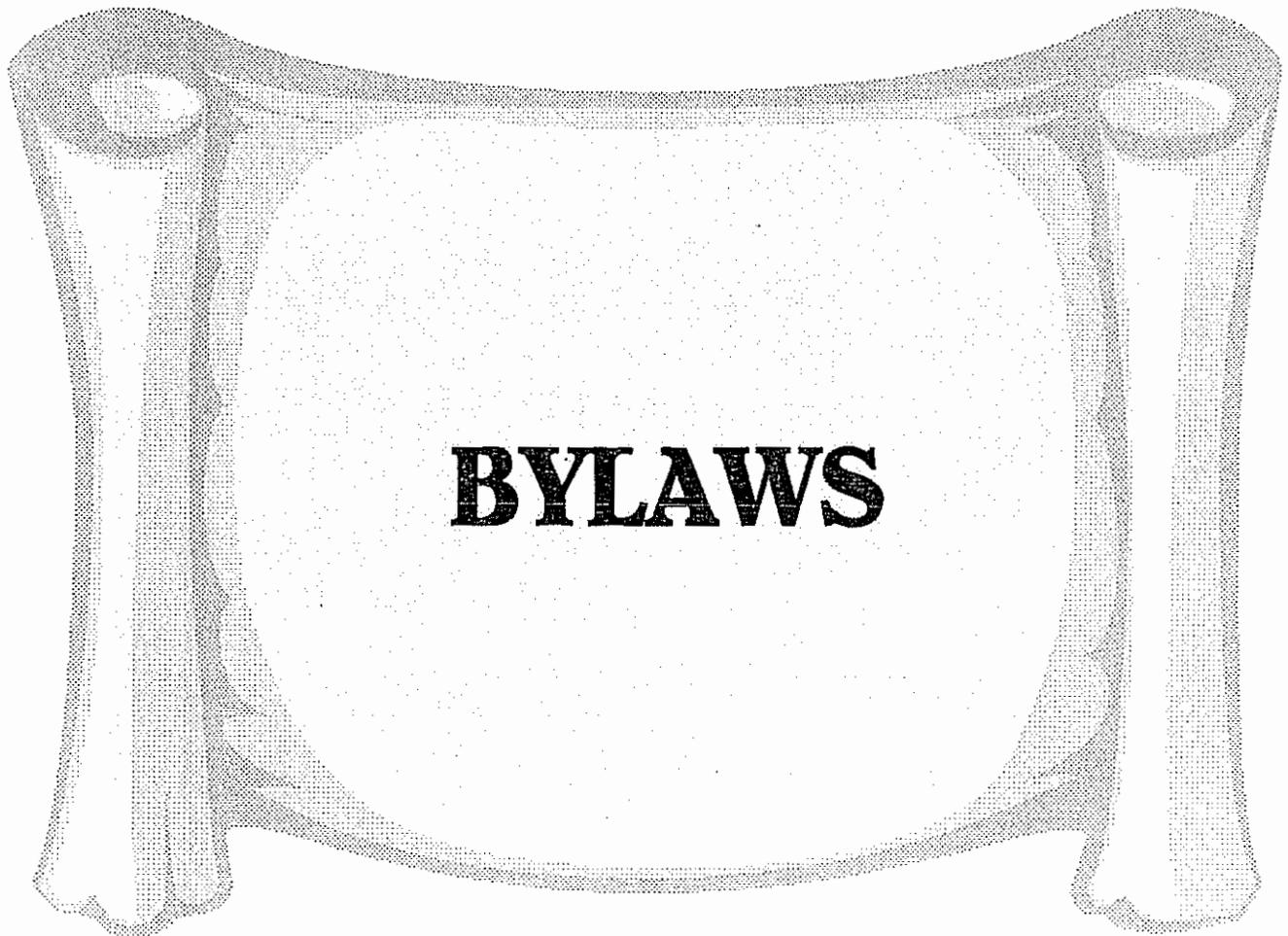


# SPRING VALLEY LAKE ASSOCIATION



These Bylaws supplement and implement the Covenants, Conditions and Restrictions (C C & R's) of the Spring Valley Lake Association and establish its organizational structure and permanent policies.

**INDEX**  
(not all inclusive)

ARTICLE	SUBJECT	PAGE
I	Identification	1
II	Purpose and Powers	1-2
III	Membership	
	Section 1	Classes 2
	Section 2	Voting Members 2
	Section 3.1	Associate Members 2
	Section 5.1	Privileges 3
	Section 5.2	Temporary Suspension of Privileges 3
IV	Evidence of Membership	
	Section 4.1	Membership Cards 3
V	Meetings of Members	
	Section 2.1	Semi-annual meetings 4
	Section 3.1	Special meetings 4
	Section 5.1	Quorum 4
	Section 6.1	Voting 5
	Section 8.1	Proxies 5
VI	Directors	
	Section 1.1	Powers 5
	Section 3.1	Election/term of office 5-6
	Section 6.1	Meetings 6
VII	Officers	
	Section 1.1	General 7
	Sections 4.1 - 7.2	Duties 7-8
VIII	Assessments	
	Section 1.1	General 8
	Section 1.2	Special 8
	Section 4.1	Enforcement 9
	Section 5.1	Liens 9
IX	Miscellaneous	
	Section 1.1	Record Date 9
	Section 2.1	Inspection of records 9
	Section 7.1	Recreational Fees 10
	Section 10.1	Interpretation of CC&R's 10-11
X	Parliamentary Authority	11
XI	Amendments	11

As amended 04/26/97

BYLAWS OF  
SPRING VALLEY LAKE ASSOCIATION  
\*\*\*\*\*

ARTICLE I

Identification

SECTION 1. Name. The name of this corporation is SPRING VALLEY LAKE ASSOCIATION, a non profit Mutual Benefit Corporation, which shall be referred to herein for convenience as the "Association." (Amended 04/25/81)

SECTION 2. Principal Office. The principal office of the Association shall be in San Bernardino 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 of the Association shall be in the form of two (2) concentric circles with the words, "SPRING VALLEY LAKE ASSOCIATION" appearing between said circles in the upper periphery, the word "CALIFORNIA" appearing in the lower 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 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.

SECTION 5. Numbered Paragraphs. All paragraphs will have an identifying number added and any future changes, additions, will include numbering. (Amended 07/26/75)

ARTICLE II

Purpose and Powers

SECTION 1. Purpose. The primary purpose of the Association shall be to further and promote the common interests and welfare of its members within the subdivided land area situated in San Bernardino County, California, known and to be known generally as SPRING VALLEY LAKE, referred to herein for convenience as the "Subdivision."

SECTION 2. Powers. The Association shall do whatever is necessary, conducive,

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;
- (c) To exercise the powers and functions granted to it in the recorded restrictions of each unit in the Subdivision;
- (d) To own, construct, maintain and operate recreational 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 pay taxes and assessments, if any, levied by any governmental authority on property owned by it.
- (f) To enforce charges, easements, restrictions, covenants, conditions, and agreements existing upon or created for the benefit of the real property on the Subdivision.
- (g) To appoint such committees as may be necessary to, or convenient in, the discharge of any of its obligations or powers;
- (h) To levy annual charges upon its members and to declare the same a lien against the property subject thereto in accordance with the recorded restrictions of each unit in the Subdivision;
- (i) To sue to collect any charges not paid and in connection therewith to foreclose any lien granted to it;
- (j) To borrow money, contract debts, issue notes, and secure the payment or performance of its obligations;
- (k) To expend its monies 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;
- (l) To contract and pay premiums for fire, casualty, liability and other bonds;
- (m) 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; and  
 (n) 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 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. (Amended 04/27/85)

SECTION 2.2 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 husband and wife in any form of joint ownership, including community property, shall qualify the owners for one (1) voting membership only. (Amended 04/25/81)

SECTION 2.3 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 purposes of notice and determination of associate memberships.

SECTION 2.4 A voting member shall be entitled to one (1) vote for each lot in the Subdivision owned by such member.

SECTION 3.1 Associate members. The following shall be entitled to associate membership in the Association, without charge: (Amended 07/28/73)

(a) The spouse and/or children of a voting member who also have the same residence as the member.

SECTION 3.2 The following may be eligible for associate membership in the Association under conditions established by the Board of Directors; they shall be required to pay an assessment or fee in an amount to be determined by the Board of Directors. (Amended 04/29/78)

(a) Co-owners of any lot;  
 (b) Any person who is a tenant or an occupant of any unit in any multi-family residential building or guesthouse, inn or motel facility within the Subdivision;  
 (c) Lessees or tenants of single family residences; and  
 (d) Officers of the Association not otherwise a member by reason of lot ownership pursuant to Section 3.1 of the Article III.

SECTION 3.3 Persons qualifying under more than one (1) of the above categories shall, nevertheless, be entitled to only a single associate membership.

SECTION 3.4 Associate members shall have no vote or right to notice of any meeting of members, regular or special. Associate members 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 4.1 Lot defined. For purposes of these bylaws, "lots" shall include all subdivided numbered lots described and set forth in the tract maps of the Subdivision as recorded from time to time in the Office of the County Recorder of San Bernardino County, California, and each dwelling unit within a condominium development.

SECTION 5.1 Privileges. Voting members and associate members, and the guests of each, shall have the use of the lake recreational facilities in the Subdivision for swimming, fishing and sunbathing purposes and any other purposes from time

to time permitted by the Association, and any other property or facilities from time to time owned by the Association, subject to the provisions of the restrictive covenants of the various units of the subdivision from time to time recorded and such other rules for the use of the said recreational facilities as may be adopted from time to time by the Board of Directors of the Association.

**SECTION 5.2 Temporary Suspension of Privileges.** In the event the member fails to pay any assessment, fine or fee levied against the member and his lot within ninety (90) days after same shall be due and payable, the owner shall be notified in writing of the delinquency and that the rights of use and enjoyment of the recreational common areas and common facilities of the member, member's family, tenants and guests and any co-owner of members' lot shall be temporarily suspended until such time as payment is made and no delinquency exists. Said notice of temporary suspension shall be personally delivered or mailed in the same manner as set forth herein for the mailing of the notice of meetings. The temporary suspension shall become effective fifteen (15) days after the notice has been received by the member. The member may request, in writing, a hearing before the Board of Directors, or submit a written statement of members' defense to the Board not less than five (5) days prior to the effective date of said suspension. The foregoing right of the Association to temporarily suspend members' rights shall in no way diminish or alter the Association's lien rights against the member for the non-payment of assessments set forth in Article VI, Section (i) of the Declaration and Article VIII, Section 5.1 herein. (Amended 04/26/97)

#### ARTICLE IV

##### Evidence of Membership and Transfer

**SECTION 1.1 Membership Certificates.** Certificates of membership in the Association shall be issued to voting

As amended 04/26/97

members (referred to hereafter as "members") only. They shall be in such form as the Board of Directors shall designate and shall be issued over the signature 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 sufficient description of the lot giving rise to such membership. Membership of the Subdivision developer need not be evidenced by certificates of membership.

**SECTION 2.1 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. (Amended 04/24/76)

**SECTION 3.1 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 4.1 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 1.1 Place of Meeting.** Any meeting of the members of the Association shall be held at Spring Valley Lake or at any other place as stated in the notice for such meeting. (Amended 07/26/75)

**SECTION 2.1 Semi-annual Meeting.** A semi-annual meeting of the members of the Association shall be held for review of the

budget and for the transaction of such other business as may properly come before the meeting. The Board of Directors will select a Saturday meeting date which will satisfy the requirements of the general non-profit corporation law of the State of California or any other applicable Federal, State or local laws; and on the last Saturday of April for election of Directors whose terms have expired, and for the transaction of such other business as may properly come before the meeting, provided, however, that should Saturday fall upon a legal holiday then at the same time on the next day thereafter which is not a legal holiday. (Amended 04/25/87)

SECTION 2.2 Written notice of each semi-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 ten (10) and not more than sixty (60) days before each semi-annual meeting, and shall also state the general nature of the business or proposal to be considered or acted upon at such meeting.

SECTION 3.1 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 twenty percent (20%) 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 semi-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 4.1 Adjourned meetings and notice thereof. Any members' meeting semi-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.

SECTION 4.2 When members' meeting, either semi-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 5.1 Quorum. The presence in person or by proxy of the holders of twenty-five percent (25%) 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 action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum. (Amended 04/27/85)

SECTION 5.2 If any meeting, semi-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 fifteen percent (15%) of the voting power.

SECTION 6.1 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 1.1, of these bylaws, shall be entitled to vote at such meeting. Such vote may be viva voce or by ballot. Each member is entitled to one vote for each lot owned by him and a majority of the voting power present in person or by proxy shall prevail at all meetings. No member shall have the right to cumulate their votes. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected. (Amended 11/23/96)

SECTION 7.1 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 of the members who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association. (Amended 04/24/76)

**SECTION 8.1 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 or 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 three (3) years from the date of its execution. (Amended 04/25/81)

## ARTICLE VI

### Directors

**SECTION 1.1 Powers.** Subject to any limitations of the articles of incorporation, or these bylaws, and of the General Nonprofit Corporation Law of California, and subject to the duties of directors as prescribed by these bylaws, 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 bylaws;
- (b) To conduct, manage and control the affairs and business of the Association and to make such rules and regulations therefore not inconsistent with law, with the articles of incorporation or these bylaws, as they may deem best;
- (c) To change the principal office for the transaction of the business of the

Association from one location to another within the same county as provided in Article I, 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.

**SECTION 2.1 Number and Qualifications.** The authorized number of directors of the Association shall be seven (7) until changed by an amendment of the articles of incorporation or by a bylaw amending this Section 2 duly adopted by the members. Directors shall be required to be voting members. (Amended 07/28/73)

**SECTION 3.1 Election and term of office.** At the semi-annual meeting of members held on the last Saturday in April as provided in Article V, Section 2.1, the directors shall be elected by the members, provided, however, that if for any reason any such semi-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. The term of office shall be for two (2) years or until their successors are elected. A director may be elected for one additional successive term of office. Three (3) directors are elected at the April meeting in odd-numbered years and four (4) directors in the even-numbered years. (Amended 04/27/85)

**SECTION 4.1 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 a semi-annual or a specific meeting of the members.

**SECTION 4.2** 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 semi-annual 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.

**SECTION 4.3** 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 hereof, to take office when the resignation is to become effective.

**SECTION 4.4** No 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 5.1** Removal of Directors. The entire Board of Directors, or any individual Director, may be removed from office by a vote of lot owners holding a majority of the voting power entitled to vote at an election of Directors; PROVIDED, HOWEVER, unless the entire Board is removed, an individual Director shall not be removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total number of outstanding lot owners entitled to vote is divided by one (1) plus the authorized number of Directors. If any or all Directors are so removed, new Directors may be elected at the same meeting.

**SECTION 6.1** Regular Meetings. Immediately following the semi-annual meeting of members held on the last Saturday in April as provided in Article V, Section 2.1 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.  
(Amended 04/27/85)

**SECTION 7.1** 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.

**SECTION 7.2** Written notice of the time and place of special meetings shall be delivered personally to each Director or sent 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 7.3** Conference Telephone Meetings. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this subdivision constitutes presence in person at such meeting. (Amended 04/27/85)

**SECTION 8.1** 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 or 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 9.1** 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 revision 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 10.1** 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 fixed time for the next regular meeting of the Board. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

## ARTICLE VII

### Officers

SECTION 1.1 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; however, the office of President and First Vice President shall be filled only by elected 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 and First Vice President, need not be Directors. One person may hold two (2) or more offices, except those of President and Secretary. (amended 04/26/97)

SECTION 1.2 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 2.1 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.

SECTION 2.2 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 3.1 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 Bylaws for regular appointments to such office.

SECTION 4.1 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 Bylaws.

SECTION 5.1 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 Bylaws.

SECTION 6.1 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.

SECTION 6.2 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.

SECTION 6.3 The Secretary shall give, or cause to be given, notice of all the meetings of the members and of the Board of Directors required by these Bylaws or bylaw to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors, the President or these Bylaws.

SECTION 7.1 Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct account of the properties and business transactions of the Association, including account of its assets, liabilities, receipts, disbursements, gains or losses. The books of account shall at all times be open to inspection by any Director.

SECTION 7.2 The treasurer shall deposit all monies and other valuables in the name of and to the credit of the Association with such depositories 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 Bylaws.

#### ARTICLE VIII

##### Assessments

SECTION 1.1 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 charge is made.

SECTION 1.2 Special assessments, i.e., other than annual assessments specified in Section 2 of this Article VIII. The Board may not impose special assessments for capital improvements which in the aggregate (including capital improvements in the annual budget) exceed five (5) percent of the budgeted gross expenses of the association for that fiscal year without approval of the owners, constituting a quorum, casting a majority of the votes at a meeting or election of the association conducted according to the law. (Amended 04/26/97)

SECTION 2.1 Annual assessments. The annual general assessment to be levied shall not be more than One Hundred Fifty Dollars (\$150.00) per lot or assessable unit plus an amount equal to the accumulated effect of inflation from April, 1979 as computed by the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index - All Items, United States City Average. The general assessment shall go to the development, maintenance and upkeep of the Association's property. (Amended 04/28/79)

SECTION 3.1 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 4.1 Enforcement. The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges, including the right to vote, of membership on account thereof to any member or to any persons claiming under them, or to the land to which any membership is 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. (Amended 11/22/75)

SECTION 5.1 Lien. The amount of such

annual assessments, plus any other charges thereon such as interest when delinquent and costs of collection (including attorneys fees,) if any, shall constitute and become a lien on the lot or condominium unit so assessed or on the underlying real property (In the case of units in a multi-family residential building or guesthouse, inn or hotel facility) when the Board of Directors causes to be recorded with the County Recorder of San Bernardino County a notice of assessment which shall state the amount of such assessment and such other 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 the release of the lien thereon.

**SECTION 6.1 Priority of Lien.** Such lien shall be prior to all other liens recorded subsequent to said notice of assessment except that liens of first mortgages and/or first deeds of trust improvement thereon and which are recorded in accordance with applicable law shall be superior to any and all such liens provided herein.

**SECTION 7.1 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 sections 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.

## ARTICLE IX

### Miscellaneous

**SECTION 1.1 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 2.1 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 the written demand of any member at any reasonable time and for a purpose reasonably related to his interests as a member.

**SECTION 3.1 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 4.1 Annual Accounting.** There shall be an annual, independent audit by a Certified Public Accountant of the accounts of the Board of Directors. A copy of such annual audit and account report, including a statement of income and disbursements, shall be sent to the members, after completion, with or as part of the first general communication sent to members, but not later than 90 days. (Amended 07/26/75)

**SECTION 5.1 Execution of Contracts.** The Board of Directors, except as may be otherwise provided in these bylaws, may authorize any officer or officers, agent or agents, to enter into any contract to execute any instrument or document in the name of 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 trusts, 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 6.1 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.

SECTION 6.2 The Association shall not incur debt in excess of ten thousand dollars (\$10,000.00) 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. (Amended 04/24/76)

SECTION 7.1 Recreational Fees. The Association, may in its discretion, from time to time, make and collect reasonable charges for use of the recreational facilities owned and operated by the Association.

SECTION 8.1 Inspection of Bylaws. The Association shall keep in its principal office for the transaction of business the original or a copy of the Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times.

SECTION 9.1 Dissolution. In the event of the dissolution or winding up of the corporation, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets will be distributed to an organization which is exempt from income taxation, both federal and state. (Amended 07/28/73)

SECTION 10.1 Interpretation of Article X of Declaration of Restrictions. For the purpose of interpreting Article X of the Spring Valley Lake Declaration of Restrictions, the following are judged to fall within the definitions of "noxious or offensive activity" and/or "anything (which shall) be done or maintained thereon which may be or become an annoyance or nuisance to the neighborhood." (Amended 04/29/78)

(a) Parking for extended periods (more than 72 hours) of a recreational vehicle or trailer upon a residential lot containing a residence, in such a manner as to have the recreational vehicle or trailer clearly

As amended 04/26/97

visible to neighbors or passersby.  
(b) Erecting and/or maintaining any type of exposed antenna, for radio or television reception or transmission, unless authorized by the Architectural Committee.  
(c) Failure to maintain the area surrounding a residence in a reasonably neat and attractive condition. This may include but is not limited to old machines or vehicles, or excessive amounts of firewood (if the firewood is exposed to view), exposed clotheslines.  
(d) Failure to provide at least minimum landscaping on an improved lot within a reasonable time after construction of a residence or commercial building is completed. (Definitions of "minimum" and "reasonable time" shall be made by the Board of Directors as required).

\*\*ENFORCEMENT of the bylaw section and Article X of the Declaration of Restrictions shall be governed by policies of the Association Board of Directors and the Architectural Committee.

ARTICLE X

Parliamentary Authority

SECTION 1.1 The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these bylaws, special rules of order or the Articles of Incorporation. (Amended 04/27/85)

ARTICLE XI

Amendments

SECTION 1.1 These bylaws may be amended at any semi-annual meeting of the Association with previous notice and vote of two-thirds (2/3) of the voting power present in person or by proxy. (Amended 04/27/85)