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AMENDMENT TO THE
BY-LAWS OF WINDWOOD
FORREST HOMEOWNERS ASSOCIATION

The following paragraph shall be added to Section 8 of Article XII of the Association's By-Laws. The purpose of this addition to Section 8 is to give the Association's Board President the power to appoint three impartial Board Members to sit as the Tribunal to hear disputes under said Section 8. The President, under this proposed amendment, shall only appoint Board Members to the Tribunal when impartial non-Board Members cannot be found to serve on the Tribunal within a reasonable time. This amendment, if passed, will ensure the orderly hearing of disputes by enabling a Tribunal to be formed in a reasonable time.

The paragraph proposed to be added to Section 8 of Article XII is set forth in its entirety directly below.

The Association's Board President shall, whenever possible, appoint non-Board Members to the Tribunal in accordance with this Section; however, to quickly effectuate the holding of a Hearing under the terms of this Article, said President shall have the power to appoint three impartial Board Members to the Tribunal. This shall be done only when, in the absolute discretion of said President, three impartial non-Board Members cannot be found to sit on the Tribunal within a reasonable time after the filing of a Complaint and the entry of defense to same has been received by the Board. Unless otherwise amended, all other terms of this Section shall remain in full force and affect.

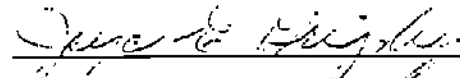
CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of WINDWOOD FOREST HOMEOWNERS ASSOCIATION, a California nonprofit corporation ("Association"); and

2. The foregoing By-Laws comprising 24 pages including this page constitute the By-Laws of the Association duly adopted at the meeting of the Board of Directors of the Association held on July 15, 1977, 1977.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Association this ____ day of _____, 1977.



Secretary

(SEAL)

EXHIBIT "D"

BY-LAWS

OF

WINDWOOD FOREST HOMEOWNERS ASSOCIATION

BY-LAWS
OF
WINDWOOD FOREST HOMEOWNERS ASSOCIATION

TABLE OF CONTENTS

FOR BY-LAWS

OF

WINDWOOD FOREST HOMEOWNERS ASSOCIATION

ARTICLE I	PLAN OF CONDOMINIUM OWNERSHIP	1
Section 1	Name	1
Section 2	Application	1
Section 3	Meaning of Terms	1
ARTICLE II	VOTING BY ASSOCIATION MEMBERSHIP	1
Section 1	Voting Rights	1
Section 2	Majority of Quorum	2
Section 3	Quorum	2
Section 4	Proxies	2
ARTICLE III	ADMINISTRATION	2
Section 1	Association Responsibilities	2
Section 2	Place of Meetings of Members	2
Section 3	Annual Meetings of Members	3
Section 4	Special Meetings of Members	2
Section 5	Notice of Meetings of Members	3
Section 6	Adjourned Meetings	3
Section 7	Order of Business	4
Section 8	Action Without Meeting	4
Section 9	Consent of Absentees	4
Section 10	Minutes, Presumption of Notice	4
ARTICLE IV	BOARD OF DIRECTORS	4
Section 1	Number and Qualification	4
Section 2	Powers and Duties	5
Section 3	Special Powers and Duties	5
Section 4	Management Agent	8
Section 5	Election and Term of Office	8
Section 6	Books, Audit	9
Section 7	Vacancies	10
Section 8	Removal of Directors	10
Section 9	Organization Meeting of Board	11
Section 10	Regular Meetings of Board	11
Section 11	Special Meetings of Board	11
Section 12	Waiver of Notice	11
Section 13	Quorum and Adjournment	12
Section 14	Action Without Meeting	12
Section 15	Fidelity Bonds	12
Section 16	Committees	12

TABLE OF CONTENTS (Continued)

ARTICLE V	OFFICERS	13
Section 1	Designation	13
Section 2	Election of Officers	13
Section 3	Removal of Officers	13
Section 4	Compensation	13
Section 5	President	13
Section 6	Vice President	14
Section 7	Secretary	14
Section 8	Treasurer	14
ARTICLE VI	OBLIGATIONS OF THE MEMBERS	15
Section 1	Assessments	15
Section 2	Maintenance and Repair	15
ARTICLE VII	AMENDMENTS TO BY-LAWS	15
ARTICLE VIII	MORTGAGEES	16
Section 1	Notice to Association	16
Section 2	Notice of Unpaid Assessments	16
ARTICLE IX	CONFLICTING PROVISIONS	16
ARTICLE X	INDEMNIFICATION OF OFFICERS AND DIRECTORS	16
ARTICLE XI	HISCELLANEOUS	17
Section 1	Checks, Drafts and Documents	17
Section 2	Execution of Documents	17
Section 3	Inspection of By-Laws	17
Section 4	Fiscal Year	17
Section 5	Membership Book	17
ARTICLE XII	NOTICE AND HEARING	17
Section 1	Suspension of Privileges	17
Section 2	Written Complaint	18
Section 3	Service of Complaint	18
Section 4	Statement to Respondent	19
Section 5	Notice of Defense	19
Section 6	Amended or Supplemental Complaint before Submission to Tribunal	20
Section 7	Discovery	20
Section 8	Tribunal	20
Section 9	Notice of Hearing	21
Section 10	Depositions and Written Interrogatories	21
Section 11	Affidavits	21
Section 12	Hearing	22
Section 13	Decision	23
CERTIFICATE OF SECRETARY		24

BY-LAWS
OF
WINDWOOD FOREST HOMEOWNERS ASSOCIATION

ARTICLE I

PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Name. The name of the corporation is WINDWOOD FOREST HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located in Orange County, California.

Section 2. Application. The provisions of these By-Laws are applicable to the multi-phased, residential Condominium Project known as WINDWOOD FOREST CONDOMINIUMS, located in the City of Santa Ana, Orange County, California. All present and future Unit Owners and their tenants, future tenants, employees, and any other person that might use the facilities of the Project in any manner, are subject to the regulations set forth in these By-Laws and in the Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for WINDWOOD FOREST (the "Declaration" herein) recorded or to be recorded in the Office of the Orange County Recorder and applicable to the Project. The mere acquisition or rental of any Condominium in the Project or the mere act of occupancy of any Condominium will signify that these By-Laws are accepted, ratified, and will be complied with.

Section 3. Meaning of Terms. The following terms, as used in these By-Laws shall have the same meanings as are applied to such terms in the Declaration: "Annual Assessment", "Architectural Committee", "Articles", "Association", "Association Properties", "Board", "Capital Improvement Assessment", "Close of Escrow", "Common Areas", "Common Expenses", "Condominium Family", "Windwood Rules and Regulations", "Grantor", "Improvements", "Manager", "Member", "Mortgagee", "Project", "Reconstruction Assessment", "Residence", "Special Assessment", and "Unit Owner".

ARTICLE II

VOTING BY ASSOCIATION MEMBERSHIP

Section 1. Voting Rights. The Association shall have two (2) classes of voting Membership, as further provided in the Declaration.

Class A. Class A Members shall be those Unit Owners with the exception of Grantor for so long as there exists a Class B Membership. Class A Members shall be entitled

to one (1) vote for each Condominium which is subject to assessment, as further provided in the Declaration.

Class B. The Class B Member shall be Grantor. The Class B Member shall be entitled to three (3) votes for each Condominium owned by Grantor, provided that the Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earliest:

(1) When the total votes outstanding in the Class A Membership, inclusive of votes attributable to Condominiums which may be annexed to the Project in the manner provided in the Declaration, equal the total votes outstanding in the Class B Membership; or

(2) The second anniversary of the original issuance of the Final Subdivision Public Report for the Project, as issued by the California Department of Real Estate.

Section 2. Majority of Quorum. Unless otherwise expressly provided in these By-Laws or the Declaration, any action which may be taken by the Association may be taken by a majority of a quorum of the Members of the Association.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of at least fifty-one percent (51%) of the voting power of the Membership of the Association shall constitute a quorum of the Membership. 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.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease after completion of the meeting for which the proxy was filed.

ARTICLE III

ADMINISTRATION

Section 1. Association Responsibilities. In accordance with the provisions of the Declaration, the Association shall have the responsibility of administering the Project and the Association Properties, approving the annual budget, establishing and collecting all assessments applicable to the Project and the Association Properties, and arranging for overall architectural control of the Project.

Section 2. Place of Meetings of Members. Meetings of the Members shall be held on the Project, or such other suitable place as proximate thereto as practicable, in Orange County, convenient to the Unit Owners, as may be designated by the Board of Directors.

Section 3. Annual Meetings of Members. The first annual meeting of Members shall be held within forty-five (45) days of fifty-one percent (51%) of the escrows for the sale of all of the Condominiums in the Project have closed or within six (6) months after the Close of Escrow for the sale of the first Condominium in the Project, whichever occurs first. Thereafter, the annual meetings of the Members shall be held on or about the anniversary date of the first annual meeting. At each annual meeting there shall be elected by ballot of the Members a Board of Directors, of the Association, in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Members may also transact such other business of the Association as may properly come before them. Each first Mortgagee of a Condominium in the Project may designate a representative to attend all annual meetings of the Members.

Section 4. Special Meetings of Members. It shall be the duty of the President to call a special meeting of the Members, as directed by resolution of a majority of a quorum of the Board of Directors, or upon receipt by the Secretary of a petition signed by Members representing at least twenty-five percent (25%) of the total voting power of the Association or by at least fifteen percent (15%) of the Class A Members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of those Members holding at least fifty-one percent (51%) of the voting power of the Association, either in person or by proxy. Each first Mortgagee of a Condominium in the Project may designate a representative to attend all special meetings of the Members.

Section 5. Notice of Meetings of Members. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record, and to each first Mortgagee of a Condominium, which Mortgagee has filed a written request for notice with the Secretary. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served, forty-eight (48) hours after said notice has been deposited in a regular depository of the United States mail. Such notice shall be posted in a conspicuous place on the Common Areas of the Project, and such notice shall be deemed served upon a Member upon posting if no address has been then furnished the Secretary. The Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to notice of and to vote at any meeting of the Members so fixed shall not be more than thirty (30) days prior to the date of the meeting. When a record date is so fixed, only Members of record on that date shall be entitled to notice of and to vote at the meeting, notwithstanding any transfer of or issuance of Membership certificates on the books of the Association after the record date.

Section 6. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum is not present, the Members who are present, either in person or by proxy, may adjourn the

meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of the Members holding at least twenty-five percent (25%) of the voting power of the Association. Such adjourned meetings may be held without notice thereof as provided in this Article III, provided that notice is given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given in the manner provided in Section 5 of this Article III.

Section 7. Order of Business. The order of business at all meetings of the Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of Minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspector of elections (at annual meetings or special meetings held for such purpose); (g) election of directors (at annual meetings or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of Members shall be conducted by the officers of the Association, in order of their priority.

Section 8. Action Without Meeting. Any action, which under the provisions of the California Corporations Code may be taken at a meeting of the Members, may be taken without a meeting if authorized by a writing signed by all of the Members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary.

Section 9. Consent of Absentees. The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the Minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the Minutes of the Meeting.

Section 10. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the Minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed and managed by a Board of Directors composed of five (5) Persons, each of whom, except for those appointed and serving as first Directors, must either be a resident Unit Owner or an agent of Grantor for so long as Grantor owns a Condominium in the Project. The Board of Directors may increase, by

resolution, the authorized number of Directors; provided that the Members shall have the sole right to elect the new Directors. Directors shall not receive any salary or compensation for their services as Directors unless such compensation is approved by the vote or written consent of Members representing at least a majority of both the Class A and Class B voting power; provided, however, that (1) nothing herein contained shall be construed to preclude any Director from serving the Association in some other capacity and receiving compensation therefor, and (2) any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 2. Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Members. The Board of Directors shall not enter into any contract for a term in excess of one (1) year, without the vote or written consent of the Members representing at least a majority of the Class A and Class B voting power, except for (1) any contract of a minimum term with a public utility company regulated by the Public Utilities Commission (such as Southern California Edison Company) which requires a term in excess of one (1) year, (2) a management contract the terms of which have been approved by the Veterans Administration or the Federal Housing Administration, and (3) prepaid casualty or liability insurance policies of not to exceed three years' duration, provided that the policies permit short rate cancellation by the Association.

Section 3. Special Powers and Duties. Without prejudice to such foregoing general powers and duties and such powers and duties as are set forth in the Declaration, the Board of Directors is vested with, and responsible for, the following powers and duties:

(a) To select, appoint, and remove all officers, agents, and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration and these By-Laws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Board.

(b) To conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations therefor consistent with law, with the Articles of Incorporation, the Declaration and these By-Laws, as the Board may deem necessary or advisable.

(c) To change the principal office for the transaction of the business of the Association from one location to another within the County of Orange, as provided in Article I hereof; to designate any place within said County for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Article III, Section 2 hereof; and to adopt and use a corporate seal and to alter the form of such seal from

time to time, as the Board, in its sole judgment, may deem best, provided that such seal shall at all times comply with the provisions of law.

(d) With the approval of Members representing at least two-thirds (2/3rds) of the Class A voting power of the Association, to borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

(e) To fix and levy from time to time Common Assessments, Special Assessments, and Reconstruction Assessments upon Members, as provided in the Declaration; to fix and levy from time to time in any fiscal year Capital Improvement Assessments applicable to that year only for capital improvements; to determine and fix the due date for the payment of such assessments, and the date upon which the same shall become delinquent; provided, however, that such assessments shall be fixed and levied only to provide for the payment of the Common Expenses of the Association and of taxes and assessments upon real or personal property owned, leased, controlled or occupied by the Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of its Members, in accordance with the provisions of the Declaration. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the Association or welfare of its Members. The funds collected by the Board of Directors from the Members, attributable for replacement reserves, for maintenance costs which cannot normally be expected to occur on an annual basis and for capital improvements, shall at all times be held in trust for the Members and shall not be commingled with other assessments collected from the Members. Disbursements from such trust reserve fund shall be made only in accordance with the provisions of the Declaration. Such Annual Assessments, Reconstruction Assessments, Special Assessments and Capital Improvement Assessments shall be fixed in accordance with the provisions of the Declaration. Should any Member fail to pay such assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent assessments as provided in the Declaration.

(f) To enforce the provisions of the Declaration, these By-Laws or other agreements of the Association.

(g) To contract for and pay fire, casualty, blanket liability, malicious mischief, vandalism, errors and omissions, liquor liability and other insurance, insuring the Members, the Association, the Board of Directors and other interested parties, in accordance with the provisions of the Declaration, covering and protecting against such damages or injuries as the Board deems advisable (which may include without limitation, medical expenses of persons injured on the Common Areas or the Association Properties).

(h) To contract for and pay maintenance, legal, accounting, gardening, common utilities, materials and supplies, services and other Common Expenses relating to the Common Areas and the Association Properties, and relating to the Units only to the extent not separately metered or charged, and to employ personnel necessary for the operation of the Project, including legal and accounting services, and to contract for and pay for Improvements and any recreational facilities on the Common Areas and the Association Properties.

(i) To delegate its powers according to law, and subject to the approval of the Members, to adopt these By-Laws.

(j) To grant easements where reasonably necessary for utility and other purposes over the Common Areas and the Association Properties for the benefit of the Members of the Association.

(k) To fix, determine and name from time to time, if necessary or advisable, the public agency, fund, foundation or corporation which is then or there organized or operated for charitable purposes, to which the assets of this Association shall be distributed upon liquidation or dissolution, according to the Articles of Incorporation of the Association. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Association, and after distribution of all property held or acquired by the Association under the terms of a specific trust or trusts.

(l) To adopt such Windwood Rules and Regulations as the Board may deem necessary for the management of the Project, which Windwood Rules and Regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a meeting called for that purpose, or by the written consent of such number of Directors attached to a copy of the Rules and Regulations of the Association, and (2) they are posted in a conspicuous place in the Common Areas. Such Rules and Regulations may concern, without limitation, use of the Common Areas and the Association Properties; signs; parking restrictions; collection and disposal of refuse; minimum standards of property maintenance consistent with the Declaration and the procedures of the Architectural

Committee; and any other matter within the jurisdiction of the Association as provided in the Declaration; provided, however, that such Windwood Rules and Regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles of Incorporation and these By-Laws, and the Windwood Rules and Regulations may not be used to amend any of said documents.

(m) To keep, or cause to be kept, a complete record of all acts and corporate affairs of the Association and to present a statement thereof to the Members at the annual meeting of the Members and at any other time that such statement is requested by at least ten percent (10%) of the Members who are entitled to vote.

(n) To appoint a Membership Committee composed of at least one (1) Director and at least one (1) Association Member at large. The Membership Committee shall be responsible for contacting all purchasers of Condominiums in the Project as soon as any transfer of title to a Condominium is discovered. The Membership Committee shall further attempt to establish initial contact with all Members who are delinquent in the payment of any assessments or other charges due the Association.

(o) To sell property of the Association, provided, however, that the prior vote or written approval of a majority of the voting power of both Class A and Class B Members must be obtained to sell during any fiscal year Association Properties having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

Section 4. Management Agent. On or before the first annual meeting of the Members, the Board of Directors shall engage for the Association a professional management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize. Such agreement, and any other contract providing for services by Grantor, must provide for termination by either party for cause upon no more than thirty (30) days' written notice, and without cause nor payment of a termination fee, upon no more than ninety (90) days' prior written notice.

Section 5. Election and Term of Office.

(a) At the first annual meeting of the Members, new Directors shall be elected by secret written ballot by a majority of Members as provided in these By-Laws, and all positions on the Board of Directors shall be filled at that election. In the event that an annual meeting is not held, or the Board is not elected thereat, the Board may be elected at any special meeting of the Members held for that purpose. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. The term of office of each Director

elected at the first annual meeting and the term of office of each Director elected to fill a vacancy created by the expiration of the term of office of the respective past Director shall be one (1) year. The term of office of each Director elected to fill a vacancy created by the resignation, death or removal of his predecessor shall be the balance of the unserved term of his predecessor. Any person serving as a Director may be re-elected, and there shall be no limitation on the number of terms during which he may serve. Each Member may accumulate his votes for the election and removal of Directors as provided in this Article. At any election of the Board, each Member may give one or more candidates for Director a number of votes equal to the share of the voting power as set forth in the Declaration, multiplied by the number of Directors to be elected.

(b) Notwithstanding the foregoing, whenever (1) notice is given for an election of Directors of the Board and (2) upon such date the Members other than Grantor do not have a sufficient percentage of the voting power of the Association to elect at least one (1) Director through the foregoing cumulative voting procedure, such notice shall also provide for the following special election procedure. Election of one (1) Director shall be apportioned entirely to the Members other than Grantor. Any person shall be an eligible candidate for the special election upon receipt by the Secretary of a Declaration of Candidacy, signed by the candidate, at any time prior to the election. Such election shall be by secret ballot unless a majority of the Members other than the Grantor determine otherwise. The person receiving a majority of the votes cast by the Members other than Grantor shall be elected a Member of the Board in a co-equal capacity with all other Directors. The remaining Directors of the Board shall be elected through the customary cumulative voting procedure outlined above.

Section 6. Books, Audit. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles. A pro forma operating statement (budget) for each fiscal year shall be distributed to the Members not less than sixty (60) days before the beginning of the fiscal year. At no greater than annual intervals the Board of Directors shall obtain an independent certified audit of such books and records performed by a certified public accountant. A balance sheet and an audited operating (income) statement for the Association shall be distributed to each Member (and to any institutional first Mortgagee of a Condominium in the Project upon request) as follows:

(a) An initial balance sheet and an initial operating statement as of an accounting date which shall be the last day of the month closest in time to six (6) months following the date of closing of the first sale of a Unit to a Member, within sixty (60) days of such accounting date;

(b) Thereafter, an annual balance sheet and an annual operating statement as of the last day of the Association's fiscal year, within ninety (90) days of such accounting date.

The operating statement for the first six (6) months accounting period referred to in (a) above shall include a schedule of assessments received or receivable itemized by Unit number and by the name of the person or entity assessed. All books, records and papers of the Association shall be made available for inspection and copying by any Member or his duly appointed representative at the principal office of the Association or at such other place within the Project as the Board may prescribe. The Board shall establish reasonable rules with respect to (1) notice to be given to the custodian of the records by the Member desiring to make the inspection, (2) hours and days of the week when such an inspection may be made and (3) payment of the cost of reproducing copies of documents requested by a Member. 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 the inspection by a Director shall include the right to make extracts and copies of documents.

Section 7. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Members of the Association, or at a special meeting of the Members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in case the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place.

Section 8. Removal of Directors. At any regular or social meeting of the Members duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the Members of the Association, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. If more than one Director is to be removed at any one time, each Member may accumulate his votes and vote for or against such removal of one or more of the Directors, exercising a number of votes equal to his share of the voting power as set forth in the Declaration, multiplied by the number of Directors sought to be removed. Where the entire Board of Directors is not removed at one time, no Director shall be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of Units in the Project is divided by one (1) plus the authorized number of Directors. If any or all of the Directors are so removed, new Directors may be elected at the same meeting. Notwithstanding the foregoing, any Director who has been elected to office solely by the votes of Members other than Grantor pursuant to Section 5 of

this Article IV may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in Members other than Grantor.

Section 9. Organization Meeting of Board. The first regular ("organization") meeting of a newly elected Board of Directors shall be held within ten (10) days of election of the Board, at such place as shall be fixed and announced by the Directors at the meeting at which such Directors were elected, for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present when the time and place are announced.

Section 10. Regular Meetings of Board. Regular meetings of the Board of Directors shall be open to all Members, provided that Members who are not Directors may not participate in any deliberation or discussion at such regular meetings unless expressly so authorized by a vote of a majority of a quorum of the Board of Directors. Regular meetings may be held at such time and place within the Project as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meetings shall be held no less frequently than quarterly. Notice of the time and place of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least seventy-two (72) hours prior to the date named for such meeting, and shall be posted at a prominent place or places within the Common Areas or the Association Properties.

Section 11. Special Meetings of Board. Special meetings of the Board of Directors shall be open to all Members, provided that Members who are not Directors may not participate in any deliberation or discussion at such special meetings, unless expressly so authorized by a vote of a majority of a quorum of the Board of Directors. Special meetings may be called by the President (or, if he is absent or refuses to act, by the Vice President) or by any two (2) Directors. At least seventy-two (72) hours' notice shall be given to each Director, personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and the purpose of the meeting, and shall be posted at a prominent place or places within the Common Areas or the Association Properties. If served by mail, each such notice shall be sent, postage prepaid, to the address of each Director reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any Director has been absent from any special meeting of the Board, an entry in the Minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director, as required by law and as provided herein.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the

giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of the Minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the Minutes of the meeting.

Section 13. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

The Board of Directors may, with the approval of a majority of a quorum of the Directors, 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.

Section 14. Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 15. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 16. Committees. The Board of Directors, by resolution, may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Officers other than the President need not be Directors. The office of Secretary and Treasurer may be held by the same Person, but the office of President and Secretary may not be held by the same Person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization Meeting of each new Board of Directors, and each officer shall hold his office at the pleasure of the Board of Directors, until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 4. Compensation. Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board; provided, however, that no officer shall receive any compensation for services performed in the conduct of the Association's business unless such compensation is approved by the vote or written consent of Members representing at least a majority of both the Class A and Class B voting power; and provided further, that (1) nothing herein contained shall be construed to preclude any officer from serving the Association in some other capacity and receiving compensation therefor, and (2) any officer may be reimbursed for his actual expenses incurred in the performance of his duties. Appointment of any officer, agent, or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, or employee. Notwithstanding the foregoing, no officer, employee or director of Grantor or any affiliate of Grantor may receive any compensation.

Section 5. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including but not limited to the power, subject to the provisions of Article IV, Section 16, to appoint committees from among the Members from

time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Association. The President shall be ex officio a member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws of the Association.

Section 6. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent, disabled, refuses or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these By-Laws of the Association.

Section 7. Secretary. The Secretary shall keep the Minutes of all meetings of the Board of Directors and the Minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association and of the Board of Directors required by these By-Laws or by law to be given. The Secretary shall maintain a record book of Unit Owners, listing the names and addresses of Unit Owners, as furnished to the Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a Condominium is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

Section 8. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, in accordance with the Declaration, shall render to the President and Directors, upon request, an account of all of his transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

ARTICLE VI

OBLIGATIONS OF THE MEMBERS

Section 1. Assessments.

(a) All Members are obligated to pay, in accordance with the provisions of the Declaration, all assessments imposed by the Association, to meet all expenses of the Association.

(b) All delinquent assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration.

Section 2. Maintenance and Repair.

(a) Every Member must perform promptly, at his sole cost and expense, such maintenance and repair work within his own Residence, as required under the provisions of the Declaration. As further provided in the Declaration, all plans for alterations and repair of structural or utility bearing portions of any of the buildings housing the Units must receive the prior written consent of the Architectural Committee. The Architectural Committee shall establish reasonable procedures for the granting of such approval, in accordance with the Declaration.

(b) As further provided in the Declaration, each Member shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Common Areas or other properties owned or controlled by the Association, which are damaged through the fault of such Member or his family, guests or tenants. Such expenditures shall include all court costs and reasonable attorneys' fees incurred in enforcing any provision of these By-Laws or the Declaration.

ARTICLE VII

AMENDMENTS TO BY-LAWS

These By-Laws and the Declaration may be amended by the Association in a duly constituted meeting of the Members for such purpose. No amendment to these By-Laws shall take effect unless approved by at least a majority of a quorum of Members present, in person or by proxy, at a duly constituted regular or special meeting of the Members; provided, however, that these By-Laws may be amended by a majority of the entire Board, at any time prior to the Close of Escrow for the sale of the first Condominium to a purchaser from Grantor. The prior written approval of each institutional holder of a first deed of trust lien of record made in good faith and for value on a Condominium in the Project must be secured before any material amendment to these By-Laws which adversely affects the rights of such institutional holder, may take effect, and this sentence may not be amended without such prior written approval. The term "institutional holder" as used

herein shall mean a Mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

ARTICLE VIII

MORTGAGEES

Section 1. Notice to Association. Every Member who mortgages his Condominium shall notify the Association through the Manager, or through the Secretary in the event there is no Manager, of the name and address of his Mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Condominiums". Any such Member shall likewise notify the Association as to the release or discharge of any such Mortgage.

Section 2. Notice of Unpaid Assessments. The Board of Directors of the Association shall at the request of a Mortgagee of a Condominium, report any unpaid assessments due from the Unit Owner of such Condominium, in accordance with the provisions of the Declaration.

ARTICLE IX

CONFLICTING PROVISIONS

In case any of these By-Laws conflict with any provisions of the laws of the State of California, such conflicting By-Laws shall be null and void upon final court determination to such effect, but all other By-Laws shall remain in full force and effect. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE X

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Except to the extent that such liability or damage or injury is covered by insurance proceeds, the Board of Directors may authorize the Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former Director, officer, committee member, or employee of the Association in an action brought by a third party against such person, whether or not the Association is joined as a party defendant, to impose a liability or penalty on such person for an act alleged to have been committed by such person while a Director, officer, committee member or employee; provided, the Board of Directors determines in good faith that such Director, officer, or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Association or its Members. Notwithstanding the foregoing, in no event shall any employee, officer or director of Grantor, serving in such capacity as an appointee of Grantor, be entitled to such indemnification. Payments authorized hereunder include

amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this Article X shall apply to the estate, executor, administrator, heirs, legatees, or devisees of a Director, officer, committee member, or employee, and the term "person" where used in this Article X shall include the estate, executor, administrator, heirs, legatees, or devisees of such person.

ARTICLE XI

MISCELLANEOUS

Section 1. Checks, Drafts and Documents. 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 or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 2. Execution of Documents. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 3. Inspection of By-Laws. The Association shall keep in its office for the transaction of business the original or a copy of these By-Laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members and all first Mortgagees in accordance with Article IV, Section 6 hereof.

Section 4. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors, and having been so determined, is subject to change from time to time as the Board of Directors shall determine.

Section 5. Membership Book. The Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Member. Termination or transfer of membership shall be recorded in the book, together with the date on which membership ceased or was transferred, in accordance with the provisions of the Declaration.

ARTICLE XII

NOTICE AND HEARING

Section 1. Suspension of Privileges. In the event of an alleged violation of the Declaration, these By-Laws or the Windwood Rules and Regulations, and after written notice of such alleged failure is given to the Member or to anyone in his family, or to any tenant of any Member, or to anyone in any tenant's family ("respondent") alleged to be in default in the manner herein

provided, the Board of Directors shall have the right, after affording the respondent an opportunity for an appropriate hearing as hereinafter provided; and upon an affirmative vote of a majority of all Directors on the Board, to take any one or more of the following actions: (1) levy a Special Assessment as provided in the Declaration, (2) suspend or condition the right of said respondent to use of the recreational facilities operated or maintained by the Association, or (3) suspend said Member's voting privileges as a Member, as further provided in the Declaration. Any such suspension shall be for a period of not more than thirty (30) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) may be imposed for so long as the violation continues. The failure of the Board or the Architectural Committee to enforce the Windwood Rules and Regulations these By-Laws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by these By-Laws or by law shall be cumulative and none shall be exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by these By-Laws, or by the Windwood Rules and Regulations, before that Member may resort to a court of law for relief with respect to any alleged violation of the Declaration, these By-Laws or the Windwood Rules and Regulations by another Member, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board, or to any Member where the complaint alleges nonpayment of Annual Assessments, Capital Improvement Assessments or Reconstruction Assessments.

Section 2. Written Complaint. A hearing to determine whether a right or privilege of the respondent under the Declaration or these By-Laws should be suspended or conditioned, shall be initiated by the filing of a written Complaint by any Member or by any officer or member of the Board of Directors or the Architectural Committee with the President of the Association or other presiding member of the Board. The Complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, to the end that the respondent will be able to prepare his defense. The Complaint shall specify the specific provisions of the Declaration, these By-Laws or the Windwood Rules and Regulations which the respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of such provisions without supporting facts.

Section 3. Service of Complaint. Upon the filing of the Complaint, the President shall serve a copy thereof on the respondent by any of the following means: Service shall be (1) given personally, (2) sent by registered or certified mail, return receipt requested, and addressed to the Condominium of the respondent, or (3) posted on the respondent's Condominium and in the office of the Association. Service by mailing or posting shall be deemed delivered and effective two (2) days after such posting and mailing in a regular depository of the United States mail. The Complaint shall be accompanied with a postcard or other written form entitled "Notice of Defense" which, when signed by the respondent, or on behalf of respondent will constitute a notice of defense hereunder. The copy of the Complaint shall be accompanied by: (1) a Statement

that the respondent may request a hearing before a Tribunal, in a form substantially as provided in Article XII, Section 4, and (2) a copy of Article XII of these By-Laws. No order adversely affecting the rights of the respondent shall be made in any case, unless the respondent shall have been served as provided herein.

Section 4. Statement to Respondent. The Statement accompanying the Complaint to the respondent shall be substantially in the following form:

"Unless a written request for a hearing signed by or on behalf of the person named as respondent in the accompanying Complaint is delivered or mailed to the Board of Directors within fifteen (15) days after the Complaint was served upon you, the Board of Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled 'Notice of Defense' to the Board of Directors at the following address:

You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Directors, you may contact

Section 5. Notice of Defense. The Notice of Defense shall state the respondent may:

- (a) Request a hearing;
- (b) Object to a Complaint upon the grounds that it does not state acts or omissions upon which the Board of Directors may proceed;
- (c) Object to the form of the Complaint on the grounds that it is so indefinite or uncertain that the respondent cannot identify the violating behavior or prepare his defense; or
- (d) Admit to the Complaint in whole or in part.

The respondent shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board of Directors. The respondent may file a separate statement by way of mitigation, even if he does not file a Notice of Defense. Any objections to the form or substance of the Complaint shall be considered by the Tribunal within ten (10) days of their receipt. The Tribunal shall make its determination and notify all parties within said ten (10) day period. If the Complaint is insufficient, the complaining party shall have seven (7) days within which to amend

the Complaint to make it sufficient. The same procedure as set forth above shall be followed with respect to any Amended or Supplemental Complaint. If it is determined by the Tribunal that the Complaint is still insufficient, then the matter shall be dismissed by the Tribunal.

Section 6. Amended or Supplemental Complaint before Submission to Tribunal. At any time before the matter is submitted to the Tribunal for its findings of fact and recommendations, the Board may file or permit the filings of an Amended or Supplemental Complaint. All parties shall be notified thereof in the manner herein provided. If the Amended or Supplemental Complaint presents new charges, the Board of Directors shall afford the respondent a reasonable opportunity to prepare his defense thereto. All new charges shall be deemed controverted, and any objections to the Amended or Supplemental Complaint may be made orally and shall be noted in the record of proceedings.

Section 7. Discovery. After initiation of a proceeding in which the respondent is entitled to a hearing on the merits, the respondent or the individual filing the Complaint or Supplemental Complaint, upon written request made to the other party, prior to the hearing and within fifteen (15) days after service by the Board of Directors of the Complaint or within ten (10) days after service of any Amended or Supplemental Complaint, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party and (2) inspect and make a copy of any statements, writings and investigative reports, relevant to the subject matter of the hearing. Nothing in this Section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product. Any party claiming his request for discovery has not been complied with shall submit a petition to compel discovery with the Tribunal appointed by the President. The Tribunal shall make a determination and issue a written order setting forth the matters or parts thereof which the petitioner is entitled to discover.

Section 8. Tribunal. The President shall appoint a Tribunal Committee ("Tribunal") of three (3) persons upon receipt of a written Complaint as provided in Section 2 of this Article. No member of the Tribunal shall be a Director of the Association, nor shall any member of the Tribunal be involved in any prior investigation of the matter on behalf of the Board nor related by blood or marriage to either the complaining party or the respondent. In appointing the members of the Tribunal, the President should make a good faith effort to avoid appointing next-door neighbors of the respondent or any members of the Association who are witnesses to the alleged violation giving rise to the Complaint. The decision of the President shall be final, except that the respondent may challenge any member of the Tribunal for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence at the hearing. In the event of such a challenge, the Board of Directors shall meet to determine the sufficiency of the challenge, without the President voting. If such challenge is sustained, the President shall appoint another Member of the Association to replace the challenged member of the Tribunal. All decisions of the Board of Directors in this regard shall be final.

The Tribunal shall elect a Chairman, appoint a hearing officer who shall be legally trained, and a Recorder to present evidence and to ensure that a proper record of all proceedings is maintained by a qualified reporter. The Chairman shall preside at the hearing, but the hearing officer shall rule on the admission and exclusion of evidence and advise the Tribunal on matters of law. The Tribunal shall exercise all other powers relating to the conduct of the hearing.

Section 9. Notice of Hearing. The Tribunal shall serve a notice of hearing, as provided herein, on all parties at least ten (10) days prior to the hearing, if such hearing is requested by the respondent. The hearing shall be held no sooner than thirty (30) days after the service of the Complaint as provided in Section 3 of this Article XIII. The notice to the respondent shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before a Tribunal appointed by the President of the Association at _____

on the _____ day of _____, 19____,
at the hour of _____, upon the charges made in the Complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors of the Association."

Section 10. Depositions and Written Interrogatories. On verified petition of any party, the Board of Directors, upon recommendation by the Tribunal, may order that the testimony of any material witness residing within the Project be taken by deposition in the manner prescribed by law for depositions and written interrogatories in civil actions. The petition shall set forth the nature of the pending proceeding, the name and address of the witness whose testimony is desired, a showing of the materiality of his testimony, a showing that the witness will be unable to attend the hearing, and shall request an order requiring the witness to appear and testify before the Secretary of the Association.

Section 11. Affidavits.

(a) At any time ten (10) or more days prior to a hearing or a continued hearing, any party may mail or deliver to the opposing party a copy of any affidavit which he proposes to introduce in evidence, together with a notice as provided in subdivision (b). Unless the opposing party, within seven (7) days after such mailing or delivery, mails or delivers to the proponent a request to cross-examine an affiant, his right to cross-examine such affiant is waived and the affidavit if introduced in evidence shall be given the same effect

as if the affiant had testified orally. If an opportunity to cross-examine an affiant is not afforded after request therefor is made as herein provided, the affidavit may be introduced in evidence, but shall be given only the same effect as other hearsay evidence.

(b) The notice referred to in subdivision (a) shall be substantially in the following form:

"The accompanying affidavit of _____ will be introduced as evidence at the hearing in the matter of _____ before a Tribunal of the Windwood Forest Homeowners Association. _____ will not be called to testify orally and you will not be entitled to question him unless you notify _____ at _____ that you wish to cross-examine him. To be effective, your request must be mailed or delivered to _____ on _____ or before _____, 19__."

Section 12. Hearing.

(a) Whenever the Tribunal has commenced to hear the matter and a member of the Tribunal is forced to withdraw prior to a final determination by the Tribunal, the remaining members shall continue to hear the case and the hearing officer shall replace the withdrawing member. Oral evidence shall be taken only on oath or affirmation administered by an officer of the Association. The use of affidavits and written interrogatories in lieu of oral testimony shall be encouraged by the Tribunal.

(b) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination; to impeach any witness regardless of which party first called him to testify; and to rebut the evidence against him. If respondent does not testify in his own behalf he may be called and examined as if under cross-examination.

(c) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence

but shall not be sufficient in itself to support a finding, unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitious evidence shall be excluded.

(d) Neither the accusing Member nor the allegedly defaulting Member must be in attendance at the hearing. The hearing shall be open to attendance by all Members of the Association, to the extent of the permissible capacity of the hearing room. In rendering a decision, official notice may be taken at any time of any generally accepted matter within the Declaration, these By-Laws, the Windwood Rules and Regulations, or the workings of the Association. Parties present at the hearing shall be informed of the matters to be noticed by the Tribunal, and these matters shall be made a part of the record of proceedings. The Tribunal may grant continuances on a showing of good cause.

Section 13. Decision. The hearing officer who was in attendance at the hearing, if any, shall assist and advise the Tribunal in making its decision. If the respondent fails to file a Notice of Defense as provided in Section 5 of this Article XII, or fails to appear at a hearing, the Tribunal may take action based on the evidence presented to it without notice to the respondent. However, the respondent may make any showing by way of mitigation. The Tribunal will prepare written findings of fact and recommendations for consideration by the Board of Directors. The Tribunal shall make its determination only in accordance with these By-Laws. After all testimony and documentary evidence has been presented to the Tribunal, the Tribunal Committee shall vote by secret written ballot upon the matter, with a majority of the entire Tribunal controlling. A copy of the findings and recommendations of the Tribunal shall be posted by the Board of Directors at a conspicuous place on the Association Properties or the Common Areas of the Project, and a copy shall be served by the President on each party in the matter and his attorney, if any. Disciplinary action and levy of a Special Assessment under the Declaration, these By-Laws or Windwood Rules and Regulations shall be imposed only by the Board of Directors, and in accordance with the findings and recommendations of the Tribunal. The Board of Directors may adopt the recommendations of the Tribunal in their entirety, or the Board may reduce the proposed penalty and adopt the balance of the recommendations. In no event shall the Board of Directors impose more stringent disciplinary action than recommended by the Tribunal. The decision of the Board shall be in writing and shall be served and posted in the same manner as the findings and recommendations of the Tribunal. The decision of the Board shall become effective ten (10) days after it is served upon the respondent, unless otherwise ordered in writing by the Board of Directors. The Board may order a reconsideration at any time within fifteen (15) days following service of its decision on the parties, on its own motion or on petition by any party.

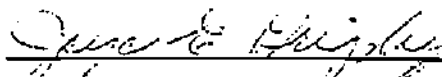
CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of WINDWOOD FOREST HOMEOWNERS ASSOCIATION, a California nonprofit corporation ("Association"); and

2. The foregoing By-Laws comprising 24 pages including this page constitute the By-Laws of the Association duly adopted at the meeting of the Board of Directors of the Association held on JULY 15, 1977, 1977.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Association this ____ day of _____, 1977.



Secretary

(SEAL)