
PREAMBLE

These By-Laws are established for carrying forth the provisions of the Articles of Incorporation for the Fairmont Subdivisions Improvement Association, and for maintaining and enforcing the deed covenants and restrictions as recorded in Book 4318, Page 334, Serial Number 25707V, San Mateo County Courthouse, in the State of California.

BY-LAWS

FAIRMONT SUBDIVISIONS

IMPROVEMENT ASSOCIATIONS

PART I

Organization

ARTICLE I

Place of Business

The principal office for the transaction of the business of the corporation shall be located in the County of San Mateo, State of California, and at such place therein as may be designated by the Board of Directors.

ARTICLE II

Members

Section 1. The members of the Association (other than the initial organizers) shall consist of one class only, all of whom shall be owners or purchasers under contract, of improved first residential lots or plots of land in one of the Fairmont Subdivisions in San Mateo County, California, whose land shall be subject to declarations of restrictions, covenants, easements and charges placed thereon by the original subdivider and wherein this Association has the duty to interpret and enforce said restrictions, covenants, assessments and charges.

Section 2. Any person or persons purchasing an improved first residential lot or plot in a Fairmont Subdivision subject to the declaration as referred to above, shall be a member of this Association, which membership shall terminate upon the sale or transfer of said lot or plot.

Section 3. The members of this Association shall not be obliged to pay any dues for membership in this Association, but all members shall be liable for the annual assessments levied by this Association as hereinafter provided.

Section 4. Only members in good standing shall be entitled to vote at the annual meetings or such other meetings of members as may be called. A member in good standing is a member who is not delinquent in payment of assessments levied by this Association in accordance with the terms of the declarations affecting said member's particular lot or plot of land.

Section 5. When a lot or building plot is owned of record in joint tenancy or tenancy in common, or when two or more persons are purchasing such lot or plot of land, said purchasers, regardless of their number, shall be entitled to one vote only for each such lot or plot owned by them, and the vote or proxy of any one of such joint owners shall be considered the action of all of the owners of said plot or lot, unless one of said owners contests said vote or proxy, in

which event the matter must be determined between the joint owners of the plot or lot as to who shall cast the vote. In the event such contesting parties cannot agree between themselves, then and in that event, it shall be considered no vote cast.

Section 6. At all meetings of the members of this Association, voting may be either in person or by proxy, and where proxies are used, they must be in writing and in the hands of the Secretary of this Association prior to the meeting at which the proxies are to be used.

Section 7. Except as otherwise provided, voting may be by Ayes and Noes or by written ballot as the same may be directed by the President or by the members present, upon motion duly made.

Section 8. There shall be issued annually to each member in good standing a membership card showing name of member, address, and year for which assessments have been paid in full, said card to be signed by such person or officer as the Board of Directors shall from time to time designate.

Section 9. Annual Meeting: The annual meetings of the members shall be held the first Friday in November each year, at eight o'clock, p.m., of said day at the principal office of this Association or at such other place in the County of San Mateo, California, as may be designated by the Board of Directors for the transaction of the business of the corporation.

Section 10. Special Meetings: Special meetings of members for any purpose or purposes whatsoever may be called any time by the President, or by the Board of Directors, or by one or more members holding not less than one-fifth of the voting power of the corporation, and such special meetings may be held at the principal office of the corporation or at any place within the County of San Mateo, California designated by written consent of the members entitled to vote thereat, or by the Board of Directors pursuant to authority granted the Board in and by these By-Laws.

Section 11. Notice: Written notice of any special meeting of the members shall be given to each member not less than five days before such meeting, and shall specify the day and hour and place of such meeting, and the general nature of the business to be transacted.

Section 12. Quorum: No meeting of the members shall transact any business, except election of Directors, unless a majority of the members entitled to vote thereat is represented in person or by proxy, except to adjourn from day to day or until such time as may be deemed proper.

ARTICLE III

Directors

Section 1. Number: The authorized number of Directors of this corporation shall be seven, which number may be increased by a By-Law duly adopted by the

Board provided that in order to reduce such number the votes or written consents of the members holding at least 70 per cent of the voting power shall be necessary.

Section 2. Qualifications: The Directors must be members of this Association and reside in the Fairmont Subdivision.

Section 3. Powers: . . All corporate powers (subject to limitations of the articles and to the provisions of law requiring action to be authorized or approved by the members) shall be exercised by or under authority of, and the business and the affairs of the Association shall be controlled by its Board of Directors and subject to the same limitations. The Board shall have power:

(a) To appoint and remove all officers (other than Directors), prescribe their duties and require from them security for faithful performance of service if deemed necessary;

(b) To make rules and regulations not inconsistent with law or the Articles of Incorporation for the guidance of the officers and management of the affairs of the Association;

(c) To appoint an Executive Committee composed of three or more Directors; to delegate to such Executive Committee any of the powers and authority of the Board in the management of the business and the affairs of the Association, except the power to adopt, amend or repeal By-Laws; and to make rules and regulations for the appointment and term of office of the members of such Executive Committee;

(d) To change the location of the principal office for the transaction of the business of the Association from one location to another in the same county; and to designate any place within said county for the holding of any members' meeting including the annual meeting.

Section 4. Duties: The board of directors shall:

(a) Cause to be kept open for the inspection at regular meetings of the Board of Directors and Annual Meeting of members, a book of minutes of all meetings of the Directors and meetings of the members of the Association; adequate and correct books of account of the properties and business transactions of the Association and a membership register.

(b) Adopt and use a corporate seal consisting of a circle setting forth on its circumference the name of the Association and showing the state and date of incorporation;

(c) Authorize the issuance of membership cards and designate the person or persons to sign the same.

Section 5. Elections: The Directors of the Association shall be elected at the annual meeting of the members by a majority vote of the members voting thereat, ei-

ther in person or by proxy. An number of members in good standing present in person or by proxy at the annual meeting of the members shall constitute a quorum for the purpose of electing Directors; and, except as provided for the filling of vacancies which may occur during the year, the Directors shall hold office until the next annual meeting of the members and until their successors are elected and qualified.

Section 6. Meetings: Regular Quarterly Meetings of the Board of Directors shall be held without call on the first Tuesday of the months of January, April and July and October at eight o'clock, p.m. of said day, at the principal office of said Association or at any place which shall be designated from time to time by resolution of the Board of Directors or by written consent of all members of the Board, and notice of such regular meetings is hereby dispensed with.

Special meetings of the Board for any purpose or purposes whatsoever shall be called at any time by the President, or if he be absent or be unable or refuse to act, by any vice president or by any two directors, upon due notice in writing given to each member at least two days prior to said meeting; and such special meetings may be held at the principal office of the Association, or at any place which shall be designated from time to time by resolution of the Board of Directors or by written consent of a majority of the members of the Board.

Section 7. Quorum: Four-sevenths of the authorized number of Directors shall be necessary to constitute a quorum of the Board for the transaction of business.

Section 8. Vacancies: In case of any vacancies in the Board of Directors through death, resignation, losing Directorship by disqualification or any other cause, the remaining Directors by a majority affirmative vote may elect a successor to hold office for the unexpired term for the Director or Directors whose office or offices are vacant and until the election or qualification of his successor. A Director may be disqualified for reason of four (4) unexcused absences at regular or special meetings of the Board of Directors in any calendar year or for moving from the Fairmont Subdivisions even though membership is still retained.

ARTICLE IV

Officers

Section 1. Election: The officers of this Association shall be a President and Chairman of the Board, a Vice President and Controller, a Vice President and Parliamentarian, a Treasurer, a Membership and Corresponding Secretary, and a Recording Secretary, who shall be chosen by the Board of Directors; and each of said officers shall serve until he shall resign or be removed or become disqualified, as determined by the Board of Directors, or until his successor shall

be elected and qualify.

Section 2. President and Chairman of the Board:

Subject to such powers, if any, as may be delegated by the Board of Directors to the Executive Committee, the President shall be the Chief Executive Officer, and, subject to the control of the Board of Directors, shall have general supervision and direction of the business and affairs of the Association, he shall:

- (a) Preside at all meetings of the Board of Directors and at all meetings of the members;
- (b) Call meetings of the Board of Directors;
- (c) Employ and discharge, subject to the approval of the Board, such agents and employees as the business of the Association shall from time to time require, and prescribe their duties, terms of employment and compensation; and
- (d) Exercise such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

Section 3. Vice President and Vice Chairman of the Board:

In the absence or incapacity of the President, the Vice President shall perform the duties of the President and shall also perform such other duties as may be prescribed for him by the Board of Directors.

Section 4. Vice President and Controller: The Vice President and Controller shall:

- (a) Keep and maintain, open to inspection by any director at all reasonable times, adequate and correct accounts of the properties and business transactions of the Association, which shall include all matters required by law and be in form as required by law;
- (b) Render to the Board of Directors, whenever they require it, an account of all transactions of the Association and a financial position in form satisfactory to them showing the condition of the Association;
- (c) Have such other powers and perform such other duties as may be prescribed by the Board of Directors.

Section 5. Vice President and Parliamentarian: It shall be the duty of the Vice President and Parliamentarian to assist the presiding officer in maintaining order at meetings, to rule upon all questions of Parliamentary procedure, and to have such other powers and perform such other duties as may be prescribed by the Board of Directors.

Section 6. Treasurer: The Treasurer shall:

- (a) Have the care and custody of the assets of the corporation and deposit same in the name and to the credit of the Association with such depositories as the Board of Directors may designate;
- (b) Disburse the funds of the Association as he may be ordered by the Board, taking proper vouchers for such disbursements;

(c) Have such other powers and perform such other duties as may be prescribed by the Board of Directors

Section 7. Membership and Corresponding Secretary: The Membership and Corresponding Secretary shall:

- (a) Keep at the principal office a membership register or a duplicate membership register, showing the details required by law, and also all other books of the Association, excepting books of account;
- (b) Attend to the giving and serving of all notices of the Association required by law or these By-Laws to be given;
- (c) Attend to such correspondence as may be assigned to him and perform all other duties incidental to his office or prescribed by the Board of Directors, or by the law;
- (d) Issue certificates of membership.

Section 8. Recording Secretary: The Recording Secretary shall:

- (a) Keep a book of minutes at the principal office of the Association or such other place as the Board of Directors shall order, of all meetings of the Directors and members in the form and manner required by law;
- (b) Keep at the principal office, open to inspection by members at all times, the original or a certified copy of the By-Laws of the Association as amended or otherwise altered to date;
- (c) Keep the corporate seal and affix it to all papers and documents requiring a seal.

ARTICLE V

Fees and Assessments

Section 1. Assessments:

- (a) The Board of Directors may from time to time levy and collect periodic assessments, but all such assessments must be ordered and levied by not less than five members of the Board of Directors;
- (b) Such assessments shall be restricted to members who are owners of improved lots or building plots, but the said Board shall not levy assessments to exceed in the aggregate \$18.00 a year without the vote or written assent of a majority of the members;
- (c) The assessments for lots coming under jurisdiction of the Association at the time of the original sale by the subdivision shall be set at \$18.00 for the first year; and
- (d) The said Board of Directors shall have the right to determine that all such assessments so levied and paid shall be credited to succeeding member in interest.

Section 2. Collection: Any charges or assessments more than thirty days in arrears may be collected by

an appropriate action at law, at any time after the same becomes due and payable; and in any action to collect same, in event of recovery the plaintiff shall be entitled to recover all costs and expenses, including a reasonable attorney's fee to be fixed by the court.

ARTICLE VI

Committees

Section 1. Appointment: In addition to the Executive Committee appointed by the Board of Directors, the President shall appoint a Membership Committee and such other committees as may be proper for the carrying on of the Association's business; and all such committees, unless otherwise directed by the Board of Directors, shall consist of three members each, and hold office at the will and pleasure of the President; and all such committees shall have the powers and duties as designated by the Board of Directors for the purpose for which this Association was formed.

Section 2. Quorum. A majority shall constitute a quorum on all committees but no act, action, determination or recommendation of any committee shall be effective unless agreed to or concurred in by a majority of the entire Committee.

ARTICLE VII

Rules of Order

Section 1. Every member desiring the privilege of the floor shall arise and address the chair as Mr. President; and but one member shall be entitled to the floor during the same period of time; and no member shall speak for more than five minutes on any subject at any one time or more than twice on the same subject except by permission of the Chair.

Section 2. All resolutions must be in writing.

Section 3. Unless and until otherwise provided, Roberts Rules of Order (Revised Edition) shall govern the conduct and procedure of all meetings.

PART II

Amendments

Section 1. Alterations or amendments to these By-Law shall be proposed in writing at either a regular or special meeting of the Board of Directors and referred to the Executive Committee, which shall report on the same at the next regular or a succeeding special meeting, when it may be acted upon and adopted by the Board of Directors.

Section 2. Nothing contained in these By-Laws is intended to alter or affect those deed covenants and restrictions recorded in the County Recorder's Office, San Mateo County, State of California, and the duties, powers or rights of this Association set forth therein.

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned, members of FAIRMONT SUBDIVISIONS IMPROVEMENT ASSOCIATION, a California Corporation, do hereby certify:

That we are entitled to exercise all of the voting power of said corporation; and that we hereby assent to the above and foregoing By-Laws and hereby adopt the same as the By-Laws of said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 29th day of January, 1964.

Fred Stearns
Don Silverthorne, Jr.
Richard Kalman
Edward R. Libonati
David Kruse
Robert Baurmann
Ruth Horanzy

I hereby certify that I am the Secretary of FAIRMONT SUBDIVISIONS IMPROVEMENT ASSOCIATION, a California Corporation; and I hereby further certify, over the seal of said corporation, that the foregoing are, and constitute, the By-Laws of FAIRMONT SUBDIVISIONS IMPROVEMENT ASSOCIATION.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of this corporation this 29th day of January, 1964.

(Seal)

(s) Ruth Horanzy
Secretary of
FAIRMONT SUBDIVISIONS
IMPROVEMENT ASSOCIATION