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Sinaloa Lake Owner's Association, Incorporated

ByLaws

Civil Code 4225 requires that this notice be placed as the cover page on the governing documents.

Civil Code 4225. Board Authority to Delete Discriminatory Covenants.

(a) No declaration or other governing document shall include a restrictive covenant in violation of Section 12955 of the Government Code.

Government Code §12956.1. Discriminatory Restrictions Disclosure.

(a) As used in this section, "association," "governing documents," and "declaration" have the same meanings as set forth in Section 4000 et al. of the Civil Code.

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

END OF NOTICE

**RESTATED BYLAWS
of the
SINALOA LAKE OWNERS ASSOCIATION, INCORPORATED
as of May ___, 2000**

ARTICLE I - PRINCIPAL OFFICE

The principal office for the transaction of the business of the SINALOA LAKE OWNERS ASSOCIATION, INCORPORATED ("the Association") is hereby fixed and located within Simi Valley, California, at an address from time-to-time designated by the Board of Directors.

ARTICLE II - MEMBERSHIP

Section 1. Classes of Membership: There shall be two (2) classes of membership in the Association consisting of REGULAR Membership and ASSOCIATE Membership.

Section 2. REGULAR Membership: Those persons who are members of the Association as of May ___, 2000, shall have REGULAR Membership. A REGULAR membership shall be appurtenant to the property owned by the REGULAR member in the immediate vicinity of Sinaloa Lake and may not be transferred or assigned except upon transfer of title to the property and then only to the transferee. The Association's Board of Directors shall have the power, from time to time, to set the maximum number of REGULAR memberships that this corporation will have. The grandparents, parents, children and grandchildren of a regular member have the same right to use Sinaloa Lake as has the regular member. No approval of the regular member is required.

Section 3. ASSOCIATE Membership: The record owners or lessees of real properties situated in the vicinity of Sinaloa Lake designated from time to time by the Board of Directors as qualifying properties, shall be eligible for ASSOCIATE Membership. Only individuals may hold ASSOCIATE membership. An ASSOCIATE membership shall not be appurtenant to the property owned by the ASSOCIATE member and cannot be transferred or assigned. The Association's Board of Directors shall have the power, from time to time, to set the maximum number of ASSOCIATE memberships that this corporation will have. Associate Members may participate in all uses of Sinaloa Lake allowed from time to time by the Board of Directors.

Section 4. Right to Vote. Only persons holding REGULAR memberships shall be entitled to vote on matters submitted for vote. A REGULAR membership standing of record in the names of two or more persons, whether fiduciaries, joint tenants, tenants-in-common, husband and wife or otherwise, shall have but one vote with that vote to be determined by the majority of the persons holding the membership.

Section 5. Membership Status: Except as otherwise provided in these bylaws, all of the rights, benefits and duties of a member shall extend only to the member and his or her immediate family and permanent residents of the member's household.

Section 6. Membership non-Transferability: A membership shall not be subject to attachment or execution and shall not be an asset of the debtor in the event of bankruptcy or assignment for the benefit of creditors, nor shall it be transferrable during life or by will or operation of law. In the event of any such attachment, execution, bankruptcy,

assignment or transfer, the membership shall automatically revert to the Association and the member, his heirs, trustees, personal representatives or assigns shall have no right, title or interest therein.

Section 7. Membership Committee:

A. A membership committee of five (5) consisting of three (3) REGULAR members and two (2) ASSOCIATE members will be appointed by the Board of Directors to serve at the will of the Board of Directors.

B. The duties of the membership committee shall be to:

- (1) Generally investigate and advise the Board of Directors regarding membership matters.
- (2) Monitor ownership status of member properties and report changes to the Board of Directors.
- (3) Investigate and report when requested by the Board of Directors, any violations of the rules and Bylaws of the Association regarding membership matters.
- (4) Establish and maintain a roster of properties within the Association's boundaries to show the status of membership and eligibility for membership in the SLOA.
- (5) Establish and maintain a list of members, including their full names, addresses and phone numbers.
- (6) Offer the privilege of membership to owners of eligible property as and when authorized to do so by the Board of Directors. A reasonable effort shall be made to make the offer of membership within thirty (30) days of authorization by the Board of Directors. The offer shall be made, in person. A letter of invitation in the form prescribed by the Board of Directors shall be handed, at that time, to the prospective member.

Section 8. Election to Membership: Persons eligible for membership, shall submit a timely written application on a form prescribed by the Board of Directors requesting that they be granted such membership. An application is timely if submitted within thirty (30) days after delivery of the offer of membership. An applicant meeting the eligibility requirements may be accepted for membership by a majority vote of the Board of Directors, provided that the applicant pays any required membership fee as established by the Board of Directors from time-to-time and provided further that the applicant agrees in writing to abide by these Bylaws and all rules and regulations of the Association.

Section 9. Membership Fee:

(a) All new members, whether associate or regular, shall pay a membership fee. The amount of the membership fees shall be determined from time to time by the Board of Directors. The membership fee is payable in cash or upon such other terms as agreed to by the Board of Directors.

(b) Applicants for REGULAR membership who acquire property

from prior REGULAR members of the Association, whose memberships have not been resigned or revoked or who are not in default and who submit timely applications, shall not be required to pay a membership fee.

(c) Applicants for REGULAR membership who acquire property from prior REGULAR members of the Association, whose memberships have been resigned or revoked or who are in default or those who fail to submit a timely application, shall be required to pay a membership fee. The amount of this membership fee shall be determined from time to time by the Board of Directors. This membership fee is payable in cash upon acceptance of the membership.

Section 10. Distribution Rights: This corporation is prohibited by law from making distributions to its members except that the Regular Members may be entitled to distributions upon dissolution of the corporation.

ARTICLE III - MEMBER MEETINGS

Section 1. Membership Meetings: Membership meetings shall be held twice in each year. The date, time and location of each meeting shall be provided by written notice from the Board of Directors. At such meetings, reports of the affairs of the Association shall be considered, and any other business may be transacted which is within the power of the members. Both REGULAR and ASSOCIATE members may attend membership meetings and participate in discussion of matters brought before the meeting. However, only REGULAR members are entitled to vote. Notwithstanding the foregoing, or anything else to the contrary stated in these Bylaws, ASSOCIATE members are entitled to vote to select the one or two persons among the ASSOCIATE members to serve on the Association's Board of Directors under Article IV, Section 2. Further, notwithstanding anything stated in this Section or elsewhere in these Bylaws, the one or two ASSOCIATE members who are then serving as a member of the Board of Directors may vote on all matters to come before the REGULAR members for vote.

Section 2. Special Meetings: It shall be the duty of the President to call a special meeting of the members (a) upon the vote for such a meeting by a majority of a quorum of the Board or (b) upon receipt of a written request signed by 5% or more of the Regular Members. Only that business stated in the notice of meeting given pursuant to Article III, Section 3 of these Bylaws shall be transacted at the special meeting.

Section 3. Notice of Meetings: It shall be the duty of the Board of Directors to give written notice of each membership meeting, stating the nature of the business to be undertaken, as well as the date, time and place where it is to be held. Notice shall be given not less than ten (10) nor more than ninety (90) days prior to such meeting by personal delivery or mail, first class, postage prepaid, addressed to the address of each member as it appears on the Membership books of the Association or given by the member to the Association for purposes of notice.

The mailing or personal delivery of a notice in the manner provided in this Section shall be considered notice served. The transactions of any meeting of members, however called and noticed, shall be valid as though taken at a duly called, noticed and held meeting if (a) a quorum is present in person or by proxy, and (b) either before or after the meeting each of the members not present in person or by proxy signs a written waiver of notice, or a consent to holding of the meeting or an approval of the minutes of the meeting. Any such waiver, consent or approval shall be filed with the Association's records or made a part of the minutes of the meeting.

Section 4. Adjourned Meetings: If any meeting of members cannot be held because a quorum, as defined in Section 8 below, is not present or represented, a majority of the REGULAR members who are present, either in person or by proxy, may not transact any business except to adjourn the meeting to a time not less than five (5) days or more than thirty (30) days from the meeting date. Except as otherwise provided in these Bylaws, the quorum requirement for the subsequent meeting shall be one-third (1/3) of the total voting power of the Association (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting). 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.

Section 5. Action Without a Meeting: Any action which may be taken by the vote of Association members at a regular or special meeting, except the election of Board members, may be taken without a meeting if the Board distributes a written ballot to every REGULAR member entitled to vote on the matter. Such ballot shall (a) set forth the proposed action, (b) provide an opportunity to specify approval or disapproval of any proposal, (c) provide that if the member specifies a choice with respect to such matter the vote shall be cast in accordance therewith, (d) provide a reasonable time within which to return the ballot to the Board, (e) indicate the number of responses needed to meet the quorum requirement, and (f) state the number of approvals necessary to pass the measure submitted.

Approval by written ballot pursuant to this Section shall be valid only when (a) the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action and (b) the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Ballots shall be delivered to Association members in the same manner as provided for delivery of notice of meetings in Article III, Section 3 of these Bylaws. The ballot must specify the time by which it must be received in order to be counted.

Section 6. Place of Meetings: Membership meetings shall be held at such places in Simi Valley, California, as the President shall from time to time select. No meeting place shall be used by the Association which cannot accommodate comfortably the entire membership.

Section 7. Voting: Each REGULAR membership shall have one vote. Voting may be oral or by ballot, however, all elections for directors must be by ballot.

Section 8. Quorum: 51% of the voting power of the REGULAR members, represented in person or by proxy, shall constitute a quorum at a meeting of members for the transaction of business.

Section 9. Record date:

A. If not otherwise fixed by the Board of Directors, the record date for determining members entitled (a) to receive notice of a meeting of members, shall be the

business day next preceding the day on which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held and (b) to vote at the meeting, shall be the day on which the meeting is held.

B. If not otherwise fixed by the Board of Directors, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

C. If not otherwise fixed by the Board of Directors, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board of Directors adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

Section 10. Members of Record: For purposes of Article III, Section 9, subsections A, B and C, a person holding a membership at the close of business on the record date shall be the member of record.

Section 11. Proxies: Each REGULAR member entitled to vote shall have the right to do so either in person or by one or more agents authorized by written proxy, signed by the person, and filed with the Secretary of the Association. Any form of proxy or written ballot distributed by any person to the REGULAR membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted on. The proxy or written ballot shall provide that, when the REGULAR member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person who is authorized to exercise the proxy and the length of time it will be valid.

Any revocable proxy covering matters for which a vote of the REGULAR members is required and involving the matters set forth immediately below, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on:

- A. Removal of a director without cause.
- B. Filling vacancies in the Board of Directors.
- C. Approving contracts or transactions involving a director.
- D. Amendment of the Association's Articles of Incorporation or Bylaws.
- E. Approval of the sale or disposition of all or substantially all of the Association's assets.
- F. Approval of any merger or Agreement of Merger.
- G. Approval of an election to dissolve the Association or any plan of distribution.

A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until (a) revoked by the member executing it before the vote is cast under that proxy, (i) by a writing delivered to the Association stating that the proxy is revoked, (ii) by a subsequent proxy executed by that member and presented to the meeting, or (iii) as to any meeting, by the member's personal attendance and voting at the

meeting, or (b) written notice of the death or incapacity of the maker of the proxy is received by the Association before the vote under the proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. The revocability of a proxy that states on its face that is irrevocable shall be governed by Section 7613 of the California Corporations Code.

ARTICLE IV - BOARD OF DIRECTORS

Section 1. Powers: Subject to the provisions of the Articles of Incorporation, of the Bylaws, and of the law of the State of California, and subject to the duties of directors as prescribed by these Bylaws, all corporate powers 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 limiting the generality of the foregoing, the Board of Directors shall have the following powers:

A. To select and remove at its pleasure, with or without cause, any of the officers, agents, and employees of the Association; to prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation and these Bylaws; to fix their compensation and require from them security for faithful service; provided, however, that no officer or director of the Association shall be entitled to compensation for his service as such officer or director.

B. To conduct, manage, and control the affairs and business of the Association, and to make such rules and regulations with respect thereto as are not inconsistent with the Articles and these Bylaws.

C. To borrow money and incur indebtedness for the purposes of the Association and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and securities therefor, subject to the limitations of the Articles of Incorporation and these Bylaws.

D. To elect the officers of the Association from the Board of Directors.

E. To adopt the official seal of the Association.

Section 2. Number and Quorum of Directors: The Board of Directors shall consist of seven (7) members. At least five (5) of these members shall be REGULAR members and up to two (2) may be ASSOCIATE members. The number of ASSOCIATE members that may be on the Board of Directors shall be one (1) if there are ten or less ASSOCIATE members belonging to the Association and two (2) if there are eleven or more ASSOCIATE members belonging to the Association. A quorum of the Board of Directors shall consist of four (4) members, whether REGULAR or ASSOCIATE.

Section 3. Election of Directors: Four directors shall be elected at one of the regular membership meetings held each odd-numbered year, and three (3) directors shall be elected at one of the regular membership meetings held each even-numbered year. Directors shall hold office for a two-year period and until their respective successors have

been elected or until they shall resign or become unable to serve. A nominating committee consisting of two (2) members shall be appointed by the Board of Directors at least sixty (60) days prior to the regular membership meeting in which the directors are to be elected. This committee shall submit to the President nominations for directors at least thirty (30) days prior to the election meeting. The President shall have a notice prepared and sent to the membership setting forth the nominations of the committee and stating that additional nominations may be made from the floor at the membership meeting. Said notice shall be sent to the membership at least ten (10) days prior to the election meeting. The four (4) or three (3) nominees, as the case may be, receiving the greatest number of votes shall serve as directors for the ensuing two-year period.

Section 4. Vacancies and Resignations: Vacancies on 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, subject to the power of the members to call a special meeting to fill such vacancies. Any director may resign at any time by giving notice to the President or Secretary of the Association, which resignation shall be effective upon receipt of the notice, or at any later time specified therein.

Section 5. Regular Meetings of Directors: Regular meetings of the Board of Directors shall be held at such date, place and time as the President shall from time to time determine. Immediately following each meeting of the members, the directors shall hold a meeting for the purposes of organization, election of officers and the transaction of other business.

Section 6. Special Meetings of Directors: Special meetings of the Board of Directors may be called for any purpose at any time by the President, or if he is unavailable, or unable or unwilling to act, by the Vice-President, or by two directors.

Section 7. Notice of Directors' Meetings: Notice of special meetings shall be by personal contact or by mail, postage prepaid, to each director. Such notice shall be personally given or deposited in the United States Mail at least three (3) days prior to the meeting. By written consent of all directors, special meetings of the Board of Directors may be held at any time or place and without notice. Notice of regular meetings may be given by telephone call at least 48 hours prior to the meeting or in the manner required for a special meeting. One week's prior notice by mail shall be given to the regular members of any director's meetings, including showing the agenda on the notice.

Section 8. Action Without Meeting: Any action permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent in writing to the action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board.

Section 9. Open Meetings: Regular and special meetings of directors shall be open to all members, provided that members who are not directors may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of the Board. The Board may, with the approval of a majority of its members present at a meeting in which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote on 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 an executive session shall first be announced in open session and any matter discussed in executive session shall be generally noted in the minutes of the Board

of Directors.

In addition, on request of any member being disciplined by the Association, the Board shall meet in executive session to discuss the disciplinary matter, and the member shall be entitled to attend the executive session.

ARTICLE V - OFFICERS

Section 1. Officers: The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. At the discretion of the Board of Directors, additional officers may be elected or appointed by the Board of Directors to assist those named above. All officers shall be directors and only REGULAR members may serve as an officer. One person may hold more than one office at the same time, except the offices of President and Secretary.

Section 2. Election and Term: Officers shall be elected by the Board of Directors for a term of one (1) year at the regular meeting held immediately following the membership meeting held each year. Officers shall hold office until their successors have been elected, or until they shall resign, or be removed or otherwise unable or disqualified to serve.

Section 3. Removal and resignation of Officers: Any officer may be removed by the Board of Directors, at any regular or special meeting thereof. Any officer may resign at any time by giving written notice to the Board of Directors, or to the President or Secretary of the Corporation. Resignation shall be effective on the date of receipt of such notice or at any later time specified therein. Acceptance of a resignation shall not be necessary to make it effective.

Section 4. Vacancies: Vacancies in any office shall be filled by the Board of Directors.

Section 5. President: The President 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. The President shall preside at all meetings of the membership and at all meetings of the Board of Directors. He or she shall be ex-officio a member of all the standing committees and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 6. Vice-President: In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting shall have all of the powers of, and be subject to all the restrictions upon, the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board of Directors or the Bylaws.

Section 7. Secretary: The Secretary shall keep or cause to be kept, a book of minutes of all meetings of directors and membership, 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 and the proceedings thereof. The Secretary shall keep, or cause to be kept, a register showing the names of the members and their addresses, the dates and numbers of certificates issued, and the number and date of cancellation of every certificate surrendered for cancellation. The Secretary shall give, or

cause to be given, notice of all the meetings of the membership and of the Board of Directors required by the Bylaws or by law to be given, and he or she 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 or by the Bylaws.

Section 8. 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, losses, and capital. The books of account shall at all reasonable times be open to inspection by any director. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors. He or she 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 or by the Bylaws.

ARTICLE VI - DUES, ASSESSMENTS, AND DISBURSEMENTS

Section 1. Dues and Assessments: The Board of Directors shall have the power to levy and collect dues and assessments. Monthly membership dues fixed by the Board of Directors shall be paid by all members. Additional dues and assessments for operating expenses and other purposes may be imposed upon the membership from time-to-time by the Board of Directors. The monthly dues shall be the same for all members.

Section 2. Disbursements: Disbursements shall be made by check signed by the President, or by the Vice-President in his or her absence, and by the Treasurer, or in his or her absence, by one acting in his or her stead who has been appointed by the Board of Directors.

Section 3. Dues and Assessments are the Personal Obligation of Member: Dues and assessments, together with any late charges, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the member at the time such dues and assessments become due and payable. The personal obligation for any delinquent dues and assessments and related sums shall not pass to a member's successor in interest unless expressly assumed by the successor in interest. No member may be relieved from the obligation to pay dues and assessments by waiving the use of enjoyment of all or any portion of the lake facilities. Only from the date of receipt of a written resignation of a member's membership does the member's obligation for future dues and assessments cease.

Section 4. Fines: The Board of Directors shall have the power to levy and collect fines, or take other disciplinary action against any member for failure to pay dues or assessments or for violation of any provision of the Articles, Rules or these Bylaws. The member shall be given notice of a hearing as provided below before the imposition of any fine or disciplinary action.

Section 5. Assessment Period: The regular assessment period shall commence on October 1 of each year and shall terminate on September 30 of that following year. The regular dues and assessments shall be paid on a monthly basis in equal payments unless otherwise directed by the Board.

Section 6. Due Dates, Late Charges and Interest: Statements will be mailed not later than ten (10) days before the assessments are due. The statement shall show the amount of the regular dues, any other assessments and the due date. All statements shall be printed with the rules of payment and penalties for any delinquency. The notice need only be given once for any dues or assessment.

Any dues or assessment payment shall become delinquent if payment is not received by the Board of Directors within fifteen (15) days after its due date. The next statement will reflect that the dues and/or assessments are "PAST DUE." Any late fees will be assessed on this next statement.

There shall be a late charge for each delinquent payment of ten dollars (\$10.00) or 10% of the amount of the delinquent payment, whichever is greater. A late charge may not be imposed more than once on any delinquent payment, shall not eliminate or supersede any charges imposed on prior delinquent payments and shall constitute full compensation to the Association for any additional bookkeeping, billing or other administrative costs resulting from the delinquent payment.

Delinquencies in excess of ninety (90) days will cause a membership to be classified as "not in good standing" and the statement will be stamped "THIS MEMBERSHIP IS NO LONGER IN GOOD STANDING." Such member will be so notified by registered mail with return receipt requested.

Interest shall accrue on any delinquent payment at the legal rate of ten percent (10%) per annum. Late charges and interest shall accrue from the first day following the due date of the dues or assessment through and including the date full payment is received by the Board of Directors.

ARTICLE VII - ENFORCEMENT

The Board of Directors shall have the obligation to enforce, administratively or by any proceedings at law or in equity, the provisions of the Articles, Bylaws and the Association's Rules and Regulations, including those relating to the imposition of dues and assessments. Failure by the Board of Directors to enforce any violation shall in no event be deemed a waiver of the right to do so thereafter, which right of later enforcement is specifically reserved. In the event that the Association incurs any legal fees or costs, and whether an action is actually commenced or not, in the enforcement of the Articles, Bylaws or Rules, then the person or persons in default shall reimburse the Association for its legal fees and costs in full.

The Board of Directors may take any or all of the following actions against any person(s) or entity whose act or failure to act violates or threatens to violate any provision of the Bylaws, Rules or Articles of the Association:

- (1) Impose fines in such reasonable amounts as may be set by the Board of Directors;
- (2) Suspend, expel or terminate membership rights in the Association;

- (3) Suspend use privileges for the lake facilities;
- (4) Commence legal action for damages, injunctive relief, or both, and
- (5) Exercise any other form of discipline which may be created or recognized by law.

The determination of whether to impose any of the foregoing disciplinary actions shall be within the sole discretion of the Board of Directors. Any legal action may be brought in the name of the Association on its own behalf and the prevailing party in any such action shall be entitled to recover costs and reasonable attorneys' fees. The Board of Directors may take more than one of the foregoing enforcement actions against any one violation or threatened violation, provided that a suspension of memberships or use privileges shall not exceed thirty (30) days (unless the suspension is for delinquent dues or assessments) and a monetary penalty shall not exceed the maximum set by the Board of Directors (excluding late charges imposed for delinquent dues or assessments) for any one violation. The Board of Directors, in its sole discretion, may resolve or settle any dispute, including any legal action, under such terms and conditions as it considers appropriate.

Any fine, expulsion, suspension or termination of membership must be done in good faith and in a fair and reasonable manner. The procedure to be followed for such fine, expulsion, suspension or termination of membership shall be as follows:

(1) The member shall be given at least fifteen (15) days' prior notice of the fine, expulsion, suspension or termination and the reasons therefor; and

(2) The notice shall notify the member of the opportunity to be heard, orally or in writing, not less than five (5) days before the effective date of the fine, expulsion, suspension or termination, by a person or body authorized to decide that the proposed fine, expulsion, termination or suspension not take place;

(3) Any notice required under this section must be given by registered mail with return receipt requested sent to the last address of the member shown on the Association's records.

(4) The Board of Directors may adopt such other or further procedures as may be permitted or required by law.

The Board of Directors may delegate to a two (2) person disciplinary committee any duties under this Article VII.

ARTICLE VIII - COMMITTEES

Section 1. Committee Formation and Control: Standing and Temporary Committees may be appointed by the Board of Directors from the membership to make studies and recommendations to the Board of Directors and to the membership and to carry out the programs adopted by the Association. The Board of Directors may alter or amend the scope and responsibilities of or disband the committee of this Association at any time.

Section 2. Advisory Capacity of Committees: Committees shall have no power to

make policy for the Association and shall be advisory only.

ARTICLE IX - INDEMNIFICATION

Section 1. Right of Indemnity: To the fullest extent permitted by law, this Association shall indemnify its directors, officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Association, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this Bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 2. Approval of Indemnity: On written request to the Board of Directors by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board of Directors shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board of Directors shall authorize indemnification. If the Board of Directors cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Board of Directors shall promptly call a meeting of members. At that meeting, the members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

Section 3. Advancement of Expenses: To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under Sections 1 and 2 of Article IX of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

Section 4. Insurance: The Association shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such.

ARTICLE X - RECORDS

Section 1. Maintenance of Corporate Records: The Association shall keep:

- (1) Adequate and correct books and records of account;
- (2) Written minutes of the proceedings of its members, Board of Directors and committees of the Board of Directors; and

- (3) A record of each member's name, address, and class of membership.

Section 2. Members' Inspection Rights; Membership Records: Subject to Division 2, Part 3, Chapter 13, Article 3 (commencing at Section 8330) of the California Corporations Code and unless the Association provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

(1) Inspect and copy the records of members' names, addresses, and voting rights during usual business hours on five (5) days' prior written demand on the Association, which demand must state the purpose for which inspection rights are requested; or

(2) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for the election of directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member on or before the later of ten days after (a) the demand is received or (b) the date specified in the demand as the date as of which the list is to be compiled.

If the Association reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list.

The mailing list may not be given to others or to be used for solicitation purposes.

Any inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the Association.

Section 3. Accounting Records and Minutes: On written demand on the Association, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the Board of Directors, and committees of the Board of Directors at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney.

Section 4. Maintenance and Inspection of Articles and Bylaws: The Association shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours.

Section 5. Annual Report:

- A. An annual report shall be prepared within 120 days after the end of the

Association's fiscal year. That report shall contain the following information in appropriate detail:

(1) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Association that they were prepared without audit from the books and records of the Association.

(2) A statement of the place where the names and addresses of current members are located.

(3) Any information that is required by Section 8322 of the California Corporation's Code.

B. The Association shall notify each member annually of the member's right to receive a financial report under this Section. Except as provided in subsection C of this Bylaw, on written request by a regular member, the Board of Directors shall promptly cause the most recent annual report to be sent to the requesting member.

C. This Section shall not apply if the Association receives less than \$10,000.00 in gross revenues or receipts during the fiscal year.

Section 6. Budget:

A. An operating budget for each fiscal year shall be distributed to the members no more than sixty (60) days before the beginning of the fiscal year consisting of at least the following:

(1) Estimated revenue and expenses for the fiscal year;

(2) A summary of the Association's reserves based on the most recent review or study of the reserves. The summary shall include:

a. The current estimated replacement costs, estimated remaining life and estimated useful life of the dam and any other improvement the Association is obligated to maintain.

b. A current estimate of cash reserves necessary to repair, replace, restore and maintain the dam and the current amount of accumulated cash reserves actually set aside for the repair, replacement, restoration or maintenance of the dam and any other improvements the Association is obligated to maintain.

c. A general statement addressing the procedures used for the calculations establishing the reserve amounts.

ARTICLE XI - SEAL

The Association shall have a seal which shall state the name of this Association and the date of its incorporation.

ARTICLE XII - RULES AND REGULATIONS

Section 1. Establishment and Enforcement: The Board of Directors shall establish and enforce such rules and regulations as are deemed necessary or desirable for the use of property belonging to the Association and for conduct of the affairs of the Association.

ARTICLE XIII - CERTIFICATES OF MEMBERSHIP

Certificates of Membership, in a form approved by the Board of Directors, shall be issued by this Association to the members thereof. Such Certificates shall be signed by the President and the Secretary.

ARTICLE XIV - BYLAWS

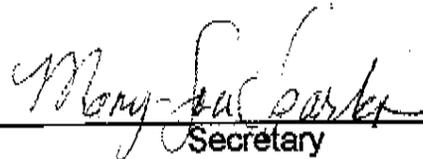
Section 1. Interpretation: All questions with regard to interpretation of these Bylaws shall be determined by the Board of Directors and the decision of the Board of Directors shall be final unless overruled by the vote of two-thirds (2/3) of the REGULAR members present at a general or special meeting of the membership.

Section 2. Amendment: These Bylaws may be amended or repealed, or new Bylaws may be adopted by the vote of a majority of the voting REGULAR members of this Association, or by the written consent of the same number of REGULAR members. Subject to the right of the REGULAR membership to adopt, amend or repeal Bylaws, and subject to the limitations of the Articles of Incorporation and applicable law, including Section 7150 of the California Corporations Code, Bylaws, other than a Bylaw or amendment thereof changing the authorized number of directors, may be adopted, amended, or repealed by a majority of the Board of Directors.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Sinaloa Lake Owners Association, a California nonprofit mutual benefit Corporation, that the above Bylaws, consisting of 15 pages, are the Bylaws of this Corporation as adopted by the members of the Association on 23 May 2000 and that they have not been amended or modified since that date.

Executed on 11 July, 2000, at Simi Valley, California.


Secretary

**AMENDMENT TO THE RESTATED BYLAWS
OF THE
SINALOA LAKE OWNERS ASSOCIATION, INCORPORATED
AS OF MAY ____, 2003**

September 2nd

Article III – Member Meetings (Page 3)

Section 1. Membership Meetings – Currently States: Membership meetings shall be held twice in each year. The date time and ... Replaced as Follows – *Membership Meetings shall be held twice each year, the third weekend in May and the last weekend in September. The time and location of each meeting shall be provided by written notice from the Board of Directors.*

Article IV – Board of Directors (Page 7)

Section 5. Regular Meetings of Directors: Currently States: Regular meetings of the Board of Directors shall be held at such date, place and time as the President shall from time to time determine. Immediately following each meeting of the members, the directors shall hold a meeting for the purposes of organization, election of officers and the transaction of other business. Replaced as Follows – *The Regular Meetings of the Directors shall be held on the first Tuesday of every month, unless that Tuesday is a Federal or State legal holiday. If the first Tuesday of a month is a legal holiday then the meeting shall be held on the next succeeding day which is not a legal holiday. Immediately following each meeting of the members, the directors shall hold a meeting for the purposes of organization, election of officers and the transaction of other business.*

Section 7. Notice of Directors' Meetings: Currently States: Notice of special meetings shall be by personal contact or by mail, postage prepaid to each director. Such notice shall be personally given or deposited in the United States Mail at least 3 days prior to the meeting. By written consent of all directors, special meetings of the Board of Directors may be held at any time or place and without notice. Notice of regular meetings may be given by telephone call at least 48 hours prior to the meeting or in the manner required for a special meeting. One week prior notice by mail shall be given to the regular members of any director's meeting, including showing the agenda on the notice. Replaced as Follows - *Notice of Directors' Meetings, Special Meetings and Minutes shall be posted on lake property in such a manner that they may be viewed by members in the designated picnic area. Postings will occur at least 5 days prior to any meeting. Members may choose to request such notices in writing by contacting the Secretary of the Board of Directors. The association shall be able to charge the actual costs of copies and postage for mailing these documents regarding the Directors' Meetings.*

Article VI - Dues, Assessments, And Disbursements (Pages 9 & 10)

Section 1. Dues and Assessments: Currently Reads: The Board of Directors shall have the power to levy and collect dues and assessments. Monthly membership dues fixed by the Board of Directors shall be paid by all members. Additional dues and assessment for operating expenses and other purposes may be imposed upon the membership from time to time by the Board of Directors. The monthly dues shall be the same for all members. Replaced as follows: *The Board of Directors shall have the power to levy and collect dues and assessments. Monthly membership dues fixed by the Board of Directors shall be paid by all members. Member dues shall not be raised by more than 10 percent of the annual dues without the approval of the general membership by majority vote at a meeting of the general membership. Additional assessments for operating expenses and other purposes may be imposed upon the membership from time to time by the Board of Directors. Additional assessments shall not exceed the total of two years total annual dues in any given year period without being approved by the general membership a 2/3 vote. Any second assessment within a year of a an assessment shall require the approval of the general membership by 2/3 vote. The monthly dues and any assessments shall be the same for all members.*

Section 4. Fines. Rewritten with changes in italics - The Board of Directors shall have the power to levy and collect, or take other disciplinary action against any member for failure to pay dues or assessments, or for violation of any provision of the Articles, Rules *and Regulations* or these By Laws *by themselves or their guests.*

Add Section 7. Limitation on Disbursements – *No monies shall be disbursed without the approval of the board, except for those reoccurring utility expenses such as electrical, sanitation, and pest control which are less than two hundred fifty dollars and do not exceed the budgeted or contracted amount.*

Add Section 8. Limitation on Contracts – *The Board shall not contract, negotiate or otherwise make the association liable for any binding agreement, contract or note exceeding a term of three years, without the approval of the general membership by a 2/3 vote.*

Article VII – Enforcement (Page 10)

Paragraph 2 (1) Currently reads: Impose fines in such reasonable amounts as may be set by the Board of Directors; Replaced as follows - *If the Board determines a fine is necessary for violations of By Laws or Rules Regulations, the fines shall start at \$100.00 plus actual costs or damages, if any. Similar succeeding violations by the same member or their guest shall be imposed at rates of \$250.00, \$500.00, \$1,000.00 and \$5,000.00 plus actual costs or damages if any. The member shall be given notice of a hearing as provided below before the imposition of any fine or disciplinary action.*

Article X – Records (Pages 12 & 14)

Section 2. Add the following – *The association shall charge a reasonable fee for documents relating to the sale or transfer of a regular membership. The minimum fee shall be \$50.00 plus the actual copying charge. The board may raise this fee by publishing the change in the rules and regulations.*

Section 6 Budget: Add the following – *(3) A financial audit shall take place every three years or upon the change of the Treasurer.*

Certificate of Secretary

I certify that I am duly elected and acting Secretary of Sinaloa Lake Owners Association, a California nonprofit mutual benefit Corporation; that the above Amendment to the Restated By Laws, consisting of 3 pages is the Amendment to the By Laws of this ^{not} Corporation as adopted by the members of the Association on September 7th and that it has not been amended or modified since that date.

Executed on September 2nd, 2003, at Simi Valley, California.

D. Wilson Park
Secretary

AMENDMENT TO THE RESTATED BYLAWS OF THE
SINALOA LAKE OWNERS ASSOCIATION, INCORPORATED AS OF
SEPTEMBER 19, 2010

Article II-Membership (page 1)

Section 2. Regular Membership- Currently states: No approval of the regular member is required... Replaced as Follows- *Approval of the regular membership is required*

Article II-Membership (page 1)

Section 5. Membership Status- Currently states: Except as otherwise provided in these bylaws, all the rights, benefits and duties of a member shall extend only to the member and his or her immediate family and permanent residents of the members household... Replaced as Follows- *his or her immediate family and residents of the titled property that is appurtenant to the membership.*

Article II-Membership (page2)

Section 7. Membership Committee A- Currently states: A membership committee of five(5) consisting of three(3) REGULAR members and two (2) ASSOCIATE members will be appointed by the Board of Directors to serve at the will of the Board of Directors... Replaced as Follows- *A membership committee will be appointed by the Board of Directors to serve at the will of the Board of Directors.*

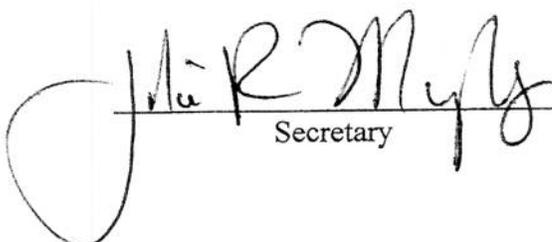
Article V-Officers (page 8)

Section 1. Officers-Currently states: All officers shall be directors and only REGULAR members may serve as an officer... Replaced as Follows- *All officers shall be directors and both REGULAR and ASSOCIATE members may serve as an officer*

Certificate of Secretary

I certify that I am duly elected and acting Secretary of Sinaloa Lake Owners Association, a California nonprofit mutual benefit Corporation; that the above Amendment to the Restated By Laws, consisting of 1 page is the Amendment to the By Laws of this Corporation as adopted by the members of the Association on September 19 and that it has not been amended or modified since that date.

Executed on SEPT 19, 2010, at Simi Valley, California


Secretary