

BY-LAWS

OF

FAIRVIEW RANCHES OWNERS' ASSOCIATION, INC.,
a Non-Profit California Corporation

The undersigned, being all of the directors of FAIRVIEW RANCHES OWNERS' ASSOCIATION, INC., hereby adopt the following By-Laws as the By-Laws of the corporation.

ARTICLE I.

A. The name of this corporation is:

FAIRVIEW RANCHES OWNERS' ASSOCIATION, INC.

B. The objects of the corporation shall be to assume the ownership, the operation and the care and maintenance of all of the following property located within that certain subdivision described as Tract Number 3535, in Kern County, California as such map is recorded in the Office of Kern County Recorder;

(i) Any and all non-dedicated streets in said subdivision and non-dedicated access roads to said subdivision (the term "non-dedicated street" means land now owned by any county, city, state or federal government which is not offered for dedication for public use and which is used or intended to be used for access to the lots within the subdivision itself, or parcels adjacent thereto);

(ii) All signs required by Section 5838 (B) of Ordinance Number G-1120 of Kern County California.

(iii) Fire prevention facilities including water well located within easement on lot 92 and two water storage tanks located within easement, on lots 55 and 103.

ARTICLE II.

A. TEMPORARY ADMINISTRATION

The members of the Board of Directors designated in the Articles of Incorporation are temporary and shall be replaced by new members, unless they or some of them are reelected, at any election to be held at the first organizational meeting of the members of this corporation. Until said first election, the rights, duties and functions of the present Board of Directors shall be the same as the regular Board of Directors except that the present members of the Board of Directors shall serve without compensation.

In the event that any arrangement or contract has been entered into between the Developer of Tract No. 3535 and any person or firm for the performance of the obligations of this corporation by such person or entity, the continuance of such arrangement or contract shall be determined by the Board of Directors appointed at the first organizational meeting of the members of this corporation.

The present Board of Directors designated in the Articles of Incorporation of the corporation is a temporary Board which shall be replaced with a permanent Board of Directors at the first organizational meeting as hereinafter provided. Until the first election of the permanent Board at the organizational meeting, as hereinafter provided for, the rights, duties and functions of this corporation shall be exercised by the present Board members without compensation.

B. DEFINITIONS:

(i) "Lot" shall mean each parcel of land in the Tract described by a number on the recorded subdivision map of Tract 3535 in Kern County, California;

(ii) "Tract" shall mean Tract 3535 in Kern County, California;

(iii) "Improvements" shall mean and include buildings, paving, fences, walls, hedges, planting, poles, signs and any structures of any kind or type;

(iv) "Owner" shall mean the holder, as a matter of public record, of the fee title to a lot in the tract or the equitable owner, as hereinafter defined, in the Tract. In the event there shall be both an equitable owner and an owner (heretofore defined), the term "owner" shall mean, the equitable owner;

(v) "Equitable Owner" shall mean any person or persons who has acquired an interest in a lot in the Tract under any contract of purchase;

(vi) "Board" shall mean the Board of Directors of the corporation;

(vii) "Corporation" shall mean Fairview Ranches Owners Association, Inc.;

(viii) "Developer" shall refer to the grantor of property deeded to the Corporation, also referred to as "Declarant" in the Conditions, Covenants and Restrictions recorded in connection with Tract 3535.

ARTICLE III. MEMBERSHIP.

A. Members of the Corporation shall be limited to owners of lots in the Tract. All such lot owners shall become automatically members of the corporation upon recordation of the deeds or execution of contracts of purchase to their lots, and shall be bound by the provisions of the Articles of Incorporation and these By-Laws, as they now exist or as they may hereafter be amended. Any member who owns more than one (1) lot shall be deemed to have but one (1) membership, but shall have one vote for each lot owned.

Evidence of membership shall be determined by the records in the Office of the County Recorder of Kern County, California, and in the case of a contract of purchase by records in the office of Developer, or its successor in interest. A change of record title to a lot by the recordation of a deed to any such lot, or the assignment of rights under a contract of purchase, shall be conclusive evidence the grantee named in said deed, or in the case of the assignment of rights under a contract of purchase, it shall be the assignee, being and becoming a member of the corporation, and the membership of the prior land owner shall be thereupon deemed transferred to the new lot owner; provided, however, that a member who owns more than one (1) lot shall continue to be a member as long as he owns a lot.

B. Members: The amount of the dues and conditions of membership shall be as provided herein, and as determined from time to time by the Board of Directors.

ARTICLE IV. ORGANIZATIONAL MEETING OF MEMBERS.

An organizational meeting of the members shall be held no later than thirty (30) days following the consummation of the sales of at least fifty-one percent (51%) of the lots within the Tract, or on June 1, 1972, whichever occurs first. Notice of time and place of such meeting shall be given to the members in writing by mailing such notice to the address of each respective member as shown in the records of the corporation.

ARTICLE V. ANNUAL MEETING OF MEMBERS

The annual meeting of the members shall be held on the first Saturday of June of each year, at 1:30 P.M., at such place as the Board of Directors shall fix, for the purpose of electing governors and transacting any other business which may properly come before such meeting.

ARTICLE VI. SPECIAL MEETING OF MEETING OF MEMBERS

Special meetings of members shall be held whenever called by the Board of Directors, and must be called by the Board upon receipt of a written request from ten percent (10%) or more of the entire membership.

ARTICLE VII. NOTICE OF MEETINGS

Notice of meetings of the members, annual or special, shall be given in writing by the Secretary, of the corporation to each member, either personally or by mail, addressed to such member at address appearing on the records of the corporation, not less than seven (7) days nor more than sixty (60) days before the meeting, and shall specify the place, the day and hour of such meeting, all of which must be reasonable, and in case of special meetings, the general nature of the business to be transacted.

ARTICLE VIII. VOTING.

A. Except for the cumulative voting for directors as provided hereinafter, at any meeting of the members, each member shall be entitled to cast one (1) vote for each lot owned. Any member may attend and vote at such meeting in person, or by an agent duly appointed by an instrument in writing, signed by the member and filed with the corporation. Any designation of an agent to act for a member shall be revoked when the corporation receives actual notice of the death or judicially declared incompetency of such member, or of the conveyance by such member of his lot or lots to another, whereupon the vestee of such lot shall be deemed a member for purposes of voting. Where there is more than one (1) record owner of a lot, any and all of such persons may attend any meetings of the corporation, but only a total of one (1) vote shall be allowed for each lot in the Tract.

B. Unless otherwise expressly provided in the Articles of Incorporation or these By-Laws, any action may be taken at any meeting of the corporation upon the affirmative vote of a majority of the total votes present, so long as such total votes present constitute a quorum.

ARTICLE IX. QUORUM.

The presence at any meeting, in person or by proxy, of the members having a majority of the total votes, shall constitute a quorum.

ARTICLE X. ADJOURNED MEETING

If any meeting of members cannot proceed because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which subsequent meeting the quorum shall consist of members having only twenty-five percent (25%) of the total votes.

ARTICLE XI. LIABILITY OF MEMBERS

No members of this corporation, or his transferees or his successors, shall be personally liable for any of the debts, liabilities and/or obligations of the corporation.

ARTICLE XII. DONATIONS

The corporation may accept gifts, legacies, donations and/or contributions and in any amount or in any form from time to time, upon such terms and conditions as may be decided from time to time by the Board of Directors.

ARTICLE XIII. CERTIFICATES OF MEMBERSHIP

A. Certificates of membership, numbered and with the seal of the corporation affixed, signed by the President or Secretary or such other officers as may be designated by the Board of Directors, may be issued to each member of the corporation, except that co-owners of any lot shall receive but one (1) certificate.

B. Lost Certificates: A new certificate of membership may be issued in the place of any certificate theretofore issued by the corporation alleged to have been lost or destroyed, and the directors may, in their discretion, require the owner of any such lost or destroyed certificate to comply with such rules and regulations as they may make from time to time in connection therewith.

C. Transfer Certificate: Certificates of membership in this corporation shall be transferrable only to transferees who become an owner of a lot in the Tract. Upon such transfer, the membership certificate of the transferer shall be filed with the Secretary, who shall mark such certificate "Cancelled" and issue a new membership certificate to the transferee and new member.

ARTICLE XIV. PERMANENT BOARD OF DIRECTORS

A. The number of permanent directors of the corporation shall be five (5). Said number may be changed by a duly adopted amendment to these By-Laws, and except that in no event may the number of directors be less than three (3).

B. Members of the Board of Directors shall be elected by a majority of the votes cast at the annual meeting of the

members of the corporation.

C. Every member entitled to vote at any election for directors of the corporation may cumulate his votes and give one (1) candidate the number of votes equal to the number of directors to be elected multiplied by the number of votes to which his shares are entitled, or distribute his votes on the same principle among as many candidates as he thinks fit.

D. Vacancies in the Board of Directors may be filled by appointment by the remaining directors, but directors so appointed shall serve only until the next annual meeting of the members, or until a special meeting is called for the purpose of electing director or directors.

E. The term of each director's service shall extend until the next annual meeting of the members, and until his successor is duly elected and qualified, or until he is removed in a manner elsewhere provided for herein.

ARTICLE XV. REMOVAL OF DIRECTORS.

Directors may be removed only by vote of the members. The entire Board may be removed by majority vote, but any individual director may be removed only by the cumulative voting procedure set forth in Section 811 of the California Corporations Code.

ARTICLE XVI. ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS.

The organizational meeting of a new elected Board of Directors, including the first permanent board, shall be held within five (5) days of their election, at such time and place as shall be fixed by the directors, and no further notice of the organizational meeting shall be necessary, provided a quorum shall be present.

ARTICLE XVII. ANNUAL MEETINGS.

Annual meetings of the Board of Directors shall be held on the same day following the annual meeting of the members, or at such time and place as shall be determined from time to time by a majority of the directors. Notice of annual meetings shall be given to each director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting unless such notice is waived.

ARTICLE XVIII. SPECIAL MEETINGS.

Special meetings of the directors may be called by the President and must be called at the written request of two (2) or more members of the Board. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone, or telegram, which notice shall state the time, place and purpose of the meeting.

ARTICLE XIX. WAIVER OF NOTICE.

Any director may waive notice of the meeting before or after the meeting, and such waivers shall be deemed equivalent to the giving of the notice.

ARTICLE XX. QUORUM.

A quorum, at director's meetings, shall consist of a majority of the directors present in person or by proxy. If, at any meeting of the Board, there will be less than a quorum present, the majority of those present may adjourn the meeting from time to time, until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

ARTICLE XXI. PRESIDING OFFICER

The presiding officer of directors' meetings shall be the Chairman. In the absence of the Chairman, the directors' present shall designate one of their number to preside.

ARTICLE XXII. DIRECTORS' COMPENSATION

The directors' compensation, if any, shall be determined by the members of the corporation.

ARTICLE XXIII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

All of the powers and duties of the corporation shall be exercised by the Board of Directors, including those existing under the common law and statutes, and the Articles of Incorporation, and shall include the following:

A. To pay for all labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure or pay for, pursuant to the terms of these By-Laws.

B. To obtain public liability and property damage insurance insuring the Board and members against any liability to the public or to individual members and their invitees, licensees, or tenants incident to the ownership and/or use of the common area, the coverage of such insurance shall be set by the Board. Such limits may be increased by the Board from time to time in its discretion.

C. To do all things necessary and reasonable to carry out the objects of this corporation, defined in Article I-B of these By-Laws and the duties of the Board in the operation and management of the corporation. This shall include the power to elect officers to manage the affairs of the corporation.

ARTICLE XXIV. OFFICERS

A. The first executive officers of the corporation shall be a President, a Vice-President, a Second Vice-President, a Treasurer and a Secretary, all of whom shall be directors. The directors, at their annual meeting, shall determine which offices each of them shall hold. Any person may hold two (2) or more offices, except that the President shall not also be the Secretary or the Treasurer. The Board of Directors may, from time to time, elect such other officers and designate their powers and duties.

B. The President shall be the chief executive officer of the corporation. He shall have all of the powers and duties which are usually vested in the office of president of a non-profit corporation, including, but not limited to, the power to appoint committees from among the members, from time to time, as he may in his discretion determine to be appropriate.

C. The First Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

D. The Second Vice-President shall perform the duties of the President and the First Vice-President when they are absent.

E. The Secretary shall keep the Minutes of all proceedings of the directors and the members. He shall be responsible for the giving and serving of all notices to the members and directors and other notices required by law. He shall have

custody of the seal of the corporation and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the corporation, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a non-profit corporation, and as may be required by the governors or the President.

F. The Treasurer shall have custody of all financial records of the corporation, including cash, bank deposits, securities and evidences of indebtedness. He shall keep the membership accounts of the members and other financial records referred to herein, of the corporation in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer of a non-profit corporation.

G.. The compensation, if any, of all officers and of employees of the corporation, shall be fixed by the Board.

ARTICLE XXV. MANAGEMENT.

A. Membership Records: Membership record and accounts for assessments of members shall be maintained in a set of accounting books, in which there shall be an account for each member. Such account shall designate the name and address of the member, the dates and amounts of assessments payable, the amounts paid and the balance due.

B. The depository of the corporation shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the corporation shall be deposited. Withdrawal of monies from such accounts shall be only by check signed by each such persons as are authorized by the Directors.

C. An independent audit of the accounts of the corporation may be made not later than thirty (30) days after the end of the calendar year, and a copy of the report shall be furnished to each member not later than thirty (30) days after its completion, and prior to the annual meeting of the corporation members.

D. Fidelity bonds may be required by the Board of Directors from such officers and employees of the corporation, or agents, as the Board may designate. The amount of such bond shall be determined by the Board. The premiums on such bonds shall be paid by the corporation.

ARTICLE XXVI. FISCAL YEAR.

The fiscal year of this corporation shall be the calendar year unless the Board of Directors shall designate

a fiscal period ending other than on December 31st.

ARTICLE XXVII. ASSESSMENTS AND MAINTENANCE FUND

A. Basic Assessments: Beginning on the first day of the month following the sales of fifty-one percent (51%) of the lots in the Tract, the owners of each of the lots in the Tract shall pay to the Board, to be held and disbursed as a fund to meet the authorized expenditures as provided herein, and to provide adequate reserves for replacement, the sum of \$ 100.00 per year, per lot. Each such annual payment shall be a separate debt of the owner or owners of the lot against whom it is assessed. The initial basic assessment herein provided may be increased or decreased by the Board.

B. Further Assessments: If the fund provided by the basic assessment for any reason, including non-payment by any of the owners, proves inadequate to maintain the project, and to provide adequate reserves for replacement, and to enable the Board to carry out its duties and responsibilities, the Board may at any time levy a further assessment which shall be assessed equally to each lot in the Tract, except as enumerated below. The Board shall give each owner written notice of the total amount of said further assessment, the amount thereof assessed to each lot, and the date or dates upon which said amount or portion thereof, shall be due and payable. Each such payment so indicated in the written notice shall be a separate debt of the owner or owners of the lot against whom it is assessed and shall be due and payable on the indicated date. Additional assessments for capital improvements in excess of \$ 250.00 require a vote of at least a majority of the voting power excluding the vote of the subdivider. Additional assessments to eliminate insurance proceed deficiencies, if any, require a vote of at least a majority of the voting power.

C. All assessments levied by the Board of Directors, whether designated a basic assessment or a further assessment, shall be paid by the owners of lots in the Tract, and no lot may be assessed an amount per month or per annum greater or less than any other lot. If there be more than one owner of a lot, the obligations to pay assessments shall be the joint and several liability of all the owners of a lot.

ARTICLE XXVIII. DEFAULT IN PAYMENT OF ASSESSMENTS

In the event of default or defaults of the payment in

any of the assessments as provided in ARTICLE XXVII, the Board of Directors may enforce such obligation as follows:

A. Action at law: The Board may maintain an action at law in the name of the corporation to enforce each assessment obligation. Each such action must be authorized by the Board at a regular or special meeting thereof. Any judgment rendered in any such action shall include a sum for reasonable attorneys fees in such amount as the court may adjudge against the defaulting owner. Upon full satisfaction of any such judgment, it shall be the duty of the Board to authorize delivery of any appropriate satisfaction thereof.

B. Lien:

1. Notice and Claim of Lien: At any time after default of payment of any assessment or installment thereof, the Board, acting upon the authorization of a majority of the quorum at any regular or special meeting, may give a notice to the defaulting owner which shall state the date of delinquency, the amount thereof, and make demand for payment. If such delinquency is not paid within ten (10) days after the delivery of such notice, the Board may elect to record a Claim of Lien against the parcel of the delinquent owner. Any such Claim of Lien shall state (a) the name of the delinquent owner or reputed owner; (b) a description of the lot in the Tract against which the Claim of Lien is made; (c) the amount claimed to be due and owing minus any proper off-set allowed; (d) that the Claim of Lien is made by the Board of Directors pursuant to the terms of these By-Laws; and (e) that a lien is claimed against such described property in an amount equal to the amount of the stated delinquency. Any such Claim of Lien shall be signed and acknowledged by any two (2) or more members of the Board and shall be dated as of the date the last such Board member executes such Claim of Lien. Upon recordation of a duly executed original or duplicate original of such Claim of Lien, in the office of the Kern County Recorder, the lien claim thereof shall immediately attach and become effective subject only to the limitations hereinafter set forth. Each default shall constitute a separate basis or a Claim of Lien or a lien.

2. Enforcement of Lien: Any such Claim of Lien may be foreclosed by appropriate action in Court or in the manner provided for by law for foreclosure of a mortgage or trust deed under power of sale, or in any other manner permitted by law. In the event of such foreclosure reasonable attorneys fees shall be allowed to the extent permitted by law. In the event foreclosure

is as in the case of a mortgage or trust deed under power of sale, the Board or any person designated by it in writing, shall be deemed to be acting as the agent of the lienor and shall be entitled to actual expenses and such fees as may be allowed by law.

Such Claim of Lien shall be prior to all other liens recorded subsequent to the recordation of said Claim of Lien. Unless sooner satisfied and released or the enforcement thereof initiated as heretofore provided, such Claim of Lien shall expire and be of no further force or effect one year from the date of the recordation in the Kern County Recorder's Office, provided, however, that said one-year period may be extended by the Board for not to exceed one (1) additional year by recording a written extension thereof. The corporation shall have the power to bid at the foreclosure sale and to hold, lease, mortgage and convey the lot if acquired by the corporation.

3. Release of Lien: In the event any Claim of Lien has been recorded as hereinabove provided and thereafter the Board receives payment in full of the amount claimed to be due and owing, then upon demand of the owner or successor in the payment of a reasonable fee not to exceed \$10.00, the Board acting by any two (2) members, shall execute and acknowledge and record in the Office of the County Recorder of Kern County, a Release of Lien stating the date of the original claim of such lien, the amount claimed, and the date and page wherein the lien was recorded, the fact that the lien has been fully satisfied and that the particular lien is released and discharged. Such release of lien shall be delivered to the owner or his successor upon payment of the above stated fee.

C. Other Means of Enforcement: The Board of Directors may enforce the payment of any delinquent assessment or installment thereof, in any other manner permitted by law.

ARTICLE XXIX. SUBDIVIDERS' GUARANTEE

The subdivider, also called "Developer" herein, by signing these By-Laws, guarantees as follows:

A. Should any lot owner be in default in the payment of any assessment as herein provided, prior to the sale of the majority of the lots within the subdivision, then, in such event, Subdivider shall pay to the association any such delinquencies.

B. In addition thereto, Subdivider shall pay all

assessments which might be levied by the lots remaining unsold, until sold.

C. So long as no lots are sold by Subdivider, these By-Laws will not be amended without the consent of the Board of Supervisors of the County of Kern, State of California.

ARTICLE XXX. CONVEYANCE OF NON-DEDICATED STREETS AND OTHER PROPERTY BY THE CORPORATION.

The corporation is hereby granted the power and authority to dedicate or transfer all or any part of the non-dedicated streets or any other property that it may own to any public agency or authority for such purposes and subject to such conditions as may be agreed upon by the members of the corporation, provided that no such dedication or transfer or determination as to the purposes or conditions thereof, shall be effective unless (a) approved by a vote of at least two thirds (2/3) of the voting power, (b) there is recorded therewith an instrument signed by the approving members of the corporation, agreeing to such dedication, transfer, purposes or conditions, and (c) written notice of the proposed action sent to every member at least seven (7) but not more than sixty (60) days prior to such action.

ARTICLE XXXI. AMENDMENT OF BY-LAWS.

The members of the corporation, by the affirmative vote of at least seventy-five percent (75%) of the total voting power, may at any meeting, amend any of these By-Laws.

ARTICLE XXXII. MISCELLANEOUS PROVISIONS.

A. Corporate Seal: The corporate seal of the corporation shall be in such form as the Board of Directors shall determine and shall contain the name of the corporation, the date and the state of its creation.

B. Checks, Drafts, Notes: All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation for all debts of the corporation shall be signed by the President and Secretary or Treasurer, or by such other officers as shall from time to time be determined by the Board of Directors.

C. Notice and Waiver of Notice: Whenever any notice is recorded by these By-Laws to be given, personal notice

is not meant unless expressly so stated; and any notice so required shall be deemed to be sufficient and given by depositing the same in a post office box, in a sealed post paid wrapper, addressed to the person entitled thereto at his last known post office address, and such notice shall be deemed to have been given on the day of such mailing. Any notice required to be given under these By-Laws may be waived by the person entitled thereto.

D. Assent to Meeting: Any action of the majority of the Board of Directors of this corporation, although not a regularly called meeting, if assented to in writing by all of the other members of the Board, shall be as valid and as effective as if taken by the Board at a meeting.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being all of the directors of FAIRVIEW RANCHES OWNERS' ASSOCIATION, INC., a non-profit California corporation, hereby adopt the foregoing By-Laws as the By-Laws of said corporation.

IN WITNESS WHEREOF, we have hereunto set our hands this 1st day of June, 1973.

David L. Shane
DAVID L. SHANE

Franklin D. Pelletier
FRANKLIN D. PELLETIER

Barbara A. Randolph
BARBARA A. RANDOLPH

Robin O. Blaufox
ROBIN O. BLAUFOX

Rebecca Peugh
REBECCA PEUGH

CONSENT OF SUBDIVIDERS

The undersigned, do hereby make the Guarantee described in ARTICLE XXIX of these By-Laws.

Robert C. Monroe
ROBERT C. MONROE

Mary Alice Monroe
MARY ALICE MONROE

Karl A. Arnnds
KARL A. ARNDS

Tracy Saylor
TRACY SAYLOR

Nadine Saylor
NADINE SAYLOR