

INDEX OF BY-LAWS
OF
STONEMAN ESTATES CONDOMINIUM ASSOCIATION, INC.
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

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ARTICLE I

NAME AND LOCATION

Section 1.01. Name.

The name of this corporation is STONEMAN ESTATES CONDOMINIUM ASSOCIATION, INC., a California non-profit mutual benefit corporation, its successors and assigns and hereinafter referred to as the "Association."

Section 1.02. Location.

The Association shall have its principal office at the condominium project site, located at 14200 Foothill Boulevard, Sylmar, in the City of Los Angeles, County of Los Angeles, State of California, or as close thereto as practicable within said City as the Board may determine or as the affairs of the Association may require from time to time.

ARTICLE II

DEFINITIONS

Section 2.01. Declaration.

The "Declaration," shall mean the Declaration of Establishment of Covenants, Conditions and Restrictions for Stoneman Estates Condominiums, recorded in the Office of the Los Angeles County Recorder, as the same may be amended.

Section 2.02. Other Definitions.

Each and every definition set forth under Article I of the Declaration shall have the same meaning herein as therein and each and every such definition is incorporated herein by reference thereto.

ARTICLE III

MEMBERSHIP

Section 3.01. Membership.

The qualifications for membership, the classes of membership and the voting rights of members shall be as set forth under Article IV of the Declaration, all of which provisions are incorporated herein by reference thereto.

Section 3.02.

Suspension of Membership.

The voting rights and rights to use and enjoy the Common Area of members, their families and guests may be suspended by action of the Board during any period when assessments owed by members remain unpaid and delinquent and for failure by members to comply with the provisions of the Declaration, the Articles and these By-Laws, subject to the notice and hearing provisions set forth under Article IV, Section 4.05 of the Declaration, which section is incorporated herein by reference thereto.

ARTICLE IV

MANAGEMENT

Section 4.01.

Creation of Board of Directors.

The members of the Association shall hold an organizational (first annual) meeting within forty-five (45) days after the close of escrow of the first unit in the project which represents the fifty-first (51st) percentile interest authorized for sale under the first Public Report, but no later than six (6) months after the close of escrow of the first unit in the project. At the organizational meeting, a Board of Directors shall be elected by secret written ballot of the owners and all positions on the Board shall be filled.

Section 4.02.

Specially Elected Directors.

To assure resident owners representation on the Board, from the first election of the Board (organizational meeting) and thereafter for so long as a majority of the voting power of the Association resides in Declarant, or so long as there are two (2) outstanding classes of membership, not less than twenty (20%) percent of the incumbents on the Board shall be elected solely by the votes of owners other than Declarant at a duly constituted meeting. At such meeting, nominations for the specially elected director shall be made from the floor. When nominations have been closed, the special election shall take place. Declarant shall not have the right to participate in or vote in the special election, but Declarant or his representatives may be present. The candidate receiving the highest number of votes up to the number of specially elected directors to be elected, shall be deemed to be the specially elected director. A director who has been elected to office solely by the votes of members other than Declarant, may be removed from office prior to the expiration of his term only by the vote of a majority of the voting power residing in members other than Declarant.

Section 4.03.

Term of Office.

At the organizational meeting and at each annual meeting thereafter, the members shall elect five (5) directors, all of whom shall be members of the Association, and who shall serve for a term of one (1) year. If an annual meeting is not held, or if held, a new Board is not elected thereat, directors may be elected at any special meeting of members called for that purpose. All directors shall hold office until their respective successors are elected.

Section 4.04. Removal of the Board.

The entire Board or any individual director may be removed from office by affirmative vote of fifty-one (51%) percent of the voting power of the Association. However, unless the entire Board is removed by such vote, no individual director shall be removed prior to the expiration of his term if the votes cast against 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 were then being elected.

Section 4.05. Vacancies.

Vacancies on the Board may be filled by the vote of a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office for the unexpired term of his predecessor and until his successor is elected at an annual or special meeting of members. A vacancy shall be deemed to exist in the case of death or resignation of a director.

The Board shall not, except with the vote or written assent of a majority of the voting power of the Association residing in members other than Declarant, fill a vacancy on the Board created by the removal of a Board member.

Section 4.06. Compensation.

No director shall receive compensation for any services he may render to the Association without the vote or written consent of a majority of the voting power and a majority of the votes residing in members other than Declarant. However, any director may be reimbursed for his actual expenses incurred in carrying on the business of the Association.

ARTICLE V

MEETINGS OF THE ASSOCIATION

Section 5.01. Annual Meeting.

Annual meetings of the Association shall be held within ten (10) days before or after the anniversary date of the organizational meeting. Meetings shall be held within the subdivision or at a meeting place as close thereto as possible. Unless unusual conditions exist, meetings of members shall not be held outside of Los Angeles County. At each annual meeting, directors shall be elected and any other proper business may be transacted.

Section 5.02. Special Meetings.

A special meeting of the members of the Association shall be promptly scheduled by the Board upon: (i) the vote of the Board itself; or (ii) written request for a special meeting signed by members representing at least five (5%) percent of the total voting power of the Association. If a special meeting is requested by any

person other than the Board, the request shall specify the time, date, place and general nature of the business to be transacted and shall be delivered personally or by mail (postage prepaid) to an officer of the Board. The officer receiving the request that a special meeting be scheduled shall notify the members in accordance with the provisions of Section 5.03. Nothing herein shall be construed as limiting or affecting the time when a special meeting of members may be scheduled by action of the Board.

Section 5.03. Notice.

Notice of all meetings of members, whether annual or special, shall be given by the Board. The notice shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting. The notice shall specify the date, time and place of meeting and in the case of a special meeting, the nature of business to be transacted.

Section 5.04. Quorum Requirements.

At all meetings of members, a quorum for the transaction of business, through the presence of members in person or by proxy, shall be fifty-one (51%) percent of the voting power of the Association. Absent a quorum, a majority of those present in person or by proxy, may adjourn the meeting to another time but may not transact any other business. An adjournment for lack of a quorum by those in attendance, shall be to a date not less than five (5) nor more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall be twenty-five (25%) percent of the total voting power of the Association. 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 date, time and place of the adjourned meeting shall be given to members in the manner prescribed under Section 5.03.

Section 5.05. Proxies.

At all meetings of members, each member may be present in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Board. No proxy shall be valid after the expiration of eleven (11) months of the date it is executed; provided that, the maximum term of any proxy shall be three (3) years from the date of its execution. Every proxy shall be revocable and continue in full force and effect until revoked in writing by the proxy maker. However, a proxy shall not be deemed revoked by the death or incapacity of the proxy maker or the termination of his membership in the Association as a result of his death or incapacity unless, before the vote is counted, written notice of the death or incapacity of the proxy maker is received by the Board.

Section 5.06. Cumulative Voting.

A member entitled to vote at any Board election may cumulate his vote and give one candidate a number of votes equal to the

number of directors to be elected multiplied by the number of votes to which his unit is entitled, or may distribute his vote on the same principle among as many candidates as he desires. However, a member shall be entitled to cumulate votes for one or more candidates for the Board only if the candidate's name has been placed in nomination, prior to voting, and if the member has given notice, prior to voting, of his intention to cumulate votes. If any one member has given such notice, all members may cumulate votes for candidates in nomination.

Section 5.07. Order of Business.

The order of business of all meetings of members shall be as follows:

1. Roll Call
2. Proof of Notice of Meeting or Waiver thereof
3. Reading of Minutes of preceding meeting
4. Reports of Board and Officers
5. Election of directors (if any are to be elected)
6. Unfinished Business
7. New Business

All questions of parliamentary procedure shall be decided in accordance with Roberts' Rules of Order.

Section 5.08. Action Without Meeting.

Subject to subparagraph (d) hereinbelow, any action which may be taken at any regular or special meeting of members may be taken without a meeting if the written ballot of every member is solicited, if the required number of signed approvals in writing, setting forth the action so taken, is received, and if the requirements of subparagraph (d) below are satisfied.

(a) All solicitations of ballots shall indicate the time by which the ballot must be returned to be counted; and

(b) Approval by written ballot pursuant to this section shall be valid only when the number of ballots cast on or before the time the ballot must be returned to be counted equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of ballots cast.

(c) A written ballot may not be revoked.

(d) Directors may not be elected by written ballot under this section, since cumulative voting shall be required for all elections in which more than two (2) positions on the Board are to be filled, subject only to the procedural requirements for cumulative voting set forth under Section 5.06.

ARTICLE VI

MEETINGS OF THE BOARD.

Section 6.01. Regular Meetings.

Regular meetings of the Board shall be held at least once every three (3) months at a time and at a meeting place as fixed by the Board. The meeting place shall ordinarily be within the subdivision itself unless, in the judgment of the Board, a larger meeting room is required than exists within the subdivision, in which case, the meeting room selected shall be as close as possible to the subdivision. Notice of the time and place of regular Board meetings shall be posted in a prominent place or places within the Common Area and shall be communicated to the Board members not less than four (4) days prior to the meeting; provided that, notice of a meeting need not be given to any Board member who has signed a waiver of notice, or a written consent to the holding of the meeting, or an approval of the minutes thereof.

Section 6.02. Special Meetings.

Special meetings of the Board may be called by written notice signed by the President, or the Vice-President or the Secretary or any two (2) directors. The notice shall specify the time, date and place of the meeting and the nature of business to be considered. Notice shall be posted in a manner prescribed for notice of regular Board meetings and shall be sent to all Board members not less than seventy-two (72) hours prior to the scheduled time of the special meeting; provided that, notice of the meetings need not be given to any Board member who has signed a waiver of notice, or a written consent to holding of the meeting, or approval of the minutes thereof.

Section 6.03. Quorum for Board Meetings.

A majority of the total number of directors shall constitute a quorum for the transaction of business at a meeting of the Board. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present, shall be regarded as the acts of the Board.

Section 6.04. Action Without Meeting.

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

Section 6.05. Meetings of Board Open to all Members.

Regular and special meetings of the Board shall be open to all members of the Association, provided that Association

members who are not on the Board may not participate in any deliberation or discussion, unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board may, with approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote on 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.

ARTICLE VII

OFFICERS

Section 7.01. Officers.

The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. The Association may also have, at the discretion of the Board, a Chairman of the Board, one or more additional Vice-Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers. The Board may also appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these By-Laws or as the Board may from time to time determine.

Section 7.02. Selection.

The officers of the Association shall be chosen annually by the Board and each shall hold his office until he shall resign or shall be disqualified to serve or his successor is elected and qualified.

Section 7.03. Vacancies.

A vacancy in any office because of the death, resignation or disqualification of a Board member, shall be filled by the Board at any regular or special meeting and the officer so chosen shall hold office until he shall resign or shall be otherwise disqualified to serve, or his successor is elected and qualified. However, except with the vote or written assent of a majority of the voting power and a majority of the votes residing in members other than Declarant, no vacancy shall be filled by the Board created by the removal of a Board member.

Section 7.04. Resignation.

Any officer may resign at any time by giving written notice to the President or Secretary of the Board. Such resignation shall take effect on the date of receipt of the notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 7.05.

Duties of the Officers.

(a) Chairman of the Board.

The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board or prescribed in these By-Laws.

(b) President.

Subject to such supervisory powers, if any, as may be given by the Board to the Chairman of the Board, if there shall be such an officer, the President shall be the Chief Executive Officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. He shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes of the Association. He shall preside at all meetings of the members and in the absence of the Chairman, or if there be none, at all meetings of the Board. He shall be an ex officio member of all the standing committees and shall have such other powers and duties as may be prescribed by the Board or these By-Laws.

(c) Vice-President.

In the absence or disability of the President, the Vice-President shall perform all duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall have such other powers and perform such other duties as from time to time are prescribed for him by the Board or these By-Laws.

(d) Secretary.

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office of the Association, of all meetings of directors and members, with the time, date and place of holding, whether regular or special and if special, how authorized, the notice thereof given, the names of those present (or their representatives) at the meetings, and the proceedings of the meetings. The Secretary shall keep, or cause to be kept a membership book containing the name and address of each member of the Association. Termination of any membership shall be recorded in the book, together with the date on which the membership ceased. Further, the Secretary shall give, or cause to be given, notice of all meetings of members and of the Board and shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

(e) Treasurer.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the

properties and business transactions of the Association. The books of account shall be open to inspection at all reasonable times by any director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association, with such depositories as may be designated by the Board and shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and directors (whenever they shall request) an account of all of his transactions as Treasurer and of the financial condition of the Association. He shall sign all checks and promissory notes of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD

Section 8.01. Powers.

Subject to the limitations of the Articles, the Declaration, these By-Laws and the California Non-Profit Mutual Benefit Corporation Law as to action required to be authorized or approved by members of the Association and subject to the duties of directors as hereinafter provided, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board.

Section 8.02. Operating Statement.

In addition to the provisions contained under Article VI (Assessments) of the Declaration, which provisions are incorporated herein by reference thereto, the Board shall prepare or cause to be prepared financial statements on a regular basis and distribute same to all members, regardless of the number of members or the amount of assets of the Association, as follows:

(a) A proforma operating statement (budget) for each fiscal year which shall be distributed not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of the fiscal year to which it pertains. The proforma budget shall consist of the following information: (i) estimated revenue and expenses; (ii) the amount of the total cash reserve currently available to the Association for replacement or major repair of common facilities and contingencies; (iii) an itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the common areas and facilities; (iv) a general statement setting forth the procedures used by the Association in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the common areas and facilities; (v) a balance sheet as of an accounting date which is the last day of the month closest in time to six months from the date of closing the first sale of a unit in this subdivision and an operating statement for the period from the date of the first closing to the said accounting date, which statement shall be distributed within sixty (60) days after the accounting date. The operating statement shall include a schedule of assessments received and

receivable by the Association, identified by the number of the unit and the name of the owner assessed.

(b) A report consisting of the following information shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet as of the end of the fiscal year; (ii) an operating (income) statement for the fiscal year; and (iii) a statement of changes in financial position for the fiscal year. If the gross income to the Association exceeds \$75,000.00 for any fiscal year, a copy of the review of the annual report, prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. If the report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without independent audit or review from the books and records of the Association.

(c) In addition to the financial statements, the Association shall annually distribute within sixty (60) days prior to the beginning of the fiscal year, a statement of the Association's policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against members' units.

Section 8.03. Assessment Procedure.

The Board shall fix the amount of the regular assessments against each unit at least sixty (60) days in advance of each assessment period; shall prepare an assessment roll of the units within the project and assessments applicable thereto which shall be kept in the office of the Association and available for inspection by any owner during normal business hours; and shall send written notice of each assessment to every owner subject thereto, at least thirty (30) days in advance of each annual assessment period.

Section 8.04. Certificate of Payment.

Upon demand, the Board shall furnish to any owner liable for assessments, a written certificate signed by an officer or authorized agent of the Association, setting forth whether assessments or any portion thereof have been paid. The certificate shall be conclusive evidence of payment of any assessment or portion thereof therein stated to have been paid. The Board may charge a reasonable fee for issuance of any such certificate.

Section 8.05. Duties; Standard of Care.

A director shall perform the duties of a director including duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner such director believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements

and other financial data, in each case prepared or presented by: (i) one or more officers or employees of the Association whom the director believes to be reliable and competent in the matters presented; (ii) counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or (iii) a committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted. A person who performs the duties of a director in accordance with the foregoing, shall have no liability based upon any failure or alleged failure to discharge the person's obligations as a director.

ARTICLE IX

COMMITTEES

Section 9.01. Nominating Committee.

Nomination for election to the Board shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting or special meeting, as the case may be. The nominating committee shall consist of two (2) members of the Board and one (1) member of the Association. The nominating committee shall be appointed by the Board prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 9.02. Additional Committees.

In addition to the nominating committee, the Board shall appoint such other committees as it deems appropriate in carrying out the purposes of the Association which may include:

(a) An Architectural Committee, which shall consist of three (3) members. Declarant may appoint all of the original members of this committee and all replacements until the first anniversary of the original issuance of the Final Report for the project, and may reserve to himself the power to appoint a majority of the members of the committee until ninety (90%) percent of all the units in the overall development have been sold, or until the fifth (5th) anniversary of the issuance of the Final Report for the project, whichever first occurs. After one (1) year from the date of issuance of the original Final Report for the project, the Board shall have the power to appoint one (1) member to the committee until ninety (90%) percent of the units in the project have been sold or until the fifth (5th) anniversary date of the original issuance of the Final Report for the project, whichever first occurs. Thereafter, the Board shall have the power to appoint all members to the committee. Members appointed to the committee by the Board shall be from the membership of the Association; members appointed to the committee by Declarant need not be members of the Association.

(b) A Recreational Committee, which shall advise the Board on all matters pertaining to the recreational programs and activities of the Association, and shall perform such other functions as the Board in its discretion determines.

(c) A Maintenance Committee, which shall advise the Board on all matters pertaining to the maintenance, repair or improvement of the Common Area and shall perform such other functions as the Board in its discretion determines.

(d) A Publicity Committee, which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board, make such public releases and announcements as are in the best interests of the Association; and

(e) A Finance Committee, which shall supervise the annual report of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its annual meeting, as provided in Article VIII, Section 8.02 of these By-Laws. The Treasurer shall be an ex officio member of this committee.

Section 9.03. Duties of Committees.

It shall be the duty of each committee to receive complaints (in writing) from members on any matter involving Association functions and duties within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committees, directors or officer of the Association as is further concerned with the matters presented.

ARTICLE X

GENERAL PROVISIONS

Section 10.01. Books and Records of the Association.

The membership register, books of account, minutes of meetings of members and of the Board and of committees of the Board, shall be made available for inspection and copying by any member of the Association or 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. The Board shall establish reasonable rules with respect to: (i) notice to be given the custodian of the records by the member desiring to make the inspection; (ii) hour(s) and day(s) of the week when the inspection may be made; and (iii) the cost for reproducing documents to be charged to the member requesting copies. Every director shall have the absolute right, at any reasonable time, to inspect the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make copies and extracts of documents.

Section 10.02. Fiscal Year.

The fiscal year of the Association shall be a calendar year, unless and until a different fiscal year is adopted by the members at a duly constituted meeting thereof.

Section 10.03. Checks; Drafts, Etc.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association, shall be signed by the President and Chief Financial Officer of the Association or endorsed by such person or persons, and in such manner as shall be determined by a resolution of the Board of Directors.

Section 10.04. Dispute and Hearings.

Subject in all respects to the notice and hearing provisions set forth in the Declaration under Article IV, Section 4.05 thereof and incorporated into these By-Laws pursuant to Section 3.02 hereof, but recognizing the need for a reasonable means of encouraging and insisting upon compliance with the provisions of the Declaration and these By-Laws, the Board is authorized to impose monetary penalties on members with respect to violations of any provision contained under Article III (Use Restrictions) of the Declaration. Any monetary penalty imposed for a violation of the provisions of said Article III of the Declaration shall not exceed: (i) Twenty-Five (\$25.00) Dollars for any one violation; or (ii) Five Hundred (\$500.00) Dollars per member in any one calendar year. < * FIN.

Section 10.05. Successors and Assigns.

Each successive owner of each unit shall be furnished with a copy of these By-Laws, the Declaration, as the same may be amended from time to time, Articles of Incorporation, a statement of delinquent assessments, if any and a copy of the most recent financial statement of the Association.

Section 10.06. Applicability.

The provisions of these By-Laws are applicable to the project, its operation, occupancy, ownership, maintenance and use and to all present and future owners, members of their families, guests, tenants, agents, employees and licensees and to any other person or persons who may use the project or its facilities in any manner. The acceptance of a deed to any unit in the project shall constitute an acceptance and ratification of these By-Laws and the Declaration, as either or both may from time to time be amended. <

Section 10.07. Conflicts.

In the case of any conflict between the Articles and these By-Laws, the Articles shall control and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 10.08.

Amendment.

If the two-class voting structure is still in effect in the Association, these By-Laws may be amended only with the vote or written assent of members entitled to cast at least fifty-one (51%) percent of the voting power of each class of members.

If the two-class voting structure is no longer in effect because of the conversion of Class B to Class A membership, these By-Laws may be amended by a majority of a quorum but not more than fifty-one (51%) percent of the voting power of the Association and at least fifty-one (51%) percent of the votes of members other than Declarant. *LESS*

Notwithstanding the foregoing, the percentage of voting power of the Association or of members other than Declarant necessary to amend a specific clause or provision of these By-Laws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

So long as there is a Class B membership in the Association, any amendment to these By-Laws shall require the prior approval of the Veterans Administration and Federal Housing Administration.

CERTIFICATE OF ADOPTION OF BY-LAWS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Secretary of STONEMAN ESTATES CONDOMINIUM ASSOCIATION, INC., a California non-profit mutual benefit corporation, does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Directors of said Association on December 1, 1985 and that they now constitute said By-Laws.



Paul Sheanin, Secretary