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BY-LAWS FOR TRACT 25762

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BY-LAWS
of
OAK LAKE ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is OAK LAKE ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 10889 Wilshire Boulevard, Suite 640, Los Angeles, California, but meetings of members and directors may be held at such places within the State of California, County of Los Angeles, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to OAK LAKE ASSOCIATION, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property hereinabove described as Tract 25762, as per map recorded in Book 767, pages 93 to 99, inclusive of Maps, Records of Los Angeles County, California

Section 3. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the members of the Association. The Common Area in Tract 25762 consists of Lots 198 and 199 and all property designated as private streets on said Tract Map.

Section 4. "Lot" shall mean and refer to any plot of land, with the exception of the Common area, shown upon the map referred to in Section 2 hereof.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to Barbara Land Company, a California corporation, its successors and assigns if such successors or assigns should acquire more than four undeveloped Lots from the Declarant for the purpose of development.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in a Lot, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. No owner shall have more than one membership. No membership shall be issued for any Lot owned by a person who is already a member of the Association until such Lot is conveyed to a person who is not a member of the Association; and if a person who is already a member of the Association acquires any other Lot or Lots as to which a membership is outstanding, such membership shall

be cancelled until the Lot is conveyed to a person who is not then a member, at which time it shall be reissued.

In the event any Lot is owned by two or more persons, whether by joint tenancy, tenancy in common, or otherwise, the membership appurtenant to such Lot shall be joint and the owners thereof shall designate from time to time to the Association in writing one of their number who shall have the power to vote said membership.

The membership in the Association held by any owner shall not be transferred, pledged or alienated in any way, except (1) upon the transfer of title to the owner's Lot and then only to the transferee of title to such Lot, and (2) such membership may be pledged to a lending institution as additional security for a purchase money real estate loan on the dwelling to which the membership is appurtenant. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the owner of any Lot should fail or refuse to transfer the membership registered in his name to the transferee of such Lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new certificate to the transferee, and thereupon the old certificate outstanding in the name of the transferor shall be null and void as though the same had been surrendered.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any

rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV
VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article II with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by Article III, 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 earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) one year after the first Lot is conveyed by Declarant to a purchaser.

ARTICLE V
PROPERTY RIGHTS:
RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of

enjoyment of the Common Area and facilities to the members of his family, his tenants or installment purchasers, who reside upon his property. Such member shall notify the secretary in writing of the name of any such delegee.

Section 2. Irrespective of the fact that Section 1(b) of Article V of the Declaration gives the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area, this right shall not be exercised as to members for a period of five years from the date of recordation fo the Declaration, and after this period, only upon written approval of two-thirds (2/3) of the entire Class A membership.

ARTICLE VI

BOARD OF DIRECTORS:

SELECTION: TERM OF OFFICE

Section 1. Number. The powers of the Association shall be exercised and its affairs conducted by a board of five directors.

Section 2. Election. Directors will be elected by the members at each annual meeting for a term of one year. Directors shall serve until their successors are selected.

Section 3. Removal and Vacancies. The entire Board of Directors or any individual Director may be removed from office with or without cause at any time by a vote of the majority of the votes held by the entire membership of record at any regular or special meeting of members duly called, and a successor or successors may then and there be elected to fill the vacancy or vacancies thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. However, unless the entire Board is removed, an individual Director

shall not be removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total number of outstanding votes entitled to vote is divided by one plus the authorized number of Directors.

Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by a vote of the majority of the remaining Directors even though they may consist of less than a quorum; and each person so elected shall be a Director until a successor is elected by the membership at the next annual meeting, or special meeting called for this purpose.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a 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 written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the

president of the Association, or by any two Directors, after not less than three days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but no less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by written ballot. At such election each member shall be entitled to vote, in person or by proxy, as many votes as such member is entitled to exercise under the provisions of Article IV hereof multiplied by the number of Directors to be selected; and he may cast all of such votes for

a single Director or may distribute them among the number to be voted for, or any two or more of them, as he sees fit.

ARTICLE IX
POWERS AND DUTIES OF THE
BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power:

(a) To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(b) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, not reserved to the membership by other provisions of these By-Laws, The Articles of Incorporation, or the Declaration.

(c) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/3) of the Class A members who are entitled to vote.

(b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

- (c) As more fully provided herein and in the Declaration applicable to the Properties;
- (i) To fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, hereinafter provided in Article XIII; and
 - (ii) To send written notice of each assessment to every Owner subject thereto.
- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.
- (e) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association.
- (f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) To cause the Common Area to be maintained.

ARTICLE X
COMMITTEES

The Association shall appoint such committees as deemed appropriate to assist in carrying out its purposes.

ARTICLE XI
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within thirty (30) days

after the developer has conveyed to purchasers 75 percent (75%) of the lots within the property, or within one year from the date of the first conveyance of a Lot to a purchaser, whichever occurs first. Each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President of the Board of Directors, or upon written request of the members who are entitled to vote one-fifth (1/5) of all of the votes of the entire membership or who are entitled to vote one-fifth (1/5) of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) (but not more than sixty (60)) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify a reasonable place, day and hour of the meeting, and in case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at any meeting, in person or by proxy, of members entitled to cast in excess of 50 percent (50%) of the votes of the membership, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration of Restrictions, or these By-Laws. If, however, such quorum

shall not be present or represented at any meeting, the members present, either in person or by proxy, may without notice other than announcement at the meeting, 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 meeting twenty-five percent (25%) of the votes of the membership shall constitute a quorum.

Section 5. Proxies and Voting. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. The vote of a majority of the notes present in person or by proxy shall decide questions brought before such meeting unless the question is one upon which, by express revision of statute, the Articles of Incorporation or the By-Laws, a different vote is required, in which event such express provision shall control.

ARTICLE XII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE-PRESIDENT

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act as President, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(d) The Treasurer shall receive and deposit or cause to be received and deposited in appropriate bank accounts all moneys of the Association and shall disburse or cause to be disbursed such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures a copy of which shall be presented to each membership within the period prescribed in Article XIV hereof.

ARTICLE XIII

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the property, hereby covenants, and each Owner

of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge and a continuing lien upon the lot owner's Lot, and shall continue to be such a lien until fully paid, subject to the following conditions:

(a) Such liens shall not be effective against any such Lot as security for the payment of any unpaid assessments which became due more than one year prior to the recordation by the Association of a notice of claim thereof in the office of the County Recorder of Los Angeles County, California;

(b) Said notice of claim must recite a good and sufficient legal description of any such Lot, the name and the nature of the interest of the Lot Owner, or reputed Lot Owner, the amount claimed and the name and address of the claimant;

(c) Any action brought to foreclose such lien must be commenced within one year following such recordation unless such period is extended by the Association by recordation (within the one year period) of a written extension of such period in which event such period shall be extended for one added year; and

(d) Any such claim or lien shall not defeat nor render invalid nor rank the lien of any first mortgage or deed of trust affecting any such Lot, made in good faith and for value and recorded in the office of said County Recorder prior to the recordation of any such claim or lien and any such claim or lien shall be subordinate and subject to the lien of any such prior recorded first mortgage or deed of trust; provided, however, that the aforesaid subordination shall apply only to assessments which have become due and payable prior to the sale of said property pursuant to a decree of foreclosure, trustee's sale or deed in lieu of foreclosure.

Each such assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and such personal obligation (as distinguished from a lien on a Lot) shall not pass to his successors in title unless expressly assumed by them.

Section 2. Annual Assessments. The Association shall levy an annual assessment upon each Lot of an amount not less than such Lot's pro rata share of the cost of maintaining, reconstructing, repairing and replacing the Common Area, including the lake and park, in a first-class condition and in a good state of repair. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Property, and in particular for the improvement and maintenance of the Common Area, services and facilities devoted to this purpose and related to the use and enjoyment of

the Common Area, and of the homes situated upon the Property.

After consideration of current maintenance costs and future needs of the Association, the Board of Directors shall fix the annual assessment.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds ($2/3$) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 4. Quorum for Any Action Authorized Under Section 3. At the first meeting called, as provided in Section 3 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 3, and the required quorum at any subsequent meeting shall be one-half ($1/2$) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Uniform rate. Both annual and special assessments must be fixed at a uniform rate for all Lots (subject to the provisions of Section 6 hereof), and may be collected on a monthly basis.

Section 6. Commencement of Assessments.

(a) The annual assessments as to all "improved lots" shall commence on the first day of the month following the month in which the first conveyance of a residential lot in the property has been made.

(1) A Lot shall be considered "improved" when an F.H.A. or V.A. final compliance inspection report has been issued to the lender.

(2) On unimproved lots, Declarant shall pay a reduced assessment in the amount of One Dollar (\$1.00) per lot per month during the development period. The development period shall be for one (1) year, commencing with the start of construction on the first residential lot in the property and ending on the first day of the month following the end of the one-year period, at which time all lots in the property shall be deemed to be improved lots and Declarant shall pay the full assessment on each unsold improved lot (in the initial amount of \$_____ (per month).

(b) In addition, Declarant shall pay:

(1) All taxes on the Common Area for the 1967-68 tax year.

(2) 1/197 for each unimproved lot of the following monthly expenses: all cash expenditures of the Association, including but not limited to the following -- expenses of maintaining and managing the Common Area, all insurance, fidelity bonds,

management fees, landscaping, utilities, trash removal, street maintenance, street sweeping and pool maintenance.

Section 7. Effect of Non-Payment of Assessments Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the legal rate of 7 percent (7%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

The Association is hereby vested with the right and power to bring at its option any and all actions against the Lot owners for the collection of the assessments referred to in this paragraph which are not paid when due and to enforce the aforesaid lien by any and all methods available for the enforcement of contractual obligations or liens, including without limitation the right to bring personal action against the Lot owner on such debt, the right to foreclose such lien in a method provided by law for foreclosure of a mortgage. The Association further is hereby vested with a power of sale and the right to sell by public or private sale the Lot Owner's interest in the Lot, which may be enforced by the Association, its attorney or other person authorized to bring such action or make such sale. A sale of a Lot Owner's interest by such power of sale shall be conducted in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code of California (or any similar statutory provisions that

may hereafter exist) and applicable to the exercise of powers of sale in mortgages and deeds of trust. The Association shall have the power to bid in the property sold on its own name and to hold, lease, mortgage and convey the same for the benefit of all of the Lot Owners. All rights and remedies granted to the Association hereunder shall be cumulative and the exercise of one or more rights or remedies shall not constitute a waiver or election preventing the use of other rights or remedies. In addition to the costs and attorneys' fees hereinabove provided for, the Association shall be entitled to collect from such defaulting Lot Owner reasonable attorneys' fees, costs and expenses incurred in connection with any legal action commenced for the purpose of collecting said assessments and/or enforcing said lien.

Section 8. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust made in good faith and for value and recorded in the office of the Recorder of Los Angeles County prior to the recordation of a claim of lien for said assessments. Sale or transfer of any Lot shall not defeat or affect the assessment lien. However, the sale or transfer of any Lot, which is subject to any first mortgage or deed of trust, pursuant to a foreclosure under such first mortgage or deed of trust, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE XIV

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration of Restrictions, the Articles of incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost. There shall be an annual independent examination or audit of the Association's books of account and a complete annual financial report of such examination and of the Association's operations shall be furnished to each Lot Owner within thirty (30) days after completion of the report and in no event more than one hundred twenty (120) days after the end of the Association's fiscal year.

ARTICLE XV
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of seventy-five percent (75%) of the total voting power of the membership, except that while there is Class B membership, no such amendment shall become effective without the written consent of the F.H.A. and/or Veterans Administration if such agencies have insured or guaranteed mortgages secured by Lots in the property.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration of Restrictions applicable to the Property and these By-Laws, the Declaration of Restrictions shall control.

ARTICLE XVI
MISCELLANEOUS

Unless modified by resolution of the Board of Directors of the Association, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the OAK LAKE ASSOCIATION have hereunto set our hands this 3rd day of October, 1967.

(E. S. Rosenfeld)

(James C. Young)

(Blanche A. Marks)

COVENANT OF DECLARANT

The undersigned hereby adopts and agrees to the covenants of the Declarant provided in Article XIII hereof.

BARBARA LAND COMPANY

By _____
(James C. Young, Vice President)