

BY-LAWS OF

NORTHWOOD PARK IMPROVEMENT ASSOCIATION NO. 2

ARTICLE I. Corporate Powers: The corporate powers of this corporation shall be vested in a Board of Directors consisting of three (3) directors who shall be members in good standing and holding membership in the corporation. Three directors shall constitute a quorum for the transaction of business.

ARTICLE II. Election of Officers: The directors shall be elected annually at a regular and annual meeting of the entire membership which shall be held on the second Tuesday of the month of April of each year. Each director shall hold office until the end of one year or until the election of his successor, whichever is later. The term of office shall begin immediately upon election. Where, in the opinion of the Board of Directors a more adequate and full representation of the membership could be accomplished through mailed, written ballots, or a combination of written proxy votes and a membership meeting, the same may be authorized by the directors. Any ten (10) members may, however, by presenting a written petition signed by them so requesting, require the calling of an annual membership meeting.

ARTICLE III. Powers of Board of Directors: The Board of Directors shall consist of three (3) persons and it shall have the power to:

1. Exercise control of and manage the affairs of the corporation including the management of the real property owned by it, the adoption of rules and regulations for its use for the benefit of all of the membership, and the levy and assessments of appropriate charges, assessments and fees, to insure the proper care, maintenance and financial protection of the corporation and its property as well as the members of the association.

2. Call special meetings of the membership when it deems such meeting necessary. The Board of Directors shall be obliged to call a meeting of the membership at any time a written request signed by one-third of the total members in good standing shall be presented to it.

3. Appoint and remove at its pleasure all officers, agents and employees of the corporation, prescribe their duties, fix their compensation and require from them security for faithful service when in its opinion such security is desirable, and to make contracts with its officers, agents and

employees for the terms and conditions of their service and their compensation.

4. Where deemed necessary, to incur indebtedness. No such indebtedness, however, shall be a lien or encumbrance upon any of the property owned by the members of the corporation.

ARTICLE IV. Duties of Directors: It shall be the duty of the Board of Directors:

1. To keep a complete record of all minutes and actions of the proceedings of any meeting of the membership and of the Board of Directors and to present a full or summarized statement of such action at the regular meetings of the membership on the second Tuesday in April of each year.

2. To present a financial statement to the membership annually at least two weeks prior to the annual meeting of the membership in April, setting forth a statement of assets and liabilities and incomes and expenditures for the year preceding such statement.

3. To supervise all officers, agents and employees and to insure that their duties are properly performed.

4. To issue certificates of membership to members of the association.

5. To take all necessary steps and precautions to assure that the membership of the association enjoy the benefits of such membership and the full use of the property owned by the corporation without any concurrent liability or obligation in the event of accident or injury.

ARTICLE V. Officers: The officers shall be President, Vice-President and Secretary-Treasurer, who shall be elected by and hold office at the pleasure of the Board of Directors. The office of Secretary-Treasurer may be separated if deemed desirable by the Board of Directors. No officer shall be compensated for his service, except, however, the Board of Directors may employ a manager for the property owned by the corporation upon such terms and conditions and to receive such compensation as deemed just and adequate by the Board of Directors. Such manager or other paid staff may be a member of the Board of Directors. No officer of the Board of Directors nor any managing agent or any employee of the corporation shall have any tenure of office longer than the period of one year.

ARTICLE VI. President: The Board of Directors, shall at their first regular meeting, after election of the said Board

of Directors, elect one of their number to act as President. If at any time the President shall be unable to act, the Vice-President shall take his place and perform his duties. If the Vice-President shall be unable to take his place and perform his duties, the Board of Directors shall appoint some other member of the Directors in whom shall be vested for the time being all the duties and functions of his office. The President, or in his absence, the Director appointed as above provided:

1. Shall preside over all meetings of the membership and the Board of Directors with the right to vote.

2. Shall sign as President all certificates of membership and all contracts and other instruments in writing which have been first approved by the Board of Directors, and to direct checks to be issued by the Secretary-Treasurer.

3. Shall call the directors together whenever he deems it necessary, and shall have, subject to the advice of the Directors, direction of the affairs of the corporation, and generally shall discharge such other duties as may be required of him by the By-Laws of the corporation.

ARTICLE VII. Vice-President: In the event of the absence of the President, or his inability to act, the Vice-President shall act as President.

ARTICLE VIII. Secretary-Treasurer: It shall be the duty of the Secretary-Treasurer:

1. To keep a record of the proceedings of the Board of Directors and of any meeting of membership.

2. To keep the corporate seal of the corporation and the Book of Certificates of membership, and make the corresponding entries in the margin of each book of issuance, and to affix the corporate seal to all papers requiring a seal.

3. To maintain the records and books of the corporation and to serve or publish and circulate such notices as may be necessary and proper among the membership.

4. In his capacity as Treasurer he shall receive and safely keep all the funds of the corporation and shall pay them out on checks as directed by the President, or in such manner as the Board of Directors may establish for the control of the funds of the corporation. He shall maintain accurate and adequate records of the receipt and disbursements

of all funds. The Board of Directors may, at its discretion, separate the office of Secretary and Treasurer.

ARTICLE IX. Books and Records: Books, files, correspondence and records which make up the permanent files of the corporation shall at all times during regular business hours be subject to the inspection by the Board of Directors and of any member.

ARTICLE X. Certificates of Membership: Certificates of membership shall be of such form and device as the Board of Directors may elect and each shall be signed by the President and Secretary and state on its face its number, date of issuance, and the person to whom it is issued, and shall bear the corporate seal. It shall contain a statement printed in clear type, that the corporation is not one for profit. The certificate book shall contain a margin on which shall be entered the number, date, and the name of the person expressed in the corresponding certificate.

ARTICLE XI. Meetings: The Board of Directors shall meet at least twice each year, on the second Tuesday of the month of April and on the second Tuesday of the month of October annually, and at such other times as shall be deemed necessary and desirable by the Board of Directors. Special notice to the members of the Board of Directors shall not be required for regular, semi-annual meetings, however, other meetings shall be noticed by mail to the home of record or permanent address of all members of the Board of Directors.

A meeting of the membership shall be called by the President within twenty (20) days after receipt of a petition calling for such a meeting signed by ten (10) members of the association. The President may call a special meeting of the members whenever he may deem it expedient. Five (5) days notice of such meeting shall be given to the membership by mail addressed to the owners of lots located in Northwood Park Mutuals No. 4-A, 4-B, 4-C, and 5-A, Inc., the owners of which will comprise the membership of this corporation. One-third of the members of the corporation shall constitute a quorum for the transaction of business, except for the purpose of amending these By-Laws.

The President, or any two directors, may call a special meeting of the Board of Directors at any time deemed necessary provided written notice at least two (2) days before such meeting is mailed to each director at his home of record.

ARTICLE XII. Membership: All members of the corporation shall maintain membership during all of such times as each retains beneficial ownership in any lot in the above-named

subdivisions of the City of San Jose, State of California. Upon sale of any such lot, each shall be obliged to transfer ownership of his share of membership in this corporation, or upon failure to transfer for a period of fifteen (15) days, he shall be deemed to have transferred and relinquished all membership rights.

Every purchaser of any of the above described lots shall be deemed a member of this association upon purchase. The Board of Directors shall adopt a reasonable and fair schedule of penalties, fines or assessments in order to enforce its rules and regulations for the use of corporate premises, either by a member or his tenants, or in the event of a continued refusal to pay the levies, assessments and charges established by the Board of Directors, an owner's membership may be terminated for cause upon a majority vote of the Board of Directors and of the membership present at an annual or special meeting. Such a member whose membership is proposed to be terminated shall be mailed notice at least ten (10) days in advance of such action.

The votes of the members at any meeting of the membership may be fragmented and cast in factions of a vote.

Where more than one person is the owner of any lot within the subdivision affecting this improvement association, only one membership certificate shall be issued for each lot and may reflect the names of all owners of any lot within the subdivision.

During the first year of the existence of this corporation, purchasers of lots in any of the Northwood Park subdivisions shall be admitted to membership upon the same basis as any then existing member of the improvement association. During each succeeding year the Board of Directors may adopt a reasonable admission fee. A schedule of fees adopted shall be submitted to the Federal Housing Administration and shall receive its prior approval before becoming effective. Any such membership fees as may be collected pursuant to such schedule which has been approved by the Federal Housing Administration shall be set aside by the corporation in a special fund, designated "Reserve for Replacements" and such fund shall be maintained for the purpose of maintenance and repair of the facility as may be approved by the Federal Housing Administration.

ARTICLE XIII. Election and Voting: A member in good standing shall be a member who has paid in full all assessments and fees due and owing to the association. Members in good standing shall be entitled to vote upon all propositions coming before the membership and shall be entitled to vote for officers of the corporation. Voting by proxy shall be permitted and all proxies shall be filed with the Secretary-Treasurer

prior to the casting of all such votes. The election of directors shall be by written ballot. The Directors may provide for written ballot to be mailed to the corporation under adequate safeguard to prevent duplicate balloting or the Board may provide for an election at a meeting of the membership where a quorum is present. The president or presiding officer shall appoint tellers who shall count the ballots at the annual meeting of the membership. Each member shall have three (3) votes and voting shall be cumulative. The three (3) persons receiving the highest number of votes shall be elected directors.

ARTICLE XIV. Seal: The association shall have a common seal, consisting of a circle, having on its circumference and face the words, "NORTHWOOD PARK IMPROVEMENT ASSOCIATION NO. 2, Incorporated October 17, 1963."

ARTICLE XV. Amendments: These By-Laws may be altered or amended at any meeting of the membership by a vote or written assent of two-thirds of the members present and entitled to vote, provided, however, that notice shall have been given to the membership at least ten (10) days in advance of such meeting of the general nature of the proposed amendments to the By-Laws.

Any proposed amendment to these By-Laws shall be first submitted to the Federal Housing Administration for its advice and consent. Such submission shall be made to the Federal Housing Administration not later than thirty (30) days prior to the meeting in which the proposed amendment is to be voted on.

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the members of the Board of Directors of the NORTHWOOD PARK IMPROVEMENT ASSOCIATION NO. 2, hereby assent to the foregoing By-Laws and adopt the same as the By-Laws of the said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 15th day of October, 1963.

L. DIEL

KENNETH M. BLACKWELL

JACK R. BLACKWELL