopt a system of parks, parkways, boulevards, playgrounds, recreation areas and open spaces for the use of the members of this corporation and the inhabitants of said land, and by and with the approval and authority by regulations of the Board of Directors, to lease, purchase, and/or otherwise acquire in the name of this corporation lands for parks, parkways, playgrounds, recreation areas and/or common lands for general welfare and by and with the approval and authority by regulation of the Board of Directors to establish, change and/or re-establish the grade of any boulevard, parkway or other property under its supervision or control, and no change shall be made in the grade of any street subject to the jurisdiction of the Park and Recreation Board unless the Park and Recreation Board shall approve such change of grade.
- (b) To superintend, control and manage any and all parks, parkways, boulevards, playgrounds, open spaces and recreation areas, tennis courts, golf courses and/ or club houses, swimming pools, bath houses, bathing beaches, boats, boat houses, boat landings, life rafts, life guards, life saving apparatus, skating rinks, hangars and fields for air craft, band stands, dancing pavilions, casinos, places of amusement, community buildings, aquariums, and in general community facilities appropriate

for the use and benefit of members and/ or for the improvement and development of said property, grass plots and other areas, and all trees or plantings, within the lines of streets, parkways, walks, or other easements or rights-of-way, or on school or other public grounds by arrangement with public authorities having jurisdiction therein, and except as otherwise provided herein all improvements in, on, or upon the same belonging to or under control of this corporation, and of such other grounds and thoroughfares as may upon the recommendation of the Park and Recreation Board be placed under the control and management of said Board and by and with the approval of the Board of Directors to construct, improve, adorn, regulate and maintain the same in such manner as it may deem best, and to establish a width of sidewalk on all boulevards and parkways. And the Board of Directors shall, upon the recommendation of the Park and Recrea-tion Board, pass regulations for the control and orderly government of the same, and other lands subject to its control, and prescribe penalties for the violation thereof. No building, structure, planting or improvement of any kind shall be erected, constructed, altered or maintained in, on, or upon any land or portion of said property under the jurisdiction of the Park and Recreation Board except with the approval and authority of the Park and Recreation Board; nor shall any land or any portion of said property be acquired or leased by the Homes Association, nor any property once subject to the jurisdiction of the Park and Recreation Commission be at any time sold, conveyed, mortgaged, leased, encumbered, or in any way disposed of except with the approval of the Park and Recreation Board. No building or structure for any purpose other than a park purpose shall be erected, constructed, altered or maintained upon any land subject to the jurisdiction of the Homes Association, when such land has been accepted for park purposes only.

(c) To plant or replant, trim, cut back, remove or replace, care for and/or maintain hedges, trees, shrubs, or flowers on vacant or unimproved lots or on other private property as far as may be permitted by the restrictions applicable thereto and thereby allowed, and to remove and/or burn grass, weeds, or any unsightly or obnoxious thing therefrom.

(d) To make such agreements with county, township, state, national or other public officials, or with any corporation or individual, for and in behalf of the owners of said property and of this corporation, for a division of the work upon any property subject to the jurisdiction of the Park and Recreation Board or for the care, maintenance and improvement of the same, as will enable the Homes Association to co-operate with the said officials, corporations or individuals to secure the greatest benefit to the said property or portions

(e) By and with the approval of the Board of Directors, to accept bequests and donations, and to take and hold title to real and/or personal property, and to administer and disburse and/or dispose of the same and/or to use the income and/or proceeds therefrom for the purposes for which it is established.

ARTICLE XV

PLANNING BOARD

Section 1. There shall be a Planning Board of five members consisting of the Manager, the Director of Works and Utilities, and three members of the Homes Association, one of whom may also be a member of the Park and Recreation Board, named by the Manager whose term of office shall be for a period of three years; provided that the first appointed members of said Board shall so classify themselves by lot that the term of one member shall expire at the end of one year, one at the end of two years and one at the end of three years from the date of their first appointment, and at the expiration of said term his successor shall be appointed by the Manager for a term of three years. Vacancies shall be filled by the Manager for the unexpired portion of the term. Said board members shall serve without compensation. They shall elect their own officers, adopt their own rules and regulations and shall meet at least once a month. Three board members, at least two of whom shall be appointed members, shall constitute a quorum for the transaction of business.

Section 2. The Planning Board shall SECRETARY appoint a Consultant in City Planning to AND OTHER advise the Board and a Secretary who shall EMPLOYEES have some knowledge of city planning. The Engineer of the Department of Works

and Utilities shall also serve as Chief Engineer of the Planning Board, and it shall be his particular duty to make recommendations designed to bring all the engineering work of this corporation into harmony as parts of one comprehensive plan. The Planning Board shall have power to call upon any officer or department or board of this corporation at any time for information and advice, which in its opinion, will insure the efficiency of its work.

POWERS AND

Section 3. (a) The Planning Board Duries of the shall have full and sole authority on behalf of this corporation to give approval BOARD in the name of the Homes Association for each subdivision or re-subdivision plat or map of any property subject to the jurisdiction of the Homes Association. Each such approval shall be certified to the Secretary of the Homes Association who shall thereupon affix the official seal of the

- (b) It shall be the duty of the Planning Board to keep itself informed of the progress of city planning in this and other countries, to make studies and recommendations for the improvement of the general plan of the Palos Verdes region and vicinity with a view to the present and future movement of traffic, the convenience, amenity, health, recreation, general welfare, and other needs of this area dependent on such plan; to consider and report upon the designs and their relation to the general plan, of all new public ways, lands, buildings, bridges, and all other public places and structures, of additions to and alterations in those already existing, and of the layout or plotting of new subdivisions of this area or of territory adjacent thereto.
- (c) All acts of the Board of Directors, officers or boards of this corporation affecting the general regional plan for Palos Verdes Rancho or any part thereof, shall be submitted to the Planning Board for report and recommendations. The Board of Directors may at any time call upon the Planning Board to report with recommendations, and the Planning Board of its own volition may also report to the Board of Directors with recommendations on any matter which in the opinion of either body, affects the general regional plan. Any matter referred by the Board of Directors to the Planning Board shall be acted upon by the Planning Board within thirty days of the date of reference, unless a longer or

shorter period is specified. No action by the Board of Directors involving any points hereinbefore set forth shall be legal or binding until it has been referred to the Planning Board and until the recommendations of the Planning Board thereon have been accepted or rejected by the Board of Directors.

The Planning Board shall submit ANNUAL to the Board of Directors an annual report REPORT summarizing the activities of the Planning Board for the fiscal year, the recommendations made by it to the Board of Directors during the year and the action of the Board of Directors during the year on any and all recommendations made by the Planning Board in that or former years. The annual report of the Planning Board shall also contain a program for improvements to the regional plan year by year during the three years next ensuing, with estimates of the cost thereof and recommendations as to how the cost shall be met.

ARTICLE XVI HEALTH BOARD

Section 1. The Department of Health shall be under the control and management of the Health Board composed of the Manager and three persons named by the Manager because of their special knowledge of public health and welfare matters, provided that at least one of said members shall be selected from a list of three persons nominated by the County Medical Society of Los Angeles County. The term of office of said members shall be for a period of three years, provided that the first members of said Board shall so classify themselves by lot that the term of one member shall expire at the end of one year, one at the end of two years and one at the end of three years from the date of their first appointment. And at the expiration of the term of each member his suc-cessor shall be appointed by the Manager for a term of three years from the date of expiration of the official term of his predecessor. Vacancies shall be filled by the Manager for the unexpired portion of the term. They shall elect their own officers, adopt their own regulations, and meet at least once a month.

Section 2. The Board shall appoint a HEALTH Health Officer who shall be a person well Officer trained in matters of public health, not necessarily an inhabitant of said property,

WORKS OF A

who shall act as Chief Executive Officer under the Board, hold office at the pleasure of the Board, and who shall in behalf of said Board and of this corporation have charge, supervision and direction of all work and of all officers and employees under said Board and may dismiss any officer or employee under him. The Health Board shall have charge and control of the administration of all health and sanitation measures within the jurisdiction of said corporation.

ARTICLE XVII THE ART JURY

The Palos Verdes Art Jury Section 1. appointed by Commonwealth Trust Company of Los Angeles, April 12, 1923, is hereby adopted, confirmed and established as the Art Jury of this corporation. The Art Jury shall have full jurisdiction over all lands and property over which Palos Verdes Homes Association has jurisdiction.

APPROVAL OF

Section 2. No part of the said property Streets, and/or of any property at any time within Subdivisions the jurisdiction of the Art Jury or of Palos AND GENERAL Verdes Homes Association shall be sub-PLANTING divided, laid out or improved by street work, buildings, structures, landscaping or planting, or its physical contours cut into, altered or changed, or any premises maintained except with the approval of the Art Jury as to a uniform and reasonably high standard of artistic result and attractiveness, in exterior and physical appearance of said property and improvements; provided, that as to any original layout, subdivision and landscaping of the said property for Commonwealth Trust Company by Olmsted Brothers, Landscape Architects of Brookline, Massachusetts, the Art Jury shall not have any jurisdiction or power of approval other than to make suggestions unless specifically requested to do so by Commonwealth Trust Company; and provided also that at the end of ninety days after submission by Commonwealth Trust Company to the Art Jury of a subdivision map or of any proposed declaration of additional restrictions covering any portion of the said property, legal title to which is held by Commonwealth Trust Company, the said map or declaration shall be deemed to have been given full and final approval by the Art Jury, regardless of any action by it in the interim.

Section 3. No building, fence, wall, APPROVAL sidewalk, steps, awning, tent, pole, or other of PLANS structure, improvement, utility, parking or planting shall be erected, constructed, altered or maintained upon, under or above any portion of said property or of any property at any time within the jurisdiction of the Art Jury or of Palos Verdes Homes Association (except as provided in Section 2 hereof) unless plans and specifica-tions therefor, including the exterior color schemes together with a block plan indicating location, shall have been submitted to, approved in writing by the Art Jury and a copy of such plans, specifications and block plans as finally approved deposited for permanent record with the Art Jury. No alteration shall be made in the exterior color or design of any structure unless written approval of such alteration shall have first been obtained from the Art Jury. No sign of any kind or for any use shall be erected, posted or displayed upon or about any property under the jurisdiction of the Art Jury without the written approval of the Art Jury.

Section 4. No work of art shall become APPROVAL O the property of Palos Verdes Homes As- WORKS OF A sociation, or of any corporation, organization or public or semi-public body which may succeed or be substituted for any of them, whether acquired by purchase, gift or otherwise, unless such work of art or a design of the same, together with a state-ment showing the proposed location of such work of art, shall first have been submitted to and approved in writing by the Art Jury; nor shall any work of art until so approved be contracted for, erected, placed in or upon, or allowed to extend over or under any street, avenue, square, park, recreation grounds, school or public buildings, or other public or semi-public property over which the Art Jury has jurisdiction. The Art Jury may, when it deems proper, also require a model of the proposed work of art, or a map, drawing or profile of any proposed site therefor. The term "Work of art" as used in this section shall apply to and include all paintings, mural decorations stained glass, statues, bas-reliefs, tablets, sculptures, monuments, fountains, arches, entrance gateways, or other structures of a permanent character intended for ornament or commemoration. No work of art over which the Art Jury has jurisdiction shall be removed, relocated or in any way altered

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without the approval in writing of the Art Jury.

CUSTODIAN OF ART WORKS

ASSESSED BY

Section 5. The Art Jury shall be custodian of all works of art owned or accepted by Palos Verdes Homes Association; and shall have sole charge of the care and preservation thereof, and of such other works of art as it may accept charge of.

MEMBERSHIP

Section 6. (1) The Art Jury shall be composed of one member ex-officio named by Commonwealth Trust Company and of six other members appointed by Commonwealth Trust Company, of whom three shall be persons engaged in the practice of the fine arts in the instance of the first appointment selected from the membership of the Southern California Chapter of the American Institute of Architects and in case a vacancy among these three members occurs, Commonwealth Trust Company shall appoint his successor from a list of three persons engaged in the practice of the fine arts nominated by the Board of Directors of the Southern California Chapter of the American Institute of Architects. One member shall be a City Planner named by Commonwealth Trust Company and if a vacancy occurs as to this member Commonwealth Trust Company shall name his successor from a list of three City Planners, nominated by the Board of Directors of the American City Planning Institute. One member shall be appointed by Commonwealth Trust Company from a list of three persons nominated by the governing board of the University of California, Southern Branch, and one member shall be appointed by Commonwealth Trust Company from a list of three persons nominated by the Board of Directors of Palos Verdes Homes Associa-

(2) The six members of the Art Jury appointed by Commonwealth Trust Company shall in the first instance serve for two years and thereafter shall choose by lot terms of office as follows: Two for one year, two for two years, and two for three years, and their successors shall be appointed by Commonwealth Trust Company for terms of three years each, except on appointment to fill a vacancy, which shall be for the unexpired portion of the term. In case any of the organizations entitled to make nominations, as hereinbefore provided, shall fail to make

such nominations within sixty days after written notification by Commonwealth Trust Company of the expiration of a term or the occurrence of a vacancy, Commonwealth Trust Company shall appoint a member to fill the vacancy upon its own nomination. Said appointees shall meet, organize and notify Commonwealth Trust Company and the Board of Directors of this corporation that the organization of the Art Jury has been effected and the duties thereof assumed, and furnish Commonwealth Trust Company and the Board of Directors with a certified copy of its rules of procedure. In the event that such appointees or any of them shall fail to accept said appointment Commonwealth Trust Company shall have the right to revoke such appointment, and to appoint any other person or persons in its judgment qualified to act as members of said Art Jury. If the Art Jury for any reason shall fail to meet and perform its duties for a period of thirty consecutive days, Common-wealth Trust Company may during the thirty days next thereafter remove one or all of the members and appoint any person or persons in its judgment qualified to act as members of said Art Jury in the place of the member or members so removed; provided appointees shall in all cases in number and qualifications fulfill as nearly as possible the provisions of paragraph (1) of this section as to member-

(3) Any member of the Art Jury who shall be employed to execute a work of art or structure of any kind requiring the approval of the Art Jury, or who shall take part in competition for such work of art or structure, shall be disqualified from voting thereon; and, in such instance the Art Jury may, in its discretion, invite an expert advisor to give his opinion as to such work of art or structure.

(4) On July 1, 1932, or at any time prior thereto, Commonwealth Trust Company may terminate the term of office and its own power of appointment of the exofficio member of the Art Jury, by written notification to the President of Palos Verdes Homes Association. On July 1, 1932, the right of Commonwealth Trust Company to appoint members of the Art Jury as provided in paragraph (1) of this section shall cease; or Commonwealth Trust Company prior to said date may resign and transfer said power of appointment to the President

of Palos Verdes Homes Association, by notice thereof to him in writing. From and after said date or upon receipt of such notification or either of them, the President of Palos Verdes Homes Association shall, as the case may be, become a member exofficio of the Art Jury, as successor to the ex-officio member named by Common-wealth Trust Company and/or shall have power, as successor to Commonwealth Trust Company to appoint members there-of, as provided in paragraph (1) of this section, except as provided herein.

(5) The members of the Art Jury shall elect from their own number a President and Vice-President and shall adopt rules of procedure and prescribe regulations for submission of all matters within their jurisdiction. Four members shall constitute a quorum and shall have full power to act as the Art Jury during the period of any vacancy or vacancies in the membership thereof. The Art Jury shall designate and appoint a trust company to act as its Treasurer and to act as Trustee of all property of the Art Jury. The name of such Treasurer and of the Secretary shall be certified to Commonwealth Trust Company and to Palos Verdes Homes Association.

ART JURY PURPOSES AND FUNDS

Section 7. Any funds available therefor may be used by the Art Jury to pay its members for time in attendance at meetings, and for other expenses which in its judgment are incidental to carrying out the purpose for which it is established, to enforce its decisions and rulings and/or to promote art education and community embellishment. The Art Jury may accept bequests and donations of, and through its Trustee take and hold, title to real and/or personal property and shall have power to administer, disburse, and/or dispose of the same and/or to use the income and/or proceeds therefrom for the purposes for which it is established. The Art Jury may file estimates of its annual budget needs with the manager and the Board of Directors and the Board of Directors shall carefully consider the same and may appropriate such sums for the Art Jury as to them may seem advisable.

RECORDS AND

Section 8. The Art Jury shall, on or be-REPORTS fore the first of May of each year, make a written report to Commonwealth Trust Company and to Palos Verdes Homes Association of its general proceedings, receipts and disbursements, during the preceding calendar year and shall also furnish on written request by Commonwealth Trust Company or the Board of Directors a similar report covering any designated period.

(2) The Secretary of the Art Jury shall keep minutes of each approval, recommendations or other official act of the Art Jury and furnish certified copies of the result thereof, on request to any person, and the Art Jury may make a reasonable charge therefor. Said records shall be open to the public. The Secretary of the Art Jury or his duly authorized agent or deputy may at any time enter, inspect, and report upon any portion of said property as to its compliance with the provisions hereof, or as to the decisions of the Art Jury, or any officer or agent thereof shall not thereby be deemed guilty of any manner of trespass for such entry, and the Art Jury may authorize the Secretary thereof to issue a certificate of completion and compliance as to any property so inspected and to make and collect a reasonable charge therefor. In the absence of such certificate and after the expiration of one year from the date of approval by the Art Jury of plans of any structure or alteration, or of any matter requiring approval, the said structure or alteration or matter requiring approval shall, in favor of purchasers and encumbrancers in good faith and for value from the owner causing such structure to be erected or alteration to be made or matter approved, be deemed to be in compliance with all the provisions hereof, unless notice to the contrary shall appear of record in the office of the County Recorder of Los Angeles County.

ARTICLE XVIII FINANCIAL PROVISIONS

Section 1. The Director of Finance shall THE DIRECTO have direct supervision over the Department of Finance and the administration of the financial affairs of the corporation, including the keeping of accounts and financial records; the levy, assessment and collection of charges or assessments, and other fees and revenues (except as otherwise provided herein); the custody and disbursement of corporation funds and moneys and the deposit of the same in such bank or banks as the Board of Directors shall designate; the control over expenditures; and such other duties as the Board of Directors may, by regulation, provide.

ACCOUNTS AND

Section 2. Accounts shall be kept by the RECORDS Department of Finance showing the finan-cial transaction for all departments of the corporation. Forms for all such accounts shall be prescribed by the Director of Finance with the approval of the manager; and shall be adequate to record all cash receipts and disbursements, all revenues accrued and liabilities incurred, and all transactions affecting the acquisition, custody, and disposition of values, and to make such reports of the financial transactions and conditions of the city as may he required by law or regulations of the Board of Directors. Financial reports shall be prepared for each quarter and each fiscal year, and for such other periods as may be required by the manager, or the Board of Directors.

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Section 3. Not later than one month be-BUDGET fore the end of each fiscal year the manager shall prepare and submit to the Board of Directors an annual budget for the ensuing year, based upon detailed estimates furnished by the several departments and other divisions of the corporation, according to a classification as nearly uniform as possible. The budget shall present the following information:

- (a) An itemized statement of the appropriation recommended by the manager for current expenses and for permanent improvements for each department and board and each division thereof for the ensuing fiscal year, with comparative statements in parallel columns of the appropriations and expenditures for the current and next preceding fiscal year, and the increases or decreases in the appropriations recommended;
- (b) An itemized statement of the charges or assessments required and of the estimated revenues of the corporation from all other sources for the ensuing fiscal year, with comparative statements in parallel columns of the revenues for the current and next preceding fiscal year, and of the increases or decreases estimated or proposed;
- (c) A statement of the financial condition of the corporation and
- (d) Such other information as may be required by the Board of Directors. Copies of the budget shall be available for distribution not later than two weeks after its submission to the Board of Directors; and a public hearing shall be given thereon by

the Board of Directors or a committee thereof before action by the Board of Di-

Section 4. Not later than one week after APPROPRIATION the beginning of the fiscal year the Board of Directors shall pass an annual appropriation regulation, which shall be based APPROPRIATIONS; on the budget submitted by the manager, except as provided in Article III hereof. The total amount of appropriations shall not exceed the estimated revenues of the corporation. Before the annual appropriation regulation has been passed, the Board of Directors, with the approval in writing of the manager, may make such appropriations for current department expenses, chargeable to the appropriations of the year when passed, to an amount sufficien' to cover the necessary expenses of the various departments until the annual appropriation is in force. No other liabilities shall be incurred by any officer or employed of the corporation, except in accordance with the provisions of the annual appropriation regulation or under continuing contracts and loans authorized under the provisions hereof or as otherwise provided herein. At any meeting after the passage of the appropriation regulation and after at least one week's public notice, the Board of Directors, by affirmative vote of four members thereof, may amend such regula-tion, so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenues not included in the annual budget.

Section 5. On or before the 15th day of FIXING THE October, in each year the Board of Direc- ANNUAL tors shall, by regulation, fix and establish MAINTENANCE the amount of the annual maintenance CHARGES charge or assessment mentioned in Article I hereof, necessary to meet the appropriations made (less the estimated amount of revenue from other sources).

Section 6. Money may be borrowed, in TEMPORARY anticipation of the receipts from mainten- LOANS ance charges or assessments during any fiscal year, by the issue of notes or certificates of indebtedness; but the aggregate amount of such loans at any time outstanding shall not exceed twenty (20%) per cent of the receipts from maintenance charges or assessments during the preceding fiscal year.

REGULATIONS; TEMPORARY TRANSFERS

COLLECTION

Section 7. All charges and assessments, AND CUSTODY and fees accruing to the corporation shall OF MONEYS be collected by officers of the department of finance. All moneys received by any officer or employee of the corporation for or in connection with the business of the corporation shall be paid promptly into the corporation treasury, and shall be de-posited with such responsible banking institutions as furnish such security as the Board of Directors may determine and shall agree to pay the highest rate of interest; and all such interest shall accrue to the benefit of the corporation. The Board of Directors shall provide by regulation for the prompt and regular payment and deposit of all moneys as required by this section; provided, however, that all funds received on account of the Art Jury or Park and Recreation Board shall be kept in separate accounts subject to the respective order of said boards.

CONTRACTS

No continuing contract Section 8. AND (which involves the payment of money out Purchases of the appropriations of more than two years) except public utility franchises shall be made for a period of more than ten years; and no such contract shall be valid without public hearing thereon.

> Any work or improvement costing more than one thousand (\$1000.00) dollars shall be executed by contract, except where a specific work or improvement is authorized by the Board of Directors based on detailed estimates submitted by the department authorized to execute such work or improvement. All contracts for more than one thousand dollars shall be awarded to the lowest responsible bidder, after public advertisement and competition as may be prescribed by regulation. But the manager shall have the power to reject all the bids and to advertise again; and all advertisement shall contain a reservation of this right.

PAYMENT OF CLAIMS

Section 9. Payments by the corporation shall be made only upon vouchers certified by the head of the appropriate department or other division of the corporation, and by means of warrants on the corporation treasury issued by the Director of Finance and countersigned by the manager. The Director of Finance shall examine all payrolls, bills and other claims and demands against the corporation and shall issue no warrants for payment unless he finds that the claim is in proper form, correctly com-

puted, and duly certified; that it is justly and legally due and payable; that an appropriation has been made therefor which has not been exhausted or that the payment has been otherwise legally authorized; and that there is money in the corporation treasury to make payment. He may require any claimant to make oath as to the validity of a claim. He may investigate any claim, and for such purpose may examine witnesses under oath; and if he finds it is fraudulent, erroneous, or otherwise invalid, shall not issue a warrant

Section 10. Upon the death, resignation, AUDIT OF removal or expiration of the term of any Accounts officer of the corporation, other than the Director of Finance, the Director of Finance shall make an audit and investigation of the accounts of such officer, and shall report to the manager and Board of Directors.

As soon as practicable after the close of each fiscal year an annual audit shall be made of all the accounts of all the corporation's officers; and upon the death, resignation, removal or expiration of the term of the Director of Finance, an audit shall be made of his accounts. Such audit shall be made under the provisions of any law for the inspection and audit of corporation accounts; and by qualified public accountants, selected by the Board of Directors, who have no personal inter-

est, direct or indirect, in the financial

affairs of the corporation or of any of its

officers or employees. The Board of Directors may at any time provide for an examination or audit of the accounts of any

officer or department of the corporation.

Section 11, All accounts and the records Publicity (of every office and department of the cor- ACCOUNTS poration shall be open to the members at all reasonable times under reasonable regulations, except records and documents from which might be secured information which might defeat the lawful purpose of the officer or department withholding them from access to the members.

Section 12. No member of the Board of No Person Directors nor any officer or employee of INTEREST the corporation shall have a financial interest, direct or indirect, in any contract with the corporation, or be financially interested, directly or indirectly, in the sale to the corporation of any land, materials,

supplies or services, except on behalf of the corporation as a member of the Board of Directors, officer or employee; no officer or employee of a public utility operating on the Palos Verdes Rancho shall be a member of the Board of Directors. Any willful violation of this section shall constitute malfeasance in office, and any member of the Board of Directors, officer, or employee found guilty thereof, shall thereby forfeit his office or position. violation of this section, with the knowledge, expressed or implied, of the person or corporation contracting with this corporation, shall render the contract involved voidable by the manager or the Board of Directors.

ARTICLE XIX BOOKS AND PAPERS

The books and such papers as may be placed on file by vote of the members or Directors shall, at all times in business hours, he subject to the inspection of the Board of Directors or of any member.

ARTICLE XX

CERTIFICATE OF MEMBERSHIP

Certificates of membership shall be of such form and device as the Board of Directors may direct, and each certificate shall be signed by the President and by the Secretary, and express on its face its number, date of issuance, the description of the building sites for which, and the person to whom it is issued, and shall contain a statement that the property rights and interest in the corporation, evidenced by said certificates, shall be appurtenant to the building site therein described, and that the membership, represented by the certificate, shall be transferred only with a building site described in the certificate. If a certificate shall be lost or destroyed,

the Board of Directors may order a new certificate issued upon such guaranty by the parties claiming the same as the Directors may deem satisfactory.

ARTICLE XXI

TRANSFER OF MEMBERSHIP

Upon satisfactory evidence of such transfer of a building site the membership of the transferor shall be marked "cancelled" on the books of the corporation as to the building site transferred, without requiring a surrender or cancellation of the transferor's certificate of membership and a new certificate of membership may thereupon be issued to such transferee.

If a certificate shall be lost or destroyed, the Board of Directors may order a new certificate issued upon such guaranty by the parties claiming the same as the Directors may deem satisfactory.

ARTICLE XXII

AMENDMENTS

The By-Laws may be repealed or amended or new By-Laws may be adopted at any meeting of the members by a vote representing two-thirds of all the said building sites owned by members, or by the Board of Directors when thereunto authorized at any meeting of the members, by a vote representing two-thirds of all the said building sites, or by the written assent of the record holders of the legal titles to two-thirds of all the said building sites.

ARTICLE XXIII

SEAT.

The corporation shall have a common seal, consisting of a circle, having conveniently arranged on said seal the words, "PALOS VERDES HOMES ASSOCIATION, California, Incorporated May, 1923."

WRITTEN ASSENT TO BY-LAWS

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being the holders of more than two thirds of the memberships of PALOS VERDES HOMES ASSOCIATION, a corporation under the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles, in said State, hereby assent to the foregoing By-Laws contained on page 1 to page 27, both inclusive, of this "Book of By-Laws," and we hereby adopt the same as and for the By-Laws of said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 25th day of June, 1923.

(Signed) JAY LAWYER,
JOHN C. LOW,
JAMES FREDERICK DAWSON,
J. H. COVERLEY,
M. V. BOAZ.

CERTIFICATE TO BY-LAWS

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being and constituting a majority of the Directors, and the Secretary of PALOS VERDES HOMES ASSOCIATION, a corporation under the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles, in said State, do hereby certify and declare that the above and foregoing By-Laws set forth and contained on pages 1 to 27, both inclusive, of this "Book of By-Laws," were duly made and adopted as and for the By-Laws of said corporation, and do now constitute and are the By-Laws thereof.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 25th day of June, 1923.

(Signed) JAY LAWYER,
JOHN C. LOW,
JAMES FREDERICK DAWSON,
J. H. COVERLEY,
M. V. BOAZ.

Attest: M. V. Boaz, Secretary.

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