

AMENDED BY LAWS OF
YOSEMITE LAKES OWNERS' ASSOCIATION

RATIFIED BY RESOLUTION 86-006
JUNE 2, 1986

ARTICLE I

IDENTIFICATION

SECTION 1. NAME. THE NAME OF THIS CORPORATION IS YOSEMITE LAKES OWNERS' ASSOCIATION WHICH SHALL BE REFERRED TO HEREIN FOR CONVENIENCE AS THE "ASSOCIATION".

SECTION 2. PRINCIPAL OFFICE. THE PRINCIPAL OFFICE OF THE ASSOCIATION WILL BE IN MADERA COUNTY, CALIFORNIA, AT SUCH SPECIFIC LOCATION THEREIN AS MAY BE, FROM TIME TO TIME, DESIGNATED BY THE BOARD OF DIRECTORS.

SECTION 3. SEAL. THE SEAL FOR THE ASSOCIATION SHALL BE IN THE FORM OF TWO (2) CONCENTRIC CIRCLES WITH THE WORDS, "YOSEMITE LAKES OWNERS' ASSOCIATION" APPEARING BETWEEN SAID CIRCLES IN THE UPPER PERIPHERY AND THE DATE OF INCORPORATION APPEARING IN THE CENTER THEREOF. WHEN THE AFFIXING OF THE SEAL TO ANY INSTRUMENT IS APPROPRIATE, THE SAME MAY BE DONE BY MEANS OF A METAL DIE CASTING AN IMPRESSION OF SAID SEAL OR BY AN IMPRINT OF THE WORDS AND FIGURES OF THE SEAL IN THE SAME FORM THEREOF.

SECTION 4. FISCAL YEAR. THE FISCAL YEAR OF THE ASSOCIATION SHALL BE THAT SELECTED BY THE BOARD OF DIRECTORS.

ARTICLE II

PURPOSE AND POWERS

SECTION 1. PURPOSE. THE PRIMARY PURPOSE OF THE ASSOCIATION SHALL BE TO FURTHER AND PROMOTE THE COMMON INTEREST AND WELFARE OF ITS MEMBERS WITHIN THE SUBDIVIDED LAND AREA SITUATED IN MADERA COUNTY, CALIFORNIA, KNOWN AND TO BE KNOWN GENERALLY AS YOSEMITE LAKES PARK, REFERRED TO HEREIN FOR CONVENIENCE AS THE "SUBDIVISION".

SECTION 2. POWERS. THE ASSOCIATION SHALL DO WHATEVER IS NECESSARY, CONDUCTIVE, INCIDENTAL OR ADVISABLE TO ACCOMPLISH AND PROMOTE ITS OBJECTIVES AND PURPOSES, EXCEPT CARRYING ON A BUSINESS OR TRADE FOR PROFIT, AND IN CONNECTION THEREWITH SHALL HAVE BUT SHALL NOT BE LIMITED TO, THE FOLLOWING POWERS:

(A) TO ACQUIRE REAL OR PERSONAL PROPERTY BY GIFT, PURCHASE OR OTHER MEANS;

(B) TO OWN, HOLD, ENJOY, LEASE, OPERATE, MAINTAIN, CONVEY, SELL, ASSIGN, TRANSFER, MORTGAGE OR OTHERWISE ENCUMBER, OR DEDICATE FOR PUBLIC USE, ANY REAL OR PERSONAL PROPERTY OWNED BY IT. INCLUDING THE SALE OR TRANSFER TO THE COUNTY OF MADERA, ANY PUBLIC AGENCY, DISTRICT, AUTHORITY OR UTILITY WHICH MAY BE FORMED FOR THE PURPOSE OF OWNING AND MAINTAINING ANY OR ALL OF THE REAL AND/OR PERSONAL PROPERTY OWNED BY IT;

(C) TO EXERCISE THE POWERS AND FUNCTIONS GRANTED TO IT IN THE RECORDED DECLARATION OF RESTRICTIONS OF YOSEMITE LAKES PARK ("DECLARATION") MADE BY YOSEMITE LAKES, INC. ("DECLARANT");

(D) TO OWN, CONSTRUCT, MAINTAIN, AND OPERATE RECREATIONAL AND ALL OTHER FACILITIES OF ALL KINDS WITHIN THE SUBDIVISION, TO PRESCRIBE THE USE THEREOF, AND TO CONTRACT FOR THE MAINTENANCE OPERATION AND MANAGEMENT THEREOF BY OTHERS;

(E) TO CARE FOR VACANT, UNIMPROVED, OR UNKEPT LOTS;

(F) TO MAINTAIN, RECONSTRUCT, BEAUTIFY AND OTHERWISE CARE FOR ALL THE PRIVATE ROADS, BRIDGES, AND STORM DRAINS WITHIN THE BOUNDARIES OF THE SUBDIVISION UNTIL SUCH TIME AS THE ROADS WITHIN THE BOUNDARIES OF THE SUBDIVISION ARE DEDICATED AS PUBLIC ROADS AND ACCEPTED AS SUCH BY THE COUNTY OF MADERA, OR THE MAINTENANCE AND RECONSTRUCTION OF THE ROADS, BRIDGES, AND STORM DRAINS IS UNDERTAKEN BY THE PUBLIC AGENCY OR DISTRICT WHICH HAS THE AUTHORITY TO ASSESS PROPERTY FOR THE MAINTENANCE THEREOF.

(G) TO PAY TAXES AND ASSESSMENTS, IF ANY, LEVIED BY ANY GOVERNMENTAL AUTHORITY ON PROPERTY OWNED BY IT;

(H) TO ENFORCE CHANGES SET FORTH IN ARTICLE VIII, SECTION 4 OF THESE BY-LAWS AND OTHER CHARGES, EASEMENTS, RESTRICTIONS, COVENANTS, CONDITIONS, AND AGREEMENTS EXISTING UPON OR CREATED FOR THE BENEFIT OF REAL PROPERTY IN THE SUBDIVISION; AND, IN PARTICULAR, THE DECLARATION;

(I) TO APPOINT SUCH COMMITTEES AS MAY BE NECESSARY TO, OR CONVENIENT IN, THE DISCHARGE OF ANY OF ITS OBLIGATIONS OR POWERS;

(J) TO LEVY ANNUAL ASSESSMENTS AND CHARGES UPON DELINQUENT ASSESSMENTS, INCLUDING INTEREST, PENALTIES AND LATE CHARGES, UPON ITS MEMBERS AND TO DECLARE ALL OF SAID ASSESSMENTS AND CHARGES TO BE A LIEN AGAINST THE PROPERTY SUBJECT THERETO IN ACCORDANCE WITH THE RESTRICTIONS OF THE SUBDIVISION;

(K) TO PRESCRIBE AND ENFORCE MOTOR VEHICLE SPEED LIMITS WITHIN THE SUBDIVISION;

(L) TO SUE TO COLLECT ANY CHARGES NOT PAID AND IN CONNECTION THEREWITH TO FORECLOSE ANY LIEN GRANTED TO IT;

(M) TO BORROW MONEY, CONTRACT DEBTS, AND ISSUE BONDS, NOTES AND DEBENTURES, AND SECURE THE PAYMENT OR PERFORMANCE OF ITS OBLIGATIONS;

(N) TO EXPEND ITS MONEYS FOR THE PAYMENT AND DISCHARGE OF ALL PROPER COSTS, EXPENSES AND OBLIGATIONS INCURRED IN CARRYING OUT ALL OR ANY OF THESE POWERS IN FURTHERANCE OF ITS PURPOSES AND OBJECTIVES;

(O) TO CONTRACT AND PAY PREMIUMS FOR FIRE, CASUALTY, LIABILITY AND OTHER INSURANCE, INCLUDING INDEMNITY AND OTHER BONDS;

(P) TO CONTRACT AND PAY FOR MAINTENANCE, GARDENING, UTILITIES, MATERIALS, SUPPLIES AND SERVICES RELATING TO PROPERTY OR FACILITIES OWNED OR OPERATED BY IT, AND TO EMPLOY PERSONNEL REASONABLY NECESSARY FOR THE ADMINISTRATION OF ITS AFFAIRS, INCLUDING LEGAL COUNSEL AND ACCOUNTANTS;

(Q) TO PROCURE AND MAINTAIN AND PROVIDE SUCH FIRE FIGHTING EQUIPMENT AS MAY BE REQUIRED BY THE COUNTY OF MADERA AND THE STATE OF CALIFORNIA RESOURCES AGENCY, DEPARTMENT OF CONSERVATION, DIVISION OF FORESTRY; AND

(R) TO DO ALL OTHER ACTS NECESSARY OR EXPEDIENT FOR THE ADMINISTRATION OF ITS AFFAIRS AND THE ATTAINMENT OF ITS PURPOSES.

ARTICLE III

MEMBERSHIP

SECTION 1. CLASSES. THERE SHALL BE TWO (2) CLASSES OF MEMBERSHIP IN THE ASSOCIATION, I.E., MEMBERS AND ASSOCIATE MEMBERS.

SECTION 2. VOTING MEMBERS. VOTING MEMBERSHIPS SHALL BE APPURTENANT TO LOTS (AS THE SAME ARE DEFINED HEREIN) IN THE SUBDIVISION AND ALL PERSONS WHO BECOME OWNERS THEREOF SHALL, BY REASON OF SUCH OWNERSHIP, BECOME AND HEREBY ARE MADE MEMBERS OF THE ASSOCIATION; PROVIDED, HOWEVER, THAT THE SUBDIVISION DEVELOPER'S RIGHT TO VOTE SHALL BE SUSPENDED COMMENCING JULY 1, 1972 WITH RESPECT TO ANY LOTS ON WHICH NO PUBLIC REPORT HAS BEEN ISSUED BY THE STATE OF CALIFORNIA DEPARTMENT OF REAL ESTATE UNTIL THE DATE UPON WHICH A PUBLIC REPORT IS ISSUED BY SAID DEPARTMENT COVERING SUCH LOTS.

MEMBERS SHALL BE LIMITED TO THE OWNERS OF NOT LESS THAN ONE (1) LOT (AS THE SAME IS DEFINED HEREIN) IN THE SUBDIVISION. ONLY ONE (1) OF ANY NUMBER OF CO-OWNERS OF A LOT SHALL BE A VOTING MEMBER. A LOT HELD BY A HUSBAND AND WIFE IN ANY FORM OF JOINT OWNERSHIP, INCLUDING COMMUNITY PROPERTY, SHALL QUALIFY THE OWNERS FOR ONE

(1) VOTING MEMBERSHIP ONLY, TO BE ISSUED IN THE NAME OF THE HUSBAND UNLESS OTHERWISE DIRECTED.

OWNERSHIP OF MORE THAN ONE (1) LOT SHALL ENTITLE THE OWNER TO ALL THE RIGHTS AND PRIVILEGES OF A VOTING MEMBERSHIP AND SHALL SUBJECT SUCH OWNER TO ALL THE LIABILITIES AND DUTIES THEREOF THAT ARE ATTENDANT TO THE OWNERSHIP OF EACH LOT SEPARATELY; PROVIDED, HOWEVER, THAT THE ASSOCIATION MAY ISSUE A SINGLE CERTIFICATE OR OTHER EVIDENCE OF VOTING MEMBERSHIP RELATING TO ALL OF SUCH LOTS; AND PROVIDED FURTHER, THAT THE OWNER OF MORE THAN ONE (1) LOT SHALL BE CONSIDERED AS A SINGLE MEMBER ONLY FOR THE PURPOSES OF NOTICE AND DETERMINATION OF ASSOCIATE MEMBERSHIPS; PROVIDED FURTHER, THAT IN ACCORDANCE WITH ARTICLE VIII, SECTION 4, VOTING RIGHTS SHALL BE SUSPENDED DURING THE PERIOD WHICH ANY ASSESSMENT, OR CHARGE THEREON, REMAINS UNPAID AND DELINQUENT.

A VOTING MEMBER SHALL BE ENTITLED TO ONE (1) VOTE FOR EACH LOT IN THE SUBDIVISION OWNED BY SUCH MEMBER.

SECTION 3. ASSOCIATE MEMBERS. THE FOLLOWING SHALL BE ENTITLED TO ASSOCIATE MEMBERSHIP IN THE ASSOCIATION.

(A) CO-OWNERS OF ANY LOT;

(B) THE SPOUSE AND/OR CHILDREN OF A MEMBER WHO ALSO HAVE THE SAME RESIDENCE AS THE MEMBER;

(C) ANY PERSON WHO IS A TENANT OR OCCUPANT OF ANY UNIT IN ANY MULTIPLE-FAMILY DWELLING, INN, MOTEL, HOTEL, OR WHO IS AN OCCUPANT OF A MOBILE HOME WITHIN THE SUBDIVISION; AND

(D) OFFICERS AND DIRECTORS OF THE ASSOCIATION NOT OTHERWISE A MEMBER BY REASON OF LOT OWNERSHIP PURSUANT TO SECTION 2 OF THIS ARTICLE III.

PERSONS QUALIFYING UNDER MORE THAN ONE (1) OF THE ABOVE CATEGORIES SHALL, NEVERTHELESS, BE ENTITLED TO ONLY A SINGLE ASSOCIATE MEMBERSHIP.

ASSOCIATE MEMBERS SHALL HAVE NO VOTE OR RIGHT TO NOTICE OF ANY MEETING OF MEMBERS, REGULAR OR SPECIAL. ASSOCIATE MEMBERS SHALL NOT BE REQUIRED TO PAY AN ANNUAL CHARGE, BUT SHALL BE ENTITLED TO ENJOY ALL THE OTHER PRIVILEGES OF MEMBERSHIP, SUBJECT, HOWEVER, TO THEIR OBSERVANCE OF ALL RULES AND REGULATIONS GOVERNING THE CONDUCT OF MEMBERS. ASSOCIATE MEMBERSHIP SHALL CEASE AUTOMATICALLY UPON TERMINATION OF THE STATUS GIVING RISE TO SUCH MEMBERSHIP.

SECTION 4. LOT DEFINED. FOR PURPOSES OF THESE BY-LAWS, THERE SHALL BE TWO (2) CLASSES OF LOTS, TO-WIT; PRIVATE AND COMMERCIAL, BUT MAY BE REFERRED TO IN THE BY-LAWS AS "LOT" OR "LOTS".

(A) "PRIVATE LOTS" SHALL INCLUDE ALL SUBDIVIDED NUMBERED LOTS DESCRIBED AND SET FORTH IN THE MAP OF THE SUBDIVISION AS RECORDED IN THE OFFICE OF THE COUNTY RECORD OF MADERA COUNTY, CALIFORNIA, WHICH LOTS ARE INTENDED FOR PRIVATE RESIDENTIAL DWELLINGS.

(B) "PRIVATE LOTS" SHALL ALSO INCLUDE EACH UNIT OF ANY MULTIPLE-FAMILY DWELLING LOCATED IN THE SUBDIVISION.

(C) "COMMERCIAL LOTS" SHALL INCLUDE EACH UNIT OF ANY INN, HOTEL, MOTEL, OR MOBILE HOME PARK LOCATED IN THE SUBDIVISION AND EVERY OTHER BUSINESS ENTERPRISE OF ANY NATURE WHATSOEVER QUALIFIED TO OR ACTUALLY CARRYING ON ITS BUSINESS WITHIN THE BOUNDARIES OF THE SUBDIVISION.

SECTION 5. PRIVILEGES. VOTING MEMBERS IN GOOD STANDING AND THEIR ASSOCIATE MEMBERS, AND THE GUESTS OF EACH, SHALL HAVE THE USE OF THE STREETS, PARKS AND RECREATIONAL FACILITIES IN THE SUBDIVISION AND ANY OTHER PROPERTY OR FACILITIES FROM TIME TO TIME OWNED BY THE ASSOCIATION, AND THE BUSINESS INVITEES OF EACH SHALL HAVE THE USE OF THE STREETS IN THE SUBDIVISION OWNED BY THE ASSOCIATION, SUBJECT TO THE PROVISIONS OF THE RESTRICTIVE COVENANTS OF THE SUBDIVISION AND SUCH OTHER RULES FOR THE USE OF STREETS, PARKS OR RECREATIONAL FACILITIES AS MAY BE ADOPTED FROM TIME TO TIME BY THE BOARD OF DIRECTORS OF THE ASSOCIATION.

ARTICLE IV

EVIDENCE OF MEMBERSHIP AND TRANSFER

SECTION 1. MEMBERSHIP CERTIFICATES. CERTIFICATES OF MEMBERSHIP IN THE ASSOCIATION SHALL BE ISSUED TO VOTING MEMBERS (REFERRED TO HERE AS "MEMBERS") ONLY. THEY SHALL BE IN SUCH FORM AS THE BOARD OF DIRECTORS SHALL DESIGNATE AND SHALL BE ISSUED OVER THE SIGNATURES OF THE PRESIDENT OR VICE PRESIDENT AND SECRETARY OR ASSISTANT SECRETARY. EITHER OF SAID SIGNATURES MAY BE A FACSIMILE SIGNATURE. A CERTIFICATE BOOK SHALL BE MAINTAINED IN WHICH SHALL BE SHOWN THE NAME OF THE MEMBER. THE CERTIFICATE NUMBER, DATE OF ISSUE AND A SUFFICIENT DESCRIPTION OF THE LOT GIVING RISE TO SUCH MEMBERSHIP. MEMBERSHIP OF THE SUBDIVISION DEVELOPER NEED NOT BE EVIDENCED BY CERTIFICATES OF MEMBERSHIP.

SECTION 2. TRANSFER. A VOTING MEMBERSHIP IN THE ASSOCIATION IS TRANSFERABLE ONLY UPON THE CONVEYANCE OF THE LOT GIVING RISE TO SUCH MEMBERSHIP, AND ANY OTHER ATTEMPTED TRANSFER OR ASSIGNMENT OF SUCH MEMBERSHIP SHALL BE NULL AND VOID. TRANSFERS OF RECORD WHICH OCCUR BY REASON OF THE CONVEYANCE OF ANY LOT SUBSEQUENT TO THE INITIAL CONVEYANCE FROM THE SUBDIVISION DEVELOPER SHALL BE SUBJECT TO A FEE OF \$25.00 AND TO THE PAYMENT OF ALL INDEBTEDNESS TO THE ASSOCIATION OF THE MEMBER WHOSE MEMBERSHIP IS TRANSFERRED.

SECTION 3. ISSUANCE. MEMBERS SHALL BE ENTITLED TO EXERCISE ALL OF THE RIGHTS AND PRIVILEGES OF MEMBERSHIP AND THEY SHALL BE SUBJECT TO ALL OF THE OBLIGATIONS AND LIABILITIES THEREOF, WITHOUT THE ACTUAL ISSUANCE AND POSSESSION OF CERTIFICATES OF MEMBERSHIP; PROVIDED, HOWEVER, THAT THE ASSOCIATION SHALL INCUR NO LIABILITY FOR FAILURE TO GIVE ADEQUATE NOTICE TO MEMBERS NOT OF RECORD.

SECTION 4. MEMBERSHIP CARDS. THE ASSOCIATION MAY ISSUE CARDS TO MEMBERS AND/OR ASSOCIATE MEMBERS FROM TIME TO TIME AS THE BOARD OF DIRECTORS MAY DEEM NECESSARY TO ASSURE PROPER CONTROL AND IDENTIFICATION. IN ANY EVENT, A ROSTER OF ASSOCIATE MEMBERS SHALL BE KEPT SUFFICIENTLY CURRENT TO ASSURE PROPER IDENTIFICATION AND CONTROL.

ARTICLE V

MEETINGS OF MEMBERS

SECTION 1. PLACE OF MEETINGS. ANY MEETING OF THE MEMBERS OF THE ASSOCIATION SHALL BE HELD IN THE STATE OF CALIFORNIA. AT SUCH PARTICULAR PLACE THEREIN AS STATED IN THE NOTICE OF SUCH MEETING.

SECTION 2. ANNUAL MEETING. THE ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION FOR THE ELECTION OF DIRECTORS WHOSE TERMS HAVE EXPIRED AND FOR THE TRANSACTION OF SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING, SHALL BE HELD AT SUCH HOUR AND ON SUCH DAY DURING THE MONTH OF JULY OF EACH YEAR, BEGINNING IN THE YEAR 1971, AS SHALL BE DETERMINED BY THE BOARD OF DIRECTORS.

WRITTEN NOTICE OF EACH ANNUAL MEETING SHALL BE GIVEN TO EACH MEMBER ENTITLED TO VOTE THEREAT, EITHER BY PERSONAL DELIVERY, BY MAIL, OR OTHER MEANS OF WRITTEN COMMUNICATION, CHARGES PREPAID, ADDRESSED TO SUCH MEMBER AT HIS RECORD ADDRESS APPEARING ON THE BOOKS OF THE ASSOCIATION. ALL SUCH NOTICES SHALL BE SENT TO EACH MEMBER ENTITLED THERETO NOT LESS THAN SEVEN (7) AND NOT MORE THAN SIXTY (60) DAYS BEFORE EACH ANNUAL MEETING, AND SHALL SPECIFY THE PLACE, THE DATE, AND THE HOUR OF SUCH MEETING, AND SHALL ALSO STATE THE GENERAL NATURE OF THE BUSINESS OR PROPOSAL TO BE CONSIDERED OR ACTED UPON AS SUCH MEETING.

SECTION 3. SPECIAL MEETINGS. SPECIAL MEETINGS OF THE MEMBERS FOR ANY PURPOSE OR PURPOSES WHATSOEVER MAY BE CALLED AT ANY TIME BY THE PRESIDENT, OR BY A MAJORITY OF THE BOARD OF DIRECTORS, OR BY ONE OR MORE MEMBERS HOLDING NOT LESS THAN FORTY PER CENT (40%) OF THE VOTING POWER OF THE ASSOCIATION. EXCEPT IN SPECIAL CASES WHERE OTHER EXPRESS PROVISION IS MADE BY STATUTE, NOTICE OF SUCH SPECIAL MEETINGS SHALL BE GIVEN IN THE SAME MANNER AS FOR ANNUAL MEETINGS OF MEMBERS. NOTICES OF ANY SPECIAL MEETING SHALL SPECIFY, IN ADDITION TO THE PLACE, DATE AND

HOUR OF SUCH MEETING, THE GENERAL NATURE OF THE BUSINESS TO BE TRANSACTED.

SECTION 4. ADJOURNED MEETINGS AND NOTICE THEREOF. ANY MEMBERS' MEETING, ANNUAL OR SPECIAL, WHETHER OR NOT A QUORUM IS PRESENT, MAY BE ADJOURNED FROM TIME TO TIME BY THE VOTE OF A MAJORITY OF THE VOTING POWER OF WHICH IS EITHER PRESENT IN PERSON OR REPRESENTED BY PROXY THEREAT, BUT IN THE ABSENCE OF A QUORUM NO OTHER BUSINESS MAY BE TRANSACTED AT ANY SUCH MEETING.

WHEN ANY MEMBERS' MEETING, EITHER ANNUAL OR SPECIAL, IS ADJOURNED FOR THIRTY (30) DAYS OR MORE, NOTICE OF THE ADJOURNED MEETING SHALL BE GIVEN AS IN THE CASE OF AN ORIGINAL MEETING. SAVE AS AFORESAID, IT SHALL NOT BE NECESSARY TO GIVE ANY NOTICE OF THE TIME AND PLACE OF THE ADJOURNED MEETING OR OF THE BUSINESS TO BE TRANSACTED THEREAT, OTHER THAN BY ANNOUNCEMENT AT THE MEETING AT WHICH SUCH ADJOURNMENT IS TAKEN.

SECTION 5. QUORUM. THE PRESENCE IN PERSON OR BY PROXY OF THE HOLDERS OF FORTY PER CENT (40%) OF THE MEMBERSHIP ENTITLED TO VOTE AT ANY MEETING SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS. THE MEMBERS PRESENT AT A DULY CALLED OR HELD MEETING AT WHICH A QUORUM IS PRESENT MAY CONTINUE TO DO BUSINESS UNTIL ADJOURNMENT, NOTWITHSTANDING THE WITHDRAWAL OF ENOUGH MEMBERS TO LEAVE LESS THAN A QUORUM.

IF ANY MEETING, ANNUAL OR SPECIAL, CANNOT BE HELD FOR LACK OF A QUORUM, THE SAME MAY BE ADJOURNED, AS HEREINABOVE PROVIDED, FOR A PERIOD OF NOT LESS THAN FORTY-EIGHT (48) HOURS NOR MORE THAN THIRTY (30) DAYS FROM THE TIME THE ORIGINAL MEETING WAS CALLED, AT WHICH ADJOURNED MEETING THE QUORUM REQUIREMENT SHALL BE REDUCED TO THE PRESENCE IN PERSON OR BY PROXY OF NOT LESS THAN TWENTY-FIVE (25%) PER CENT OF THE VOTING POWER.

SECTION 6. VOTING. EXCEPT AS OTHERWISE PROVIDED BY LAW, ONLY MEMBERS IN WHOSE NAMES MEMBERSHIPS ENTITLED TO VOTE STAND ON THE RECORDS OF THE ASSOCIATION ON THE RECORD DATE FOR VOTING PURPOSES, FIXED AS PROVIDED IN ARTICLE IX, SECTION 1, OF THESE BY-LAWS, SHALL BE ENTITLED TO VOTE AS SUCH MEETING. SUCH VOTE MAY BE VIVA VOCE OR BY BALLOT. EXCEPT AS OTHERWISE PROVIDED BY LAW, THE AFFIRMATIVE VOTE OF AT LEAST A MAJORITY OF THE VOTING POWER PRESENT IN PERSON OR BY PROXY AT AN ANNUAL OR SPECIAL MEETING SHALL PREVAIL. EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH MEMBER IS ENTITLED TO ONE VOTE FOR EACH LOT OWNED BY HIM. EVERY MEMBER ENTITLED TO VOTE AT ANY ELECTION FOR DIRECTORS SHALL HAVE THE RIGHT TO CUMULATE HIS VOTES AND GIVE ONE (1) CANDIDATE A NUMBER OF VOTES TO WHICH HE IS ENTITLED, OR TO DISTRIBUTE HIS VOTES ON THE SAME PRINCIPLE AMONG AS MANY CANDIDATES AS HE THINKS FIT. THE CANDIDATES RECEIVING THE HIGHEST NUMBER OF VOTES, UP TO THE NUMBER OF DIRECTORS TO BE ELECTED, SHALL BE ELECTED.

SECTION 7. ACTION WITHOUT MEETING. ANY ACTION, EXCEPT AS OTHERWISE PROVIDED BY LAW, WHICH, UNDER THE APPLICABLE

PROVISIONS OF LAW, MAY BE TAKEN AT A MEETING OF THE MEMBERS, MAY BE TAKEN WITHOUT A MEETING IF AUTHORIZED IN WRITING BY ALL THE MEMBERS WHO WOULD BE ENTITLED TO VOTE UPON SUCH ACTION AT A MEETING AND FILED WITH THE SECRETARY OF THE ASSOCIATION.

SECTION 8. PROXIES. EVERY MEMBER ENTITLED TO VOTE OR EXECUTE CONSENTS SHALL HAVE THE RIGHT TO DO SO EITHER IN PERSON OR BY AN AGENT OR AGENTS AUTHORIZED BY A WRITTEN PROXY EXECUTED BY SUCH MEMBER OF HIS DULY AUTHORIZED AGENT AND FILED WITH THE SECRETARY OF THE ASSOCIATION; PROVIDED THAT NO SUCH PROXY SHALL BE VALID AFTER THE EXPIRATION OF ELEVEN (11) MONTHS FROM THE DATE OF ITS EXECUTION UNLESS THE PERSON EXECUTING IT SPECIFIES THEREIN THE LENGTH OF TIME FOR WHICH SUCH PROXY IS TO CONTINUE IN FORCE, WHICH IN NO EVENT SHALL EXCEED SEVEN (7) YEARS FROM THE DATE OF ITS EXECUTION.

ARTICLE VI

DIRECTORS

SECTION 1. POWERS. SUBJECT TO ANY LIMITATIONS OF THE ARTICLES OF INCORPORATION, OF THESE BY-LAWS, AND OF THE GENERAL NON-PROFIT CORPORATION LAW OF CALIFORNIA, AND SUBJECT TO THE DUTIES OF DIRECTORS AS PRESCRIBED BY THESE BY-LAWS, ALL CORPORATE POWERS OF THE ASSOCIATION SHALL BE EXERCISED BY OR UNDER THE AUTHORITY OF, AND THE BUSINESS AND AFFAIRS OF THE ASSOCIATION SHALL BE CONTROLLED BY, THE BOARD OF DIRECTORS. WITHOUT PREJUDICE TO SUCH GENERAL POWERS, BUT SUBJECT TO THE SAME LIMITATIONS, IT IS HEREBY EXPRESSLY DECLARED THAT THE DIRECTORS SHALL HAVE THE FOLLOWING POWERS:

(A) TO SELECT AND REMOVE ALL OFFICERS, AGENTS, AND EMPLOYEES OF THE ASSOCIATION AND PRESCRIBE SUCH POWERS AND DUTIES FOR THEM AS MAY NOT BE INCONSISTENT WITH LAW, WITH THE ARTICLES OF INCORPORATION, OR THESE BY-LAWS;

(B) TO CONDUCT, MANAGE, AND CONTROL THE AFFAIRS AND BUSINESS OF THE ASSOCIATION AND TO MAKE SURE RULES AND REGULATIONS THEREFORE NOT INCONSISTENT WITH LAW, WITH THE ARTICLES OF INCORPORATION, OR THESE BY-LAWS, AS THEY MAY DEEM BEST;

(C) TO CHANGE THE PRINCIPAL OFFICE FOR THE TRANSACTION OF THE BUSINESS OF THE ASSOCIATION FROM ONE (1) LOCATION TO ANOTHER WITHIN THE SAME COUNTY AS PROVIDED IN ARTICLE 1, SECTION 2, HEREOF; TO DESIGNATE THE PLACE FOR THE HOLDING OF ANY MEMBERS' MEETING OR MEETINGS; AND TO ADOPT, MAKE, AND USE A CORPORATE SEAL, AND TO PRESCRIBE THE FORMS OF MEMBERSHIP CERTIFICATES AND/OR MEMBERSHIP IDENTIFICATION CARDS, FROM TIME TO TIME, AS IN THEIR JUDGMENT THEY MAY DEEM BEST;

(D) TO TAKE SUCH STEPS AS MAY BE NECESSARY TO IMPLEMENT ANY OF THE POWERS OF THE ASSOCIATION AS PROVIDED IN ARTICLE II, SECTION 2, HEREOF; AND

(E) TO APPOINT AN EXECUTIVE COMMITTEE AND OTHER COMMITTEES, AND TO DELEGATE TO SUCH EXECUTIVE COMMITTEE ANY OF THE POWERS AND AUTHORITY OF THE BOARD IN THE MANAGEMENT OF THE BUSINESS AND AFFAIRS OF THE ASSOCIATION EXCEPT THE POWER TO ADOPT, AMEND, OR REPEAL BY-LAWS. ANY SUCH EXECUTIVE COMMITTEE SHALL BE COMPOSED OF TWO (2) OR MORE DIRECTORS.

SECTION 2. NUMBER OF QUALIFICATIONS OF DIRECTORS. THE BOARD OF DIRECTORS SHALL CONSIST OF SEVEN (7) DIRECTORS UNTIL CHANGED BY THE SECTION OF THE BY-LAWS, ADOPTED BY THE VOTE OR WRITTEN ASSENT OF MEMBERS ENTITLED TO EXERCISE A MAJORITY OF THE VOTING POWER.

SECTION 3. ELECTION AND TERM OF OFFICE. THE DIRECTORS SHALL BE ELECTED AT EACH ANNUAL MEETING OF THE MEMBERS BUT IF ANY SUCH ANNUAL MEETING IS NOT HELD OR THE DIRECTORS ARE NOT ELECTED THEREAT, THE DIRECTORS MAY BE ELECTED AT ANY SPECIAL MEETING OF MEMBERS HELD FOR THAT PURPOSE. ALL DIRECTORS SHALL HOLD OFFICE UNTIL THEIR SUCCESSORS ARE ELECTED. THREE (3) MEMBERS OF THE FIRST PERMANENT BOARD OF DIRECTORS WILL SERVE FOR ONE (1) YEAR AND FOUR (4) MEMBERS WILL SERVE FOR TWO (2) YEARS TO PROVIDE STAGGERED TERMS OF OFFICE. THEREAFTER, DIRECTORS WILL BE ELECTED FOR TWO (2) YEARS.

SECTION 4. VACANCIES. VACANCIES IN THE BOARD OF DIRECTORS MAY BE FILLED BY A MAJORITY OF THE REMAINING DIRECTORS, THOUGH LESS THAN A QUORUM, OR BY A SOLE REMAINING DIRECTOR, AND EACH DIRECTOR SO ELECTED SHALL HOLD OFFICE UNTIL HIS SUCCESSOR IS ELECTED AT AN ANNUAL OR A SPECIAL MEETING OF THE MEMBERS.

A VACANCY OR VACANCIES IN THE BOARD OF DIRECTORS SHALL BE DEEMED TO EXIST IN CASE OF THE DEATH, RESIGNATION, OR REMOVAL OF ANY DIRECTOR, OR IF THE AUTHORIZED NUMBER OF DIRECTORS BE INCREASED, OR IF THE MEMBERS FAIL AT ANY ANNUAL OR SPECIAL MEETING OF MEMBERS AT WHICH ANY DIRECTOR OR DIRECTORS ARE ELECTED TO ELECT THE FULL AUTHORIZED NUMBER OF DIRECTORS TO BE VOTED FOR AT THAT MEETING, OR IF A VACANCY IS DECLARED BY THE BOARD OF DIRECTORS FOR ANY REASON PERMITTED BY LAW.

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ANY DIRECTOR WHO IS ABSENT FROM A TOTAL OF FOUR (4) REGULAR MEETING, OF WHICH NOT MORE THAN THREE ABSENCES MAY BE IN SUCCESSION, OF THE BOARD OF DIRECTORS IN THE COURSE OF A TWELVE-MONTH PERIOD COMMENCING WITH THE ORGANIZATIONAL MEETING FOR THE PURPOSE OF ELECTION OF OFFICERS PER SECTION 5, SHALL BE DEEMED TO HAVE RESIGNED AND THE BOARD SHALL FILL THE VACANCY IN ACCORDANCE WITH THE FIRST PARAGRAPH OF SECTION 4.

THE MEMBERS MAY ELECT A DIRECTOR OR DIRECTORS AT ANY TIME TO FILL ANY VACANCY OR VACANCIES NOT FILLED BY THE DIRECTORS. IF THE BOARD OF DIRECTORS ACCEPTS THE RESIGNATION OF A DIRECTOR TENDERED TO TAKE EFFECT AT A FUTURE TIME, THE BOARD OR THE MEMBERS SHALL HAVE POWER TO ELECT A SUCCESSOR, PURSUANT TO THE PROVISIONS THEREOF, TO TAKE OFFICE WHEN THE RESIGNATION IS TO BECOME EFFECTIVE.

THE REDUCTION OF THE AUTHORIZED NUMBER OF DIRECTORS SHALL HAVE THE EFFECT OF REMOVING ANY DIRECTOR PRIOR TO THE EXPIRATION OF HIS TERM OF OFFICE.

SECTION 5. REGULAR MEETINGS. IMMEDIATELY FOLLOWING EACH ANNUAL MEETING OF MEMBERS, THE BOARD OF DIRECTORS SHALL HOLD A REGULAR MEETING FOR THE PURPOSE OF ORGANIZATION, ELECTION OF OFFICERS, AND THE TRANSACTION OF OTHER BUSINESS. CALL AND NOTICE OF SUCH MEETINGS ARE HEREBY DISPENSED WITH.

SECTION 6. SPECIAL MEETINGS. SPECIAL MEETINGS OF THE BOARD OF DIRECTORS FOR ANY PURPOSE OR PURPOSES MAY BE HELD AT ANY TIME UPON CALL BY THE PRESIDENT, OR, IF HE IS ABSENT OR UNABLE OR REFUSES TO ACT, BY ANY VICE PRESIDENT, OR BY ANY TWO (2) DIRECTORS. SUCH MEETINGS MAY BE HELD AT ANY PLACE DESIGNATED FROM TIME TO TIME BY RESOLUTION OF THE BOARD OR BY WRITTEN CONSENT OF ALL MEMBERS OF THE BOARD.

WRITTEN NOTICE OF THE TIME AND PLACE OF SPECIAL MEETINGS SHALL BE DELIVERED PERSONALLY TO EACH DIRECTOR BY MAIL OR OTHER FORM OF WRITTEN COMMUNICATION CHARGES PREPAID, ADDRESSED TO HIM AT HIS ADDRESS AS IT IS SHOWN UPON THE RECORDS OF THE CORPORATION. IN CASE SUCH NOTICE IS MAILED OR TELEGRAPHED, IT SHALL BE DEPOSITED IN THE UNITED STATES MAIL OR DELIVERED TO THE TELEGRAPH COMPANY IN THE PLACE IN WHICH THE PRINCIPAL OFFICE OF THE CORPORATION IS LOCATED AT LEAST FORTY-EIGHT (48) HOURS PRIOR TO THE TIME OF THE HOLDING OF THE MEETING. SUCH MAILING, TELEGRAPHING, OR DELIVERY AS ABOVE PROVIDED SHALL CONSTITUTE DUE, LEGAL, AND PERSONAL NOTICE TO SUCH DIRECTOR.

SECTION 7. WAIVER OF NOTICE. THE TRANSACTIONS OF ANY MEETING OF THE BOARD OF DIRECTORS, HOWEVER CALLED AND NOTICED, OR WHEREVER HELD, SHALL BE AS VALID AS THOUGH HAD AT A MEETING DULY HELD AFTER REGULAR CALL AND NOTICE, IF A QUORUM BE PRESENT, AND IF, EITHER BEFORE OR AFTER THE MEETING, EACH OF THE DIRECTORS NOT PRESENT SIGNS A WRITTEN WAIVER OF NOTICE OF A CONSENT TO HOLDING SUCH MEETING OR AN APPROVAL OF THE MINUTES THEREOF. ALL SUCH WAIVERS, CONSENTS OR APPROVALS SHALL BE FILED WITH THE CORPORATE RECORDS, OR MADE A PART OF THE MINUTES OF THE MEETING.

SECTION 8. QUORUM. A MAJORITY OF THE AUTHORIZED NUMBER OF DIRECTORS SHALL BE NECESSARY TO CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS, EXCEPT TO ADJOURN AS HEREINAFTER PROVIDED. EVERY ACT OR DECISION DONE OR MADE BY A MAJORITY OF THE DIRECTORS PRESENT AT A MEETING DULY HELD AT WHICH A QUORUM IS

PRESENT SHALL BE REGARDED AS THE ACT OF THE BOARD OF DIRECTORS UNLESS A GREATER NUMBER BE REQUIRED BY LAW OR BY THE ARTICLES OF INCORPORATION.

SECTION 9. ADJOURNMENT AND NOTICE. A QUORUM OF THE DIRECTORS MAY ADJOURN ANY DIRECTORS' MEETING TO MEET AGAIN AT A STATED DAY AND HOUR; PROVIDED, HOWEVER, THAT IN THE ABSENCE OF A QUORUM, A MAJORITY OF THE DIRECTORS PRESENT AT ANY DIRECTORS' MEETING, EITHER REGULAR OR SPECIAL, MAY ADJOURN FROM TIME TO TIME UNTIL THE TIME FIXED FOR THE NEXT REGULAR MEETING OF THE BOARD. NOTICE OF THE TIME AND PLACE OF HOLDING AND ADJOURNED MEETING NEED NOT BE GIVEN TO ABSENT DIRECTORS IF THE TIME AND PLACE BE FIXED AT THE MEETING ADJOURNED.

SECTION 10. CONSENT OF BOARD OBVIATING NECESSITY OF MEETING. (PURSUANT TO CALIFORNIA CORPORATIONS CODE SECTION 9503.1.) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THESE BY-LAWS, ANY ACTION REQUIRED OR PERMITTED TO BE TAKEN BY THE BOARD OF DIRECTORS UNDER ANY PROVISIONS OF SECTIONS 9000-10703 OF THE CORPORATIONS CODE OF CALIFORNIA MAY BE TAKEN WITHOUT A MEETING, IF ALL MEMBERS OF THE BOARD OF DIRECTORS SHALL INDIVIDUALLY OR COLLECTIVELY CONSENT IN WRITING TO SUCH ACTION. SUCH WRITTEN CONSENT OR CONSENTS SHALL BE FILED WITH THE MINUTES OF THE PROCEEDINGS OF THE BOARD. SUCH ACTION BY WRITTEN CONSENT SHALL HAVE THE SAME FORCE AND EFFECT AS A UNANIMOUS VOTE OF SUCH DIRECTORS.

ARTICLE VII

OFFICERS

SECTION 1. GENERAL. THE OFFICERS OF THE ASSOCIATION SHALL BE A PRESIDENT, ONE (1) OR MORE VICE PRESIDENTS, A SECRETARY, AND A TREASURER, AND EACH OF THEM SHALL BE ELECTED BY THE BOARD OF DIRECTORS. THE ASSOCIATION MAY ALSO HAVE SUCH OTHER OFFICERS, INCLUDING ONE (1) OR MORE ASSISTANT SECRETARIES, AS MAY BE APPOINTED BY THE BOARD OF DIRECTORS. OFFICERS, OTHER THAN THE PRESIDENT, NEED NOT BE DIRECTORS. ONE PERSON MAY HOLD TWO (2) OR MORE OFFICES, EXCEPT THOSE OF PRESIDENT AND SECRETARY.

EACH OFFICER SHALL HOLD HIS OFFICE UNTIL HE SHALL RESIGN OR SHALL BE REMOVED OR OTHERWISE DISQUALIFIED TO SERVE, OR HIS SUCCESSOR SHALL BE ELECTED AND QUALIFIED; PROVIDED THAT OFFICERS MAY BE APPOINTED AT ANY TIME BY THE BOARD OF DIRECTORS FOR THE PURPOSE OF INITIALLY FILLING AN OFFICE OR FILLING A NEWLY CREATED OR VACANT OFFICE.

SECTION 2. REMOVAL AND RESIGNATION. ANY OFFICER MAY BE REMOVED, EITHER WITH OR WITHOUT CAUSE, BY A MAJORITY OF THE DIRECTORS IN OFFICE AT THE TIME, AT ANY REGULAR OR SPECIAL MEETING OF THE BOARD OF DIRECTORS.

ANY OFFICER MAY RESIGN AT ANY TIME BY GIVING WRITTEN NOTICE TO THE BOARD OF DIRECTORS OR TO THE PRESIDENT, OR THE SECRETARY OF THE ASSOCIATION. ANY SUCH RESIGNATION SHALL TAKE EFFECT AT THE DATE OF THE 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 3. VACANCIES. A VACANCY IN ANY OFFICE BECAUSE OF DEATH, RESIGNATION, REMOVAL, DISQUALIFICATION OR ANY OTHER CAUSE SHALL BE FILLED IN THE MANNER PRESCRIBED IN THESE BY-LAWS FOR REGULAR APPOINTMENTS TO SUCH OFFICE.

SECTION 4. PRESIDENT. THE PRESIDENT, WHO SHALL BE CHOSEN FROM THE BOARD OF DIRECTORS, SHALL BE THE CHIEF EXECUTIVE OFFICER OF THE ASSOCIATION AND SHALL, SUBJECT TO THE CONTROL OF THE BOARD OF DIRECTORS, HAVE GENERAL SUPERVISION, DIRECTION AND CONTROL OF THE BUSINESS AND OFFICERS OF THE ASSOCIATION. HE SHALL PRESIDE AT ALL MEETINGS OF THE MEMBERS AND OF THE BOARD OF DIRECTORS. HE SHALL BE AN EX OFFICIO MEMBER OF ALL THE STANDING COMMITTEES, INCLUDING THE EXECUTIVE COMMITTEE, IF ANY, AND SHALL HAVE THE GENERAL POWERS AND DUTIES OF MANAGEMENT USUALLY VESTED IN THE OFFICE OF PRESIDENT OF A CORPORATION, AND SUCH OTHER POWERS AND DUTIES AS MAY BE PRESCRIBED BY THE BOARD OF DIRECTORS OR THESE BY-LAWS.

SECTION 5. VICE PRESIDENT. IN THE ABSENCE OR DISABILITY OF THE PRESIDENT, THE VICE PRESIDENTS IN ORDER OF THEIR RANK AS FIXED BY THE BOARD OF DIRECTORS, OR IF NOT RANKED, THE VICE PRESIDENT DESIGNATED BY THE BOARD OF DIRECTORS, SHALL PERFORM ALL THE DUTIES OF THE PRESIDENT, AND WHEN SO ACTING, SHALL HAVE ALL THE POWERS OF AND BE SUBJECT TO ALL THE RESTRICTIONS UPON THE PRESIDENT. THE VICE PRESIDENTS SHALL HAVE SUCH OTHER POWERS AND PERFORM SUCH OTHER DUTIES AS MAY BE PRESCRIBED FOR THEM RESPECTIVELY BY THE BOARD OF DIRECTORS, THE PRESIDENT, OR THESE BY-LAWS.

SECTION 6. SECRETARY. THE SECRETARY SHALL KEEP OR CAUSE TO BE KEPT, AT THE PRINCIPAL OFFICE OR SUCH OTHER PLACE AS THE BOARD OF DIRECTORS MAY ORDER, A BOOK OF MINUTES OF ALL MEETINGS OF DIRECTORS AND MEMBERS, OR A DUPLICATE THEREOF, WITH THE TIME AND PLACE OF HOLDING, WHETHER REGULAR OR SPECIAL, AND, IF SPECIAL, HOW AUTHORIZED, THE NOTICE THEREOF GIVEN, THE NAMES OF THOSE PRESENT AT DIRECTORS' MEETINGS, THE NUMBER OF MEMBERSHIPS PRESENT OR REPRESENTED AT MEMBERS MEETINGS, AND THE PROCEEDINGS THEREOF.

THE SECRETARY SHALL KEEP OR CAUSE TO BE KEPT, IN ANY FORM PERMITTED BY LAW, AT THE PRINCIPAL OFFICE, OR SUCH OTHER PLACE AS THE BOARD OF DIRECTORS MAY ORDER, A MEMBERSHIP REGISTER, OR A DUPLICATE THEREOF, SHOWING THE NAMES OF THE MEMBERS AND THEIR ADDRESSES, THE DESCRIPTION AND NUMBER OF LOTS, IF MORE THAN ONE, UPON WHICH SUCH MEMBERSHIP IS BASED, THE NUMBER AND DATE OF MEMBERSHIP CERTIFICATES ISSUED, AND THE NUMBER AND DATE OF

CANCELLATION OF MEMBERSHIP CERTIFICATES SURRENDERED FOR CANCELLATION.

THE SECRETARY SHALL GIVE, OR CAUSE TO BE GIVEN, NOTICE OF ALL MEETINGS OF THE MEMBERS AND OF THE BOARD OF DIRECTORS REQUIRED BY THESE BY-LAWS OR BY LAW TO BE GIVEN, AND SHALL KEEP THE SEAL OF THE ASSOCIATION IN SAFE CUSTODY, AND SHALL HAVE SUCH OTHER POWERS AND PERFORM SUCH OTHER DUTIES AS MAY BE PRESCRIBED BY THE BOARD OF DIRECTORS, THE PRESIDENT, OR THESE BY-LAWS.

SECTION 7. TREASURER. THE TREASURER SHALL KEEP AND MAINTAIN, OR CAUSE TO BE KEPT AND MAINTAINED, ADEQUATE AND CORRECT ACCOUNTS OF THE PROPERTIES AND BUSINESS TRANSACTIONS OF THE ASSOCIATION, INCLUDING ACCOUNTS OF ITS ASSETS, LIABILITIES, RECEIPTS, DISBURSEMENTS, GAINS OR LOSSES. THE BOOKS OF ACCOUNT SHALL BE AT ALL TIME OPEN TO INSPECTION BY ANY DIRECTOR.

THE TREASURER SHALL DEPOSIT ALL MONEYS AND OTHER VALUABLES IN THE NAME OF AND TO THE CREDIT OF THE ASSOCIATION WITH SUCH DEPOSITARIES AS MAY BE DESIGNATED BY THE BOARD OF DIRECTORS. HE SHALL DISBURSE THE FUNDS OF THE ASSOCIATION AS MAY BE ORDERED BY THE BOARD OF DIRECTORS, SHALL RENDER TO THE PRESIDENT AND DIRECTORS, WHENEVER THEY REQUEST IT, AN ACCOUNT OF ALL OF HIS TRANSACTIONS AS TREASURER AND OF THE FINANCIAL CONDITION OF THE ASSOCIATION, AND SHALL HAVE SUCH OTHER POWERS AND PERFORM SUCH OTHER DUTIES AS MAY BE PRESCRIBED BY THE BOARD OF DIRECTORS, THE PRESIDENT, OR THESE BY-LAWS.

ARTICLE VIII

ASSESSMENTS

SECTION 1. GENERAL. EACH YEAR THE BOARD OF DIRECTORS SHALL CONSIDER THE CURRENT AND FUTURE NEEDS OF THE ASSOCIATION AND, IN LIGHT OF THOSE NEEDS, SHALL FIX BY RESOLUTION THE AMOUNT OF ANNUAL ASSESSMENT TO BE LEVIED AGAINST EACH LOT IN THE SUBDIVISION, WHICH AMOUNT SHALL BE A DEBT OF THE OWNER THEREOF AT THE TIME SUCH ASSESSMENT IS MADE.

SPECIAL ASSESSMENTS, I.E., OTHER THAN THE ANNUAL ASSESSMENTS SPECIFIED IN SECTION 2 OF THIS ARTICLE VIII, SHALL BE MADE BY THE BOARD OF DIRECTORS ONLY UPON THE PRIOR APPROVAL OF MEMBERS CONSTITUTING AT LEAST TWO-THIRDS MAJORITY OF THOSE ENTITLED TO VOTE.

SECTION 2. ANNUAL ASSESSMENTS. THE ANNUAL ASSESSMENT TO BE LEVIED SHALL NOT BE LESS THAN \$60.00, NOR MORE THAN \$200.00 PER LOT, AND SHALL GO TOWARD THE MAINTENANCE AND OPERATION OF ALL RECREATIONAL FACILITIES AND LAND OWNED AND OPERATED BY THE ASSOCIATION; AND FOR THE MAINTENANCE AND RECONSTRUCTION OF THE PRIVATE ROADS, BRIDGES, AND STORM DRAINS WITHIN THE BOUNDARIES OF THE SUBDIVISION IN A MANNER CONSISTENT WITH COUNTY STANDARDS;

AND WILL INCLUDE PAYMENT OF COSTS OF SECURITY PATROLS, ETC., AND GENERAL ADMINISTRATIVE EXPENSES.

FROM THE AGGREGATE ASSESSMENT PAYMENTS RECEIVED BY THE ASSOCIATION, THE ASSOCIATION SHALL ANNUALLY PRIOR TO EXPENDING ANY SUMS FOR MAINTENANCE AND OPERATION OF THE RECREATIONAL FACILITIES AND LAND AND PAYMENT OF COSTS OF SECURITY PATROLS, ETC., AND GENERAL ADMINISTRATIVE EXPENSES, DEPOSIT IN A SPECIAL FUND OR ACCOUNT A MINIMUM SUM OF \$36,000 PER ANNUM, AND SHALL EXPEND ONLY SUCH SUMS THEREFROM AS ARE NECESSARY FOR THE MAINTENANCE AND RECONSTRUCTION OF THE PRIVATE ROADS, BRIDGES, AND STORM DRAINS WITHIN THE SUBDIVISION. IN CONNECTION THEREWITH THE ASSOCIATION SHALL BE RESPONSIBLE FOR AND BE REQUIRED TO EXPEND SUCH SUMS AS ARE NECESSARY FOR THE MAINTENANCE AND RECONSTRUCTION OF PRIVATE ROADS, BRIDGES AND STORM DRAINS WITHIN THE BOUNDARIES OF THE SUBDIVISION IN A MANNER CONSISTENT WITH THE STANDARDS OF THE COUNTY OF MADERA. THE ASSOCIATION MAY NOT DECREASE THE ANNUAL ASSESSMENT BELOW THE SUM OF \$36,000, WHICH SUM SHALL BE SET ASIDE IN A SPECIAL FUND OR ACCOUNT TO BE USED FOR THE PURPOSES DESCRIBED IN THIS ARTICLE VIII, SECTION 2. THE ASSOCIATION MAY DEPOSIT MORE THAN \$36,000 PER ANNUM IN SAID ACCOUNT IF IT SO DEEMS IT DESIRABLE.

IF ASSESSMENTS ARE PAID ON A SEMI-ANNUAL OR MONTHLY BASIS, THE ASSOCIATION SHALL, PRIOR TO EXPENDING ANY SUMS FOR MAINTENANCE AND OPERATION OF RECREATIONAL FACILITIES AND LANDS, AND FOR PAYMENT OF COSTS OF SECURITY PATROLS, ETC., AND GENERAL ADMINISTRATIVE EXPENSES, DEPOSIT IN THE SPECIAL FUND OR ACCOUNT SEMI-ANNUALLY THE SUM OF \$18,000, OR MONTHLY THE SUM OF \$3,000.

NO ASSESSMENT SHALL BE LEVIED PRIOR TO JULY 1, 1971. A MINIMUM AGGREGATE ANNUAL ASSESSMENT OF \$36,000 PER YEAR SHALL BE LEVIED COMMENCING IN 1971 AND SHALL CONTINUE ANNUALLY THEREAFTER.

ALL ASSESSMENTS WILL EITHER BE PREPAID ON AN ANNUAL OR SEMI-ANNUAL BASIS, OR ELSE PAID ON A MONTHLY BILLING BASIS TO THE ASSOCIATION OR ITS DESIGNEE IN EQUAL MONTHLY INSTALLMENTS ON THE FIRST DAY OF EACH MONTH COMMENCING THE FIRST MONTH AFTER RECORD TITLE VESTS IN A LOT OWNER ON OR AFTER JULY 1, 1971.

THE ANNUAL PER-LOT, (I.E., PER UNIT) ASSESSMENTS MADE TO OWNERS OF COMMERCIALY OPERATED INNS, HOTELS, MOTELS, OR MOBILE HOME PARKS, AND TO OWNERS OF MULTIPLE-FAMILY DWELLINGS MAY BE LESS THAN THE PER-LOT ASSESSMENTS MADE TO OTHER LOTS IN THE SUBDIVISION IF, IN THE OPINION OF THE ASSOCIATION, THE USE OF ASSOCIATION PROPERTIES BY THE GUESTS OF SUCH FACILITIES WILL BE SUCH AS TO JUSTIFY A LESSER ASSESSMENT, TAKING INTO ACCOUNT SUCH THINGS AS OCCUPANCY, REASONABLE OPERATIONS PROFIT, ETC. ANY AGREEMENTS FOR SUCH LOWER ASSESSMENTS SHALL CONFORM TO ALL APPLICABLE PROVISIONS OF THESE BY-LAWS, INCLUDING SECTION 6 OF ARTICLE IX.

SECTION 3. NOTICE. THE SECRETARY SHALL MAIL TO EACH MEMBER, AT SUCH MEMBER'S RECORD ADDRESS, WRITTEN NOTICE OF EACH ANNUAL ASSESSMENT AND THE TIME AND MANNER FOR PAYMENT THEREOF AT LEAST TWO (2) WEEKS PRIOR TO THE TIME SUCH ASSESSMENT SHALL BECOME DUE AND PAYABLE.

SECTION 4. ENFORCEMENT. THE ASSOCIATION SHALL NOT BE REQUIRED TO TRANSFER MEMBERSHIP ON ITS BOOKS OR TO ALLOW THE EXERCISE OF ANY RIGHTS (INCLUDING VOTING RIGHTS) OR PRIVILEGES OF MEMBERSHIP ON ACCOUNT THEREOF TO ANY MEMBERS OR TO ANY PERSON CLAIMING UNDER THEM, OR TO THE LAND TO WHICH ANY MEMBERSHIPS ARE APPURTENANT, UNLESS OR UNTIL ALL ASSESSMENTS AND CHARGES TO WHICH THE SAME ARE RELATED ARE PAID, AT THE TIME AND IN THE MANNER PROVIDED HEREIN. THE BOARD OF DIRECTORS MAY, IN ITS DISCRETION, IMPOSE CHARGES RELATING TO PAST-DUE ASSESSMENTS IN ORDER TO FACILITATE OR ENFORCE THE COLLECTION OF ANNUAL OR SPECIAL ASSESSMENTS. THESE CHARGES, WHICH INCLUDE A LATE PAYMENT PENALTY, INTEREST AND LATE CHARGES PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1725, ARE CUMULATIVE AND MAY BE IMPOSED IN ADDITION TO OTHER ENFORCEMENT METHODS AUTHORIZED IN THESE BY-LAWS. THE LATE PAYMENT PENALTY MAY NOT EXCEED FIFTY (\$50.00) DOLLARS PER YEAR, AND INTEREST MAY BE IMPOSED AT THE LEGAL RATE FOR THE WHOLE PERIOD OF DELINQUENCY WHEN AN ACCOUNT REMAINS UNPAID FOR LONGER THAN TWO (2) YEARS. IN ORDER TO COMPENSATE THE ASSOCIATION FOR THE EXPENSE OF HANDLING AND COLLECTING DELINQUENT ACCOUNTS, ALL PAST-DUE ASSESSMENTS WILL BE SUBJECT TO LATE CHARGES PURSUANT TO THE TERMS OF CALIFORNIA CIVIL CODE SECTION 1725 OR SUCH OTHER LEGISLATION ENACTED IN ITS PLACE. NO OTHER ADMINISTRATIVE FEES MAY BE CHARGED BY THE BOARD.

SECTION 5. LIEN. THE AMOUNT OF SUCH ANNUAL ASSESSMENT, PLUS ANY OTHER CHARGES THEREON, INCLUDING THE CHARGES SPECIFIED IN SECTION 4 OF THIS ARTICLE, AND COSTS OF COLLECTION (INCLUDING ATTORNEY'S FEES), IF ANY, SHALL CONSTITUTE AND BECOME A LIEN ON THE LOT SO ASSESSED OR ON THE UNDERLYING REAL PROPERTY (IN THE CASE OF UNITS IN A MULTI-FAMILY DWELLING, INN, HOTEL, MOTEL, OR MOBILE HOME PARK) WHEN THE BOARD OF DIRECTORS CAUSES TO BE RECORDED WITH THE COUNTY RECORDER OF MADERA COUNTY A NOTICE OF ASSESSMENT WHICH SHALL STATE THE AMOUNT OF SUCH ASSESSMENT AND SUCH OTHER CHARGES, A DESCRIPTION OF THE LOT OR OTHER REAL PROPERTY WHICH HAS BEEN ASSESSED, AND THE NAME OF THE RECORD OWNER THEREOF. SUCH NOTICE SHALL BE SIGNED BY THE SECRETARY, OR AN ASSISTANT SECRETARY OF THE ASSOCIATION ON BEHALF OF THE ASSOCIATION. UPON PAYMENT OF SAID ASSESSMENT AND CHARGES IN CONNECTION WITH WHICH SUCH NOTICE HAS BEEN SO RECORDED, OR OTHER SATISFACTION THEREOF, THE BOARD OF DIRECTORS SHALL CAUSE TO BE RECORDED A FURTHER NOTICE STATING THE SATISFACTION AND RELEASE OF THE LIEN THEREOF.

SECTION 6. PRIORITY OF LIEN. SUCH LIEN SHALL BE PRIOR TO ALL OTHER LIENS RECORDED SUBSEQUENT TO THE RECORDATION OF SAID NOTICE OF ASSESSMENT, EXCEPT THAT LIENS OF FIRST MORTGAGES AND/OR FIRST DEEDS OF TRUST INCURRED FOR THE PURPOSE OF

CONSTRUCTING A RESIDENCE OR OTHER IMPROVEMENT THEREON, AND WHICH ARE RECORDED IN ACCORDANCE WITH APPLICABLE LAW, SHALL BE SUPERIOR TO ANY OR ALL SUCH LIENS AS PROVIDED FOR HEREIN.

SECTION 7. LIEN ENFORCEMENT. THE LIEN PROVIDED FOR HEREIN MAY BE ENFORCED BY SALE BY THE ASSOCIATION, ITS ATTORNEY OR OTHER PERSON AUTHORIZED TO MAKE THE SALE, AFTER FAILURE OF THE RESPONSIBLE PARTY TO PAY THE ANNUAL ASSESSMENT IN ACCORDANCE WITH ITS TERMS. SUCH SALE SHALL BE CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2924, 2924B, AND 2924C OF THE CALIFORNIA CIVIL CODE, APPLICABLE TO THE EXERCISE OF POWERS OF SALE IN MORTGAGES AND DEEDS OF TRUST, OR IN ANY OTHER MANNER PERMITTED BY LAW.

SECTION 8. DELINQUENCY. AFTER FAILURE OF THE RESPONSIBLE PARTY TO PAY THE ANNUAL ASSESSMENT IN ACCORDANCE WITH ITS TERMS, THE ASSOCIATION, AT ITS OPTION, MAY BRING AN ACTION AT LAW AGAINST THE RESPONSIBLE PARTY WHO HAS FAILED TO PAY THE ANNUAL ASSESSMENT IN ACCORDANCE WITH ITS TERMS. THERE SHALL BE ADDED TO THE AMOUNT OF SUCH ASSESSMENT THE CHARGES IMPOSED THEREON PURSUANT TO SECTION 4 OF THIS ARTICLE ALONG WITH THE COST OF PREPARING AND FILING OF SUCH ACTION. IN THE EVENT JUDGMENT IS OBTAINED, SUCH JUDGMENT SHALL INCLUDE THE COSTS OF THE ACTION INCLUDING THE ASSOCIATION'S REASONABLE ATTORNEY'S FEES.

ARTICLE IX

MISCELLANEOUS

SECTION 1. RECORD DATE. THE BOARD OF DIRECTORS MAY FIX A TIME IN THE FUTURE AS A RECORD DATE FOR THE DETERMINATION OF THE MEMBERS ENTITLED TO NOTICE OF AND TO VOTE AT ANY MEETING OF MEMBERS. THE RECORD DATE SO FIXED SHALL NOT BE MORE THAN THIRTY (30) DAYS PRIOR TO THE DATE OF THE MEETING. WHEN A RECORD DATE IS SO FIXED, ONLY MEMBERS OF RECORD ON THAT DATE SHALL BE ENTITLED TO NOTICE OF AND TO VOTE AT THE MEETING, NOTWITHSTANDING ANY TRANSFER OF OR ISSUANCE OF MEMBERSHIP CERTIFICATES ON THE BOOKS OF THE ASSOCIATION AFTER THE RECORD DATE.

SECTION 2. INSPECTION OF RECORDS. THE MEMBERSHIP REGISTER OR DUPLICATE MEMBERSHIP REGISTER, THE BOOKS OF ACCOUNT AND MINUTES OF PROCEEDINGS OF THE MEMBERS, THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE, IF ANY, SHALL BE OPEN TO INSPECTION UPON WRITTEN DEMAND OF ANY MEMBER AT ANY REASONABLE TIME AND FOR A PURPOSE REASONABLY RELATED TO HIS INTERESTS AS A MEMBER. THE BURDEN OF PROOF THAT THE MEMBER'S PURPOSE OF INSPECTION IS UNREASONABLE SHALL BE ON THE BOARD OF DIRECTORS.

SECTION 3. CHECKS AND DRAFTS. ALL CHECKS, DRAFTS, OR OTHER ORDERS FOR PAYMENT OF MONEY, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED IN THE NAME OF OR PAYABLE TO THE ASSOCIATION SHALL BE SIGNED OR ENDORSED BY SUCH PERSON OR PERSONS AND IN

SUCH MANNER AS, FROM TIME TO TIME, SHALL BE DETERMINED BY RESOLUTION OF THE BOARD OF DIRECTORS.

SECTION 4. ANNUAL ACCOUNTING. AN ANNUAL REPORT AND ACCOUNT, INCLUDING A STATEMENT OF INCOME AND DISBURSEMENTS, SHALL BE SENT TO THE MEMBERS NOT LATER THAN NINETY (90) DAYS AFTER THE CLOSE OF THE ASSOCIATION'S FISCAL YEAR.

SECTION 5. EXECUTION OF CONTRACTS. THE BOARD OF DIRECTORS, EXCEPT AS MAY BE OTHERWISE PROVIDED IN THESE BY-LAWS, MAY AUTHORIZE ANY OFFICER OR OFFICERS, AGENT OR AGENTS, TO ENTER INTO ANY CONTRACT OR EXECUTE ANY INSTRUMENT OR DOCUMENT IN THE NAME AND ON BEHALF OF THE ASSOCIATION, AND SUCH AUTHORITY MAY BE GENERAL OR CONFINED TO SPECIFIC INSTANCES. UNLESS OTHERWISE SPECIFICALLY DETERMINED BY THE BOARD OF DIRECTORS OR OTHERWISE REQUIRED BY LAW, FORMAL CONTRACTS, PROMISSORY NOTES AND OTHER EVIDENCES OF INDEBTEDNESS, DEEDS OF TRUST, MORTGAGES, AND OTHER CORPORATE INSTRUMENTS OR DOCUMENTS REQUIRING THE CORPORATE SEAL, SHALL BE EXECUTED, SIGNED, OR ENDORSED BY THE PRESIDENT (OR ANY VICE PRESIDENT) AND BY THE SECRETARY (OR ANY ASSISTANT SECRETARY) OR THE TREASURER.

SECTION 6. LIMITATION OF POWERS. NO CONTRACT SHALL BE ENTERED INTO WITH THE DEVELOPER OF THE SUBDIVISION WHICH BINDS THE ASSOCIATION FOR A PERIOD IN EXCESS OF ONE (1) YEAR WITHOUT REASONABLE CANCELLATION PROVISIONS INCLUDED THEREIN.

THE ASSOCIATION SHALL NOT INCUR DEBT IN EXCESS OF THREE THOUSAND DOLLARS (\$3,000.00) PER YEAR FOR THE PURCHASE OF REAL OR PERSONAL PROPERTY, THE ISSUANCE OF BONDS OR DEBENTURES, OR THE MORTGAGE OF ANY OF ITS PROPERTY WITHOUT THE PRIOR VOTE OR WRITTEN CONSENT OF TWO-THIRDS (2/3) OF ITS MEMBERS ENTITLED TO VOTE.

SECTION 7. INSPECTION OF BY-LAWS. THE ASSOCIATION SHALL KEEP IN ITS PRINCIPAL OFFICE FOR THE TRANSACTION OF BUSINESS. A COPY OF THE BY-LAWS DULY CERTIFIED BY THE SECRETARY OF THE ASSOCIATION WHICH SHALL BE OPEN TO INSPECTION BY MEMBERS OF THE ASSOCIATION AT ALL REASONABLE TIMES.

ARTICLE X

AMENDMENTS

SECTION 1. NEW BY-LAWS MAY BE ADOPTED, OR THESE BY-LAWS MAY BE AMENDED OR REPEALED BY THE VOTE OR WRITTEN ASSENT OF MEMBERS ENTITLED TO EXERCISE A MAJORITY OF THE VOTING POWER OF THE ASSOCIATION.

SECTION 2. NOTWITHSTANDING THE PROVISIONS SET FORTH IN SECTION 1 HEREIN, NONE OF THE PROVISIONS CONTAINED IN ANY ARTICLE OR SECTION HEREOF OF THESE BY-LAWS RELATING TO THE POWERS AND

RESPONSIBILITIES OF THE ASSOCIATION TO MAINTAIN AND RECONSTRUCT THE PRIVATE ROADS, BRIDGES, AND STORM DRAINS, AND TO ASSESS THE MEMBERS OF THE ASSOCIATION FOR SUCH PURPOSES; RELATING TO THE ASSESSMENT, THE ESTABLISHMENT OF THE SPECIAL FUND OR ACCOUNT, AND THE USE THEREOF FOR THE MAINTENANCE AND RECONSTRUCTION OF PRIVATE ROADS, BRIDGES, AND STORM DRAINS WITHIN THE BOUNDARIES OF THE SUBDIVISION, MAY BE AMENDED WITHOUT THE CONSENT OF A MAJORITY OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MADERA; NOR MAY THE AGGREGATE MINIMUM ASSESSMENT PER YEAR BE DECREASED BELOW \$36,000 WITHOUT THE CONSENT OF THE MAJORITY OF MEMBERS OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MADERA; NOR MAY ANY NEW BY-LAWS BE ADOPTED BY THE MEMBERS THAT DO NOT CONTAIN SUCH PROVISIONS (INCLUDING THE PROVISIONS OF THIS SECTION 2) WITHOUT THE PRIOR WRITTEN CONSENT OF THE MAJORITY OF MEMBERS OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MADERA. THE PROVISIONS CONTAINED IN THIS SECTION 2, ARTICLE X, SHALL TERMINATE AT SUCH TIME AS THE ROADS WITHIN THE BOUNDARIES OF SAID SUBDIVISION ARE DEDICATED AS PUBLIC ROADS AND ACCEPTED AS SUCH BY THE COUNTY OF MADERA, OR THE MAINTENANCE OF THE ROADS, BRIDGES, OR STORM DRAINS UNDERTAKEN BY A PUBLIC AGENCY OR DISTRICT WHICH HAS THE AUTHORITY TO ASSESS PROPERTY FOR THE MAINTENANCE THEREOF.

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, THE UNDERSIGNED, BEING ALL OF THE PERSONS APPOINTED TO ACT AS THE BOARD OF DIRECTORS OF YOSEMITE LAKES OWNERS' ASSOCIATION, A CALIFORNIA NON-PROFIT ORGANIZATION, HEREBY ASSENT TO THE FOREGOING BY-LAWS, AND ADOPT THE SAME AS THE BY-LAWS OF SAID CORPORATION.

IN WITNESS WHEREOF, WE HAVE HEREUNTO SET OUR HANDS THIS 24TH DAY OF AUGUST, 1970

JOHN C SPENCE)	/s/	
)		
)		
STUART KAPLAN)	/s/	DIRECTORS
)		
)		
LESTER A KAUFMAN)	/s/	
)		
)		
ROBERT C BRINK)	/s/	
)		
)		
ELAINE S SCHWARTZ)	/s/	

THIS IS TO CERTIFY:

THAT I AM THE DULY ELECTED, QUALIFIED AND ACTING SECRETARY OF YOSEMITE LAKES OWNERS' ASSOCIATION, AND THAT THE ABOVE AND FORGOING BY-LAWS WERE ADOPTED AS THE BY-LAWS OF SAID CORPORATION ON THE 24TH DAY OF AUGUST, 1970 BY THE PERSONS APPOINTED TO ACT AS THE FIRST DIRECTORS OF SAID CORPORATION.

IN WITNESS HEREOF, I HAVE HEREUNTO SET MY HAND THIS 24TH DAY OF AUGUST, 1970.

/s/_____

ELAINE S. SCHWARTZ
SECRETARY

Article VI, Section 4 of the By-Laws Amended September 8, 1995, to read as follows:

Any Director who is absent from a total of four (4) regular meetings, of which not more than three absences may be in succession, of the Board of Directors in the course of a twelve-month period commencing with the organizational meeting for the purpose of election of officers per Section 5, shall be deemed to have resigned and the Board shall fill the vacancy in accordance with the first paragraph of Section 4.