

BYLAWS

OF

TOKYO VILLA
HOMEOWNERS ASSOCIATION, INC.

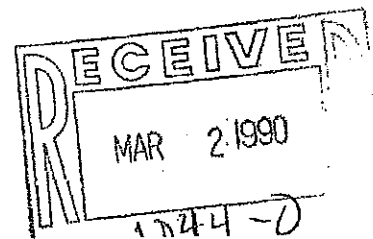
ARTICLE I
NAME AND LOCATION

The name of the Association is Tokyo Villa Homeowners Association, Inc., (hereinafter referred to as the "Association"). The Association is a Non Profit Mutual Benefit corporation formed under Section 5,000 et seq. of the California Corporations Code. The principal office of the Association shall be located in the County of Los Angeles, State of California, (hereinafter referred to as "Said County"). Meetings of members shall be held at such places as are set forth in the Declaration (defined below).

ARTICLE II
DEFINITIONS

1. Declaration. The "Declaration" shall mean collectively, the Declaration of Covenants, Conditions and Restrictions Establishing a Plan of Condominium Ownership and any amendments thereto, if any, recorded or to be recorded pursuant thereto, and applicable to the condominium development commonly known and referred to as Tokyo Villa.

2. Other Definitions. Each and every definition set forth in Article I of the Declaration shall have the



same meaning herein as therein, and each and every such definition is incorporated by reference herein and made a part hereof as if once again fully written and set forth at length hereat.

ARTICLE III

MEMBERSHIP: VOTING RIGHTS

1. Membership and Voting Rights. The qualifications for membership, the classes of membership, and the voting rights of members shall be as set forth in Article V of the Declaration.

2. Incorporation by Reference. Article V of the Declaration is by this reference incorporated herein and made part hereof as if once again fully written and set forth at length hereat.

ARTICLE IV

MEETINGS OF MEMBERS

1. Regular meetings of members of the Association shall be held not less frequently than once each calendar year at a time and place prescribed by the Bylaws. The first meeting of the Association, whether regular or special meeting, shall be held within forty-five (45) days after the closing of the sale of the subdivision interest which represents the fifty-first percentile interest authorized for sale under the first public report for the subdivision, but in no event shall the meeting be held later than six (6) months after the closing of the first sale of the first subdivision interest. At this first meeting the first election of the governing body shall be conducted.

2. Meetings of the Association members shall be held within the subdivision or at a meeting place as close thereto as possible. Unless unusual conditions exist, members meetings shall not be held outside of the county in which the subdivision is situated.

3. A special meeting of the members of the Association shall be promptly called by the governing body upon:

- a) The vote for such a meeting by a majority of a quorum of the governing body.
- b) Receipt of written request therefor signed by members representing not less than five percent (5%) of the total voting power of the Association or by the members representing not less than fifteen percent (15%) of the voting power residing in members other than the subdivider.

4. Written notice of regular and special meetings shall be given to members by the governing body by any means which is appropriate given the physical setup of the subdivision. Except in emergency situations, at least ten (10), but not more than ninety (90) days notice of any meeting shall be provided. The notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the nature of the business to be undertaken.

5. Quorum. The presence at any meeting in person or by proxy of members representing fifty percent (50%) of the total voting power of the Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, members representing a majority of the votes present, either in person or by proxy, may not conduct any other business than to 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 adjourned meeting the quorum requirement shall be at twenty-five percent (25%) of said total votes. Any meeting of members whereat a quorum is present may be adjourned for any reason to a time not less than five (5) days nor more than thirty (30) days from the time of such meeting by members representing a majority of the votes present thereat, either in person or by proxy. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

6. Proxies. At all meetings of members each member may be present 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 when the ownership interest or interests of such member entitling him to membership in the Association cease.

7. Order of Business. The order of business of all meetings of the members shall be as follows:

- a) Roll call.
- b) Proof of notice of meeting or waiver of notice.
- c) Reading of minutes of preceding meeting.
- d) Reports of Board and Officers.
- e) Election of directors, if any are to be elected.
- f) Unfinished business.
- g) New Business.

8. Parliamentary Procedure. All questions of parliamentary procedure shall be decided in accordance with Robert's Rules of Order.

9. Majority of Owners. Except as otherwise provided herein or in the Declaration, the majority of the total voting power present, in person or by proxy, shall prevail at all times.

ARTICLE V

SELECTION AND TERM OF OFFICE OF BOARD

1. Number. The Board shall consist of five (5) directors who need not be members.

2. Term of Office. At the first annual meeting, the members shall elect each of the five (5) directors for

a term of one (1) year. At the expiration of the initial term of office of each director, his successor shall be elected to serve for a term of one (1) year. The five (5) directors shall serve concurrent terms.

3. Election; Vacancies. Election and removal of directors shall be as provided in the Declaration. In the event of the death or resignation, of a director, his successor shall be selected by the remaining members of the Board, and shall serve for the unexpired term of his predecessor. The filling of a vacancy on the governing body created by the removal of a governing body member shall be allowed with the vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

1. Nomination. Nomination for election to the Board may be made by a nominating committee appointed by the Board.

2. Election. Election to the Board shall be by secret written ballot. At such election, the members, or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provision of the Declaration (and subject to cumulative voting as therein described). The candidates receiving the highest number of votes shall be deemed elected.

ARTICLE VII
MEETINGS OF DIRECTORS

1. Regular Meetings.

- a) Regular meetings of the governing body shall be held monthly at a time and place within the subdivision fixed by the governing body from time to time.
- b) Notice of the time and place of such meeting shall be posted at a prominent place or places within the common area, and shall be communicated to governing body members not less than four (4) days prior to the meeting. Notice of a meeting need not be given to any governing body member who has signed a waiver of notice or written consent to holding of the meeting.

2. Special Meetings.

- a) A special meeting of the governing body may be called by written notice signed by the President of the Association or by any two (2) members of the governing body other than the President.
- b) The notice shall specify the time and place of the meeting and the nature of any special business to be considered.
- c) The notice shall be sent to all governing

body members and posted in a manner prescribed for notice of regular meetings not less than seventy-two (72) hours prior to the scheduled time of the meetings. Provided, however that notice of the meeting need not be given to any governing body member who signed a waiver of notice or a written consent to holding of the meeting.

3. Participation. Regular and special meetings of the governing body shall be open to all members of the Association, provided, however, that Association members who are not on the governing body may not participate in any deliberation unless expressly so authorized by the vote of a majority of a quorum of the governing body.

4. Executive Sessions. The governing body may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in 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.

5. Quorum. Three (3) directors shall constitute a quorum for the transaction of business at a meeting of the Board. Every act or decision done or made by three (3) directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD

1. Powers. The Board shall have all powers conferred upon the Association as set forth herein and in the Declaration, excepting only those powers expressly reserved to the members.

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

- a) To cause to be kept a complete record of all of its acts and doings, and to present a statement thereof to the members at each annual meeting of the members, or at any special meeting when such statement is requested in writing by members representing one-fourth (1/4) of the votes.
- b) To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.
- c) To delegate its powers as provided in the Declaration.

ARTICLE IX
OFFICERS AND THEIR DUTIES

1. Enumeration of Officers. The officers of the Association shall be President and Vice-President, who shall at all times be members of the Board; Secretary, and a Treasurer, and such other officers as the Board may from time to

time by resolution create.

2. Election of Officers. The election of officers shall take place at the organizational meeting of the Board and thereafter at each meeting of the Board following each annual meeting of the members.

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

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 authority, and perform such duties as the Board may, from time to time, determine.

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.

6. Vacancies. A vacancy in any office shall be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7. Multiple Offices. The offices of the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 hereof.

8. Duties. The duties of the officers shall be as follows:

President

a) The President shall preside at all meetings of the Board, 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 check 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, 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 proceeding of the Board and of the members, shall serve notices of meetings of the Board and of the members, shall 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 in appropriate bank accounts all monies of the Association

and shall disburse checks and promissory notes of the Association, shall keep proper books of account and regularly prepare financial statements which shall be distributed to each member of the Association as follows:

(1) The following financial information shall be regularly prepared and distributed by the governing body to all members regardless of the number of members or the amount of assets of the Association:

(i) A budget for each fiscal year consisting of at least the following information shall be distributed not less than 45 days prior to the beginning of the fiscal year.

a. Estimated revenue and expenses on an accrual basis.

b. The amount of the total call reserves of the Association currently available for replacement or major repair of common facilities and for contingencies.

c. An itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible.

d. A general statement setting forth the procedure used by the

governing body in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible.

(ii) A balance sheet - as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of an interest in the subdivision - and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and the name of the entity assessed.

(iii) A report consisting of the following shall be distributed within 120 days after the close of the fiscal year.

a. A balance sheet as of the end of the fiscal year.

b. An operating (income) statement for the fiscal year.

c. A statement of changes in financial position for the fiscal year.

d. For any fiscal year in

which the gross income to the Association exceeds \$75,000, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of accountancy.

(2) If the report referred to in a.(iii) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

(3) In addition to financial statements, the governing body shall annually distribute within 60 days prior to the beginning of the fiscal year a statement of the Association's policies and practices in enforcing its remedies against members for default in the payment of regular and special assessments including the recording and foreclosing of liens against members' subdivision interests.

ARTICLE X COMMITTEES

The Board may appoint such committees as it deems appropriate in order to carry out its purposes, including, a nominating committee and an architectural committee.

ARTICLE XI

1. Liability for Assessments; Collection. As more fully provided in Article VI and VII of the Declaration, each member is obliged to pay to the Association annual and special assessments to be collected as therein set forth.

2. Incorporation by Reference. Article VI and VII of the Declaration are by this reference incorporated herein and made a part hereof as if once again fully written and set forth at length hereat.

ARTICLE XII

AMENDMENTS

These bylaws may be amended by vote or written consent of the members representing both:

- a) At least 51% of the total voting power of the Association, and
- b) At least 51% of the votes of members other than the subdivider.

ARTICLE XIII

GENERAL PROVISIONS

1. Conflicting Provisions. In the case of any conflict between any provisions of the Declaration and these Bylaws, the provisions of the Declaration shall control.

2. Fiscal Year. The fiscal year of the Association shall be a calendar year unless and until a different fiscal year is adopted by members at a duly constituted meeting thereof.

3. Proof of Membership. No person shall exercise the right of membership in the Association until satisfactory proof thereon has been furnished to the Secretary. Such proof may consist of either a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person to be the owner of an interest in a condominium entitling him to membership. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

4. Absentee Ballots. The Board may make such provisions as it may consider necessary or desirable for absentee ballots.

5. Reserves. Any amounts collected by or paid to the Association in excess of operational needs shall be set aside as reserves for future financial needs. All such sums shall be deposited into insured, interest bearing accounts. These sums may include amounts collected by Declarant from owners through purchase escrows representing capital contribution by such owners to the Association.

6. Non-Profit Purpose. The foregoing notwithstanding, this Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this Association, as set forth in these bylaws and in the Declaration. Furthermore, this Association is one which does not contemplate pecuniary gain or profit to the members thereof, and is organized solely for non-profit purposes. In no event shall the net earnings, income or assets of this Association be distributed to, or inure to the benefit of, any member, director or officer of this Association or to other private individuals either directly, or indirectly, except upon winding up and dissolution.

7. Specific and Primary Purpose. The specific and primary purpose of this association is to operate a Homeowner's Association within the meaning of Section 23701t of the California Revenue and Taxation Code and Section 528 of the Internal Revenue Code.

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENT:

The undersigned, secretary of Tokyo Villa Homeowners Association, Inc., a Non Profit Mutual Benefit Corporation does hereby certify that the above and foregoing bylaws were duly adopted by the Board of Directors of said Association on _____ and that they constitute said by laws.

Secretary