

FAIRWOOD PARK II HOMEOWNERS ASSOCIATION

BYLAWS

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**BYLAWS OF
FAIRWOOD PARK II HOMEOWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is FAIRWOOD PARK II HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located at 1303 Lick Avenue, San Jose, County of Santa Clara, California, or at such other place as may be designated by the Board.

**ARTICLE II
DEFINITIONS**

2.1 The definitions contained in the Declaration are incorporated by reference herein.

2.2 "Declaration" shall mean and refer to the Enabling Declaration Establishing A Plan For Condominium Ownership applicable to the property recorded on the 5th day of December, 1986, in Book J948 page(s) 1251, Official Records, Santa Clara County, and subsequent amendments thereto.

**ARTICLE III
MEETING OF MEMBERS AND VOTING**

3.1 Annual Meeting. The first meeting of the members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association or within forty-five (45) days after the closing of the sale of the project interest which represents the fifty-first (51st) percentile interest authorized for sale under the first public report for the project, whichever occurs first, but in no event later than six (6) months after the close of escrow on the sale of the first unit in the project. The next annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent regular annual meetings of the members shall be held within thirty (30) days of the same day of the same month of each year thereafter, at the hour of 8:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday (excluding Saturday and Sunday).

3.2. Special Meetings. Special meetings of the members shall be promptly scheduled at any time by the Board in response to the vote of a majority of the Board of Directors, or in response to a request by the Chairman of the Board, the President, or upon written request of the members representing five percent (5%) of the total voting power of the Association. If the Association is the obligee under a bond or other arrangement to secure performance of the commitment of the Declarant to complete common area improvements which have not been completed prior to the close of escrow of the sale of the first unit, and the provisions of section 8.14 of the Declaration are applicable, a special meeting of members may be called in accordance with the provisions of section 8.14 of the Declaration which provisions are incorporated by reference herein.

3.3 Notice and Place of Meetings. Written notice of each meeting of the members, annual or special, shall be given by, or at the direction of, the Secretary, by mailing a copy of such notice, first class mail, postage prepaid, at least ten (10) but not more than ninety (90) days before such meeting to each first lender requesting notice and to all members, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s): (a) removing a director without cause; (b) filling vacancies in the Board of Directors by the members; (c) amending the Articles of Incorporation; (d) approving a contract or transaction in which a director has a material financial interest. Meetings shall be held within the project or at a meeting place within the same county, as close to the project as possible. Special meetings called in accordance with section 8.14 of the Declaration shall satisfy the notice requirements contained in section 8.14.

3.4 Quorum. The presence either in person or by proxy, at any meeting, of members entitled to cast fifty-one percent (51%) of the total voting power of the Association (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting), shall constitute a quorum for any action except as otherwise provided in the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, a majority of the members entitled to vote thereat may, unless otherwise provided by law, adjourn the meeting to a date not less than five (5) days and not more than thirty (30) days from the meeting date, at which meeting the quorum requirements shall be one-third (1/3) of the total voting power (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting). The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that twenty-five percent (25%) of the total voting power of the Association remains present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the members required to constitute a quorum. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

3.5 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit, or upon receipt of written notice by the Secretary of the Board of the death or judicially declared incompetence of a member prior to the counting of the vote, or upon the expiration of eleven (11) months from the date of the proxy. In addition, voting by proxy shall comply with any other applicable requirements of California Corporation Code §§7514 and 7613.

3.6 Membership and Voting. Membership shall be held as provided in the Declaration. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all owners with the exception of the Declarant (as defined in the Declaration) and shall be entitled to one (1) vote for each

unit owned. When more than one (1) person holds an interest in any unit, all such persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any unit.

Class B: The Class B members shall be the Declarant and shall be entitled to vote as follows: Voting shall be the same as for Class A memberships, except that Class B members may triple their votes for each unit owned. The Class B memberships shall cease and be converted to Class A memberships upon the happening of either of the following events, whichever occurs earlier:

(a) On the second anniversary of the issuance of the original final public report for the most recent phase of the project; or

(b) On the fourth anniversary of the issuance of the original final public report for the first phase of the project.

Any action by the Association which must have the approval of the members before being undertaken shall require the vote or written assent of a majority of each class of membership during the time that there are two (2) outstanding classes of membership. Where the vote or written assent of each class of membership is required, any requirement that the vote of Declarant be excluded is not applicable, except as provided in section 8.14 of the Declaration. After the conversion of Class B membership to Class A membership, any provision herein requiring the approval of members other than Declarant, except as provided in section 8.14, shall mean the vote or written assent of a majority of the total voting power of the Association (including Declarant's vote(s)) and the vote or written assent of a majority of the total voting power of members other than the Declarant. Voting rights attributable to units shall not vest until assessments against those units have been levied by the Association.

3.7 Action Without Meeting. Any action that may be taken at any annual or special meeting of members may be taken without a meeting in accordance with the provisions of California Corporations Code §§ 7513 or 7516

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number. The affairs of this Association shall be managed by a Board of three (3) directors, all of whom must be members of the Association, or an officer, director, employee or agent of a member, including Declarant. The initial directors shall be appointed by the Declarant and shall hold office until the first meeting of the members as described in section 3.1 and until their successors are elected.

4.2 Term of Office. At the first meeting of the members, the members shall elect three (3) directors for a term of one (1) year, and at each annual meeting thereafter the members shall elect three (3) directors for a term of one (1) year. Unless vacated sooner, each director shall hold office until the director's term expires and a successor is elected.

4.3 Removal; Vacancies. Unless the entire Board is removed from office by the vote of Association members, an individual director shall not be removed prior to the expiration of his term of office if the votes cast against his removal would be sufficient to elect him if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the most

recent election of directors were then being elected. A director who was elected solely by the votes of members other than Declarant may be removed from office prior to the expiration of his term only by the votes of a majority of members other than Declarant. In the event of death or resignation of a director, the vacancy shall be filled by approval of the Board at a duly held meeting, or by the sole remaining director. The successor director shall serve for the unexpired term of his or her predecessor. The members may elect a director at any time to fill any vacancy not filled by the directors. A vacancy created by removal of a director can be filled only by election of the members.

4.4 Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for his actual expenses, if reasonable, that are incurred in the performance of his or her duties.

4.5 Indemnification of Corporate Agents. The Association shall indemnify any present or former director, officer, employee or other agent of the Association to the fullest extent authorized under California Corporations Code §7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was entitled to indemnification under this provision.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Notice to the members of the meeting shall include the names of all those who are nominees at the time the notice is sent. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to members and to solicit votes.

5.2 Election. The first election of the Board shall be conducted at the first meeting of the Association. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. All members shall be entitled to cumulate their votes for one (1) or more candidates for the Board, if the candidate's name has been placed in nomination prior to voting, and if a member has given notice at the meeting prior to the voting of his or her intention to cumulate votes. Voting for directors shall be by secret written ballot. So long as a majority of the voting power of the Association resides in the Declarant, or so long as there are two (2) outstanding classes of membership in the Association, not less than one-third (1/3) of the incumbents on the Board shall have been elected solely by the votes of the owners other than the Declarant, in accordance with the following special procedure: The collected ballots shall be segregated between ballots cast by Declarant, and ballots cast by other members. The ballots received from other members shall be counted first, and the person receiving the greatest number of votes from such members shall be elected to the Board. The votes of Declarant shall then be added to the totals

and the persons receiving the highest number of votes (other than the person already elected) shall be elected to the remaining positions on the Board.

ARTICLE VI MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at such place within the project, and at such hour as may be fixed from time to time by resolution of the Board. If a larger meeting room is required than exists within the project, the Board shall select a room as close as possible to the project. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, excluding Saturday and Sunday. Notice of the time and place of meeting shall be posted at a prominent place within the common area, and shall be communicated to directors not less than four (4) days prior to the meeting, provided, however, that notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary of the Association, or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Such notice shall be posted at a prominent place within the common area not less than seventy-two (72) hours prior to the scheduled time of the meeting. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

6.3 Quorum. A majority of the directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.4 Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

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

6.6 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors

participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting. An explanation of the action taken shall be posted at a prominent place within the common area within three (3) days after the meeting.

6.7 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.8 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment, and shall be posted at a prominent place within the common area.

6.9 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of the action taken shall be posted at a prominent place or places within the common area within three (3) days after the written consents of all Board members have been obtained.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Duties. It shall be the duty of the Board of Directors to:

A. Maintenance: Perform the maintenance described in section 5.1A of the Declaration;

B. Insurance: Maintain insurance as required by section 8.8 of the Declaration;

C. Discharge of Liens: Discharge by payment, if necessary, any lien against the common area and assess the cost thereof to the member or members responsible for the existence of the lien (after notice and hearing as required by these Bylaws);

D. Assessments: Fix, levy, collect and enforce assessments as set forth in Article IV of the Declaration;

E. Expenses and Obligations: Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

F. Records: Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members; keep adequate and correct books and records of account, minutes of proceedings of its members, Board and committees, and a record of its members giving their names and addresses and classes of membership;

G. Supervision: Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

H. Enforcement: Enforce these Bylaws and the Declaration.

7.2 Powers. The Board of Directors shall have power to:

A. Manager: Employ a manager as provided in section 5.2C of the Declaration;

B. Adoption of Rules: Adopt rules in accordance with section 5.2D of the Declaration;

C. Assessments, Liens and Fines: Levy and collect assessments and impose fines as provided in section 5.2F of the Declaration;

D. Enforcement (Notice and Hearing): Enforce these Bylaws and/or the Declaration provided that at least fifteen (15) days prior notice of any charges (other than assessments) or potential discipline or fine and the reasons therefore are given to the member affected, and that an opportunity is provided for the member to be heard, orally or in writing before the imposition of the discipline or fine, said hearing to be before the Board. Notice shall be given as required by Corporations Code §7341;

E. Contracts: Contract for goods and/or services in accordance with section 5.2K of the Declaration;

F. Delegation: Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority to make capital expenditures for additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an owner or his tenant, lessee, guest or invitee with the Declaration or rules and regulations promulgated by the Board, or to make a decision to levy monetary fines, impose special assessments against individual units, temporarily suspend an owner's rights as a member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy regular or special assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of assessments. Any such delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board;

G. Appointment of Trustee: Appoint a trustee to enforce assessment liens by power of sale as provided in the Declaration and in Civil Code § 1367(b);

H. Other Powers: In addition to any other power contained herein, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in Corporations Code § 7140.

7.3 Prohibited Acts. The Board shall not take any of the following actions, except with the vote or written consent of a majority of the total voting power of the Association including a majority of members other than Declarant:

A. Entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the Association for a term longer than one (1) year with the following exceptions:

(1) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration (if either has jurisdiction over the project) or by the Department of Real Estate during the period the Department of Real Estate has jurisdiction over the sale of the project pursuant to a public report;

(2) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(3) Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits short rate cancellation by the insured;

(4) Lease agreements for laundry room fixtures and equipment or satellite dish television services and equipment of not to exceed five (5) years duration provided that the lessor under the agreement is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(5) Agreements for cable television services and equipment or satellite dish, television services and equipment of not to exceed five (5) years duration provided that the supplier is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more.

B. Incurring aggregate expenditures for capital improvements to the common area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;

C. Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;

D. Paying compensation to members of the Board or to the officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a member or officer to be reimbursed for the actual expenses, if reasonable, that are incurred in the performance of his or her duties;

E. Levy special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of

Directors, a Secretary, and a Chief Financial Officer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if the officer is also a Board member) by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Duties. The duties of the officers are as follows:

A. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a California nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

B. Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with the addresses, and shall perform such other duties as required by the Board.

D. Chief Financial Officer. The Chief Financial Officer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; shall prepare and shall distribute budgets and statements to each member as follows:

(1) A pro forma operating budget for each fiscal year shall be distributed not less than forty-five (45) nor more than sixty (60) days before the

beginning of the fiscal year consisting of at least the following: (a) Estimated revenue and expenses on an accrual basis; (b) The identification of the total cash reserves of the Association currently set aside; (c) The identification of the estimated remaining life of, and the methods of funding used to defray the future repair, replacement, or additions to, those major components which the Association is obligated to maintain; (d) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement or additions to those major components that are attributable to the areas which the Association is obligated to maintain;

(2) A balance sheet as of an accounting date which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a unit in the project, and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the numbers of the condominium units and the name or names of the owners assessed;

(3) A report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (a) A balance sheet as of the end of the fiscal year; (b) An operating (income) statement for the fiscal year; (c) A statement of changes in financial position for the fiscal year; (d) For any fiscal year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000), a copy of a review of the financial statement of the Association prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy; (e) Any information required to be reported under §8322 of the California Corporations Code;

(4) If the report referred to in D(3), above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review;

(5) A statement describing the Association's policies and practices in enforcing lien rights, or other legal remedies for default in payment of its assessments against its members, and a statement of the place where the names and addresses of the current members are located shall be distributed annually to the members during the sixty (60) day period immediately preceding the beginning of the Association's fiscal year.

E. Delegation. The foregoing duties may be delegated to a manager appointed by the Board.

ARTICLE IX COMMITTEES

An Architectural Control Committee may be appointed as provided in the Declaration and a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Corporation Law of California, also requires members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of

Directors or the members of those committees; (f) approve any transaction to which the Association is a party and in which one (1) or more directors have a material financial interest.

ARTICLE X BOOKS AND RECORDS

10.1 Inspection by Members. The membership register (including names, addresses and voting rights), books of account and minutes of meetings of the members, of the Board, and of committees shall be made available for inspection and copying by any member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the project as the Board shall prescribe.

10.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

- A. Notice to be given to the custodian of the records by the member desiring to make the inspection;
- B. Hours and days of the week when such an inspection may be made;
- C. Payment of the cost of reproducing copies of documents requested by a member.

10.3 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

10.4 Documents Provided by Board: Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide the owner with a copy of the governing documents of the project, a copy of the most recent budget and statements of the Association distributed pursuant to section 8.7D(1), (3) and (5), and a true statement in writing from an authorized representative of the Association as to the amount of any assessments levied upon the condominium which are unpaid on the date of the statement, including late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the owner's condominium. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

ARTICLE XI MISCELLANEOUS

11.1 Amendments. Prior to close of escrow on the sale of the first unit, Declarant may amend these Bylaws (provided any amendment constituting a material change shall require the approval of the Department of Real Estate). After sale of the first unit, these Bylaws may be amended, only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of a quorum of the Association and a majority of the votes or written consent of members other than Declarant, or where the two (2) class voting structure is still in effect, by vote of a majority of each class of members. However, the percentage of voting power necessary to amend a specific

provision shall not be less than the prescribed percentage of affirmative votes
or action to be taken under that clause.

Conflicts. In the case of any conflict between the Articles of Incorporation
Bylaws, the Articles shall control; and in the case of any conflict between the
on and these Bylaws, the Declaration shall control.

Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the
a shall begin on the first day of January and end on the thirty-first (31st) day
per of every year, except that the first fiscal year shall begin on the date of
ion.

the undersigned, being all of the Directors of FAIRWOOD PARK II
ERS ASSOCIATION, do hereby certify:

we are entitled to exercise all of the voting power of said corporation;

we hereby assent to the within and foregoing Bylaws and hereby adopt the
Bylaws of said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 8th day of
December, 19 86.



MEDFORD L. SNYDER



PATRICIA IWASAKA



JAMES T. IWASAKA

undersigned, the duly elected and acting Secretary of FAIRWOOD PARK II
ERS ASSOCIATION, a California nonprofit mutual benefit corporation, do
ify:

the within and foregoing Bylaws were adopted as the Bylaws of said
on the 8th day of December, 19 86, and that the same do
ite the Bylaws of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 8th day of
December, 19 86.



Secretary