State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 4 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 16 2009

Debra Bowen

DEBRA BOWEN
Secretary of State

Filed with the County Clerk

_______________ County

____

JAN 6 [illegible]

Filed with the Secretary of State

____

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503061

Restriction of right to amend articles

FILED
In the Office of the Secretary of State of the State of California
JAN 17 1956
FRANK M. JORDAN, Secretary of State
By [signature]
Deputy

ARTICLES OF INCORPORATION

OF

SAN LUIS REY HOMES INC.

A Non-Profit Corporation.

We, the undersigned natural persons of the age of twenty-one (21) years or more, acting as incorporators of a corporation under and pursuant to the General Non-Profit Corporation Law of the State of California, adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation shall be SAN LUIS REY HOMES INC.

ARTICLE II

This corporation is organizaed pursuant to Part I of Division 2 of Title 1 of the Corporations Code of the State of California.

ARTICLE III

This corporation shall be a corporation which does not contemplate pecuniary gain or profit to the members thereof, or any of them, or to any person, firm or corporation other than the non-profit corporation created herein, and that the purposes and objectives for which this corporation is formed are as follows:

(a) To be organized and operated pursuant to the General Non-Profit Corporation Law, Part 1 of Division 2 of Title 1 of the Corporation Code of the State of California;

(b) The primary purpose for which this corporation is formed is the owning, conducting, operating and managing a social and recreational club for the benefit, pleasure and recreation of the residents of San Luis Rey Mobile Home Estates.

(c) And to exercise all rights, powers and privileges granted or permitted by the State of California incidental to the aforesaid purposes.

ARTICLE IV

The principal office for the transaction of business of the corporation is to be located in the County of San Diego, State of California.

ARTICLE V

That the term of this corporation shall be perpetual from and after the date of incorporation.

ARTICLE VI

(a) No part of the net earnings of this corporation shall inure to the benefit of any private individual or member thereof or to any other person or corporation.

(b) The corporation shall have no capital stock nor shares. The corporation may issue membership certificates from time to time in the form and manner as determined by its board of directors consistent with its by-laws, these articles of incorporation and the laws of the State of California.

(c) The qualifications of both members and board of directors, the liability of the members for dues and/or assessments and their eligibility, privileges and voting rights as well as penalties for violation of these articles, or the rules and/or by-laws of the corporation, shall be set forth in the by-laws of the corporation.

(d) Membership in the corporation shall not vest in nor give to any member, any right, title or interest of any nature whatsoever in or to any assets or property of the corporation, but all such assets or property either real or personal acquired by the corporation by gift, purchase or in any other manner, shall vest solely and entirely in the corporation for corporate purposes and uses only.

(e) Upon the liquidation, dissolution or abandonment of the corporation, none of the property of this corporation will inure to the benefit of any private person or corporation, but all of said property will be distributed to such charitable organizations as the membership of said corporation shall direct.

ARTICLE VII

The number of directors of this corporation shall be five (5), which number may be changed by amending these articles or by-laws adopted for that purpose. The names and addresses of the persons who are to act in the capacity of directors, until the selection of their successors, are as follows:

Lester C. Shane
4202 Mission Avenue
Oceanside, California

Lewis J. Green
4202 Mission Avenue
Oceanside, California

Ida W. Aldrich
4202 Mission Avenue
Oceanside, California

Harry E. Orr
4202 Mission Avenue
Oceanside, California

Nicolai Newfield
4202 Mission Avenue
Oceanside, California

ARTICLE VIII

The by-laws adopted by the corporation may specify the total number of certificates of membership which the corporation is authorized to issue, the number of directors of the corporation and such other provisions as may be required by law and such other provisions as may be deemed necessary or advisable for the corporation. The conditions and regulations of membership and the rights or other privileges of the classes of members shall be determined and fixed by the by-laws.

ARTICLE IX

The private property of the directors, officers and members of this corporation shall not be liable for its corporate debts.

IN WITNESS WHEREOF, we, the undersigned, have executed these Articles of Incorporation, this 30th day of December, 1965.

Lester C. Shane
LESTER C. SHANE

Lewis J. Green
LEWIS J. GREEN

Ida W. Aldrich
IDA W. ALDRICH

Nicolai Newfeld
HARRY E. ORR

Harry E. Orr
NICOLAI NEWFIELD

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On December 30, 1965, before me, a Notary Public in and for said County and State, personally appeared LESTER C. SHANE, LEWIS J. GREEN, IDA W. ALDRICH, HARRY E. ORR and NICOLAY NEWFIELD, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation and acknowledged to me that they executed the same.

WITNESS MY HAND AND OFFICIAL SEAL.

Marie D. Justice

Notary Public in and for said County and State.

(SEAL)

MARIE D. JUSTICE
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
SAN DIEGO COUNTY

MARIE D. JUSTICE
My Commission Expires Oct. 24, 1967

Recording Requested By

And When Recorded Return To:

San Luis Rey Homes, Inc.
300 Academy Road
Oceanside, CA 92057

1966 DOC # 1993-0341126
28-MAY-1993 03:16 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
ANNETTE EVANS, COUNTY RECORDER
RF: 48.00 FEES: 140.00
~~AF: 71.00~~
MF: 1.00

RESTATED BYLAWS

[AND DECLARATION OF RESTRICTIONS]

SAN LUIS REY HOMES, INC

TABLE OF CONTENTS

1967

TABLE OF CONTENTS
(Continued)

Page

1968

TABLE OF CONTENTS
(Continued)

1969

TABLE OF CONTENTS
(Continued)

1970

TABLE OF CONTENTS
(Continued)

) 1971)

TABLE OF CONTENTS
(Continued)

Page

TABLE OF CONTENTS
(Continued)

Recording Requested By

1973

And When Recorded Return To:

San Luis Rey Homes, Inc.
300 Academy Road
Oceanside, California 92057

RESTATED BYLAWS

[AND DECLARATION OF RESTRICTIONS]

SAN LUIS REY HOMES, INC.

The Bylaws for SAN LUIS REY HOMES, INC. and Restrictions which affect all of the Properties described and commonly known as SAN LUIS REY HOMES, more particularly described below, and all of the Owners thereof, are hereby amended and restated in their entirety to read as follows:

RECITALS

A. On February 2, 1966, a general plan of protective covenants, restrictions and conditions, executed by Jack McElhose and Mildred M. McElhose ("Declarant"), was recorded as File/Page No. 18884 of Official Records of San Diego County California, ("Restrictions"), with respect to the following described real property ("Property") located in the City of Oceanside, County of San Diego, State of California:

PARCEL 1:

All that portion of the Southeast quarter of the Northeast quarter of Section 8, Township 11 South, Range 4 West, San Bernardino Base and Meridian, in the City of Oceanside, County of San Diego, State of California, according to the Official Plat thereof, lying South of the county road, as said road is shown on Road Survey No. 229, in the Office of the County Surveyor of the County of San Diego, California.

Excepting therefrom, a strip of land 24.87 Feet along the East section line.

And also excepting therefrom, that portion lying Northerly of a line described as follows:

Beginning at a point in the Westerly line of said Southeast quarter of the Northeast quarter, distant thereon 196.66 Feet Southerly from the Southerly line of said county road; thence Easterly in a straight line to a point in the Westerly line of the Easterly 24.87 Feet of said Southeast quarter of the Northeast quarter, distant thereon 196.30 Feet Southerly form the Southerly line of said county road.

Parcel 2:

All that portion of the Northeast quarter of the Southeast quarter of Section 8, Township 11 South, Range 4 West, San Bernardino Base and Meridian, in the City of Oceanside, County of San Diego, State of California, according to Official Plat thereof, described as follows:

Beginning at a point on the East and West center line of said Section 8, as the same is shown on record of Survey Map No. 516, Records of San Diego County, distant thereon South 89° 45' 20" West 1023.74 Feet, more or less, from the East quarter corner of said Section 8, said point being the Northerly terminus of the Northeasterly line of the land described in Parcel 2 of the deed to James E. Furlong, et ux, by deed recorded July 10, 1935, in Book 423, Page 48 of official records; thence South 44° 58' East along said Northeast line of said land described in said deed to James E. Furlong, et ux, 212.45 Feet to a point in the East line of the land described in the deed to the sisters of the Precious Blood, recorded May 23, 1928, in Book 1451, Page 332 of deeds; thence North 1° 04' West along said Easterly line, 150.97 Feet, more or less, to an intersection with the East and West corner of said Section 8; thence South 89° 45' 20" West 147.33 Feet to the point of beginning.

Parcel 3:

That portion of the Northeast Quarter of the Southeast Quarter of Section 8, Township 11 South, Range 4 West, San Bernardino Meridian in the City of Oceanside, County of San Diego, State of California according to Official Plat thereof described as follows:

Beginning at the Northwest corner of said Northeast Quarter of the Southeast Quarter of Section 8; thence along the west line of said Northeast Quarter of the Southeast Quarter of Section 8 South 1° 04' East 162.65 feet to the Southwest corner of the land described in deed to Alphonse Miller, recorded November 9, 1946 as Document No. 120273 in Book 2282, page 176 of Official Records; thence along the South line of said land South 89° 58' East 134.00 feet; thence North 1° 04' West 162.65 feet to the North line of said Northeast Quarter of the Southeast Quarter; thence North 89° 58' West 134.00 feet to the point of beginning.

B. Undivided 1/328th interests as tenants in common in said Property were thereafter conveyed to individuals ("Owners") subject to such general plan and Restrictions, with each such Owner receiving, in addition to the undivided 1/328th interest, an exclusive right to occupy a mobile home space ("Space") located upon the Property. Each such Owner, solely by virtue of such ownership, is a member of that certain corporation known as San Luis Rey Homes, Inc., a non-profit, mutual benefit corporation organized and existing under the laws of the State of California, having been incorporated on January 18, 1966 - Corporate No. 503061. The Property is a Planned Development as that term is defined in Civil Code section 1351.

C. As shown by the Certification on the last page of these Bylaws, the Owners of the Property voted by written ballot to amend and restate the Bylaws of the Corporation. It was the intention of said Owners to replace the Bylaws in their entirety, with the adoption and recordation of this document. The Owners' action to amend and restate the Bylaws as set forth herein is attested by the execution of these Restated Bylaws by the duly authorized officers of the Corporation.

Article I. - Recitals and Definitions

Section 1. Name of Corporation. The name of this corporation is SAN LUIS REY HOMES, INC., and is referred to herein as the "Club" and the "Corporation".

Section 2. Corporation Is Nonprofit. The Corporation has been formed pursuant to Part 3 of Division 2 of Title 1 of the Corporations Code of the State of California (Corporations Code sections 7110-8970) as a nonprofit mutual benefit corporation.

Section 3. Specific Purpose of Corporation. The specific and primary purpose for which the Corporation is organized are as follows:

A. Owning, conducting, operating and managing a private social and recreational club for the benefit, pleasure and recreation of its members, located in the County of San Diego, State of California, and commonly referred to as the Club.

B. Maintaining or improving all common Club facilities and common areas as defined by Section 1351 of the California Civil Code and acting as the "homeowners association" for the project, as that term is defined in said Section 1351.

C. Providing utility services to each mobile home space.

D. Enforce the Rules and Regulations adopted by the Board of Governors, from time to time, and the terms and conditions of all other Governing Documents, and to enhance and promote the use and enjoyment of the Common Areas and Common Facilities by the members in common.

E. The Club does not contemplate pecuniary gain or profit to the members thereof, or any of them, or to any persons, firm or corporation other than the Club itself, and shall not distribute any gains, profits or dividends to or for the benefit of members, groups, or any private individual or corporation.

F. Upon liquidation, dissolution or abandonment of the Club, none of the property of the Club will accrue to the benefit of any private person or organization, but all said property will be distributed to such charitable organizations as the membership of said corporation shall direct.

G. Neither the members nor Governors, nor officers of the Club shall be personally liable for the debts, liabilities or obligations of the Club.

Section 4. Definitions.

A. Common Area. The term "Common Area" means the entirety of the Property and the improvement located upon the Property, except the mobile home spaces to which individual owners have been granted exclusive use. "Common Facilites" means all buildings and structures located upon the Common Area which are managed, maintained and under the operation and control of the Corporation.

B. County. The term "County" means the County of San Diego, State of California.

C. Governing Documents. The term "Governing Documents" means all restrictions, covenants, terms and conditions set forth in the Grant Deed, Use Permits, Articles of Incorporation, Current Rules and Regulations, and these Bylaws and any amendments thereto.

D. Majority of a Quorum. "Majority of a Quorum" means the vote of a majority of the votes cast, by written ballot, when the number of written ballots cast equals or exceeds the quorum specified in article V, section 5, below constitutes at least 51 percent of the total membership eligible to vote.

E. Office of the Recorder. The term "Office of the Recorder" means the Office of the Recorder, County of San Diego, State of California.

F. Owner. The term "owner" shall mean a Person who has been granted, by deed recorded in the Office of the County Recorder of San Diego County, a 1/328th undivided interest in the Property together with the exclusive right to occupy a particular mobile home space on said Property.

G. Park. The term "Park" shall mean the Property and all improvements, located herein, including the mobile home spaces and improvements located thereon.

H. Person. The term "Person" means and includes any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.

I. Space. The term "Space" shall mean the mobile home space which an owner is exclusively entitled to occupy, and, where the context indicates, shall refer to the entirety of the ownership interest in the Property of the owner.

J. Voting Power. The term "Voting Power" means those Members who are eligible to vote for the election of Governors or with respect to any other matter, issue, or proposal properly presented to the Members for approval at the time any determination of voting power is made.

Article II - Principal Office

Section 1. Principal Office. The principal office for the transaction of business of the corporation shall be located at the Main Clubhouse, 300 Academy Road, Oceanside, California, the County of San Diego until changed by action of the Board of Governors.

Article III - Purpose of Corporation / Restrictions Concerning Occupancy

Section 1. Housing For Older Persons. The purpose and intent of this corporation is to provide and operate facilities, programs and amenities for the benefit of older persons. Facilities, programs and amenities of the Park are designed for and are maintained in recognition of the mature adult nature of the resident owners of the community and the need to meet their physical and social needs, and to provide important housing opportunities for older persons in the Oceanside area of North San Diego County, California. The Park is a mobilehome community entitled to restrict residency on the basis of age pursuant to California Civil Code Section 799.5 and the Property is also a "senior Citizen Housing Development" as that term is defined in Section 51.3 of the California Civil Code and constitutes "Housing For Older Persons" pursuant to the Fair Housing Act (42 U.S.C. §3607(b)), thus permitting the restriction of residency within the Property as set forth herein.

Section 2. Dwellings To Be Occupied By Owners. Occupancy of dwelling units within the Park is restricted to owners and others residing with owners all of whom must meet the residency restrictions set forth in this Article III, Section 3 below.

Section 3. Restrictions on Residency. As to each dwelling unit located upon the Property, at least one occupant must be at least 55 years of age on the date application for membership is approved under Article IV, Section 10, below. All other occupants, whether owner or non-owner, must be at least 50 years of age or older, except a permitted health care resident as that term is defined in California Civil Code section 51.3(c)(6). In the event of the subsequent death of the occupant who is 55 years of age or older, the age requirement shall not apply to a surviving owner, nor to the legal spouse of such owner or other person over the age of 50 who was residing in the dwelling at the time of death of the age 55 or older individual; provided however, at all times not less than 80 percent of the total spaces shall be owner occupied by persons, one of whom is 55 years of age or older. Nothing herein contained shall affect the right to own and occupy a space by any person who is a member of this corporation in good standing as of September, 1989.

Article IV - Membership

Section 1. Membership Definition. Members of the Corporation. Every Owner of an interest in the Property is a Member of the Corporation. Membership in the Corporation is appurtenant to such ownership and may not be separated therefrom.

Section 2. Term of Membership. Each Owner shall be a Member and shall remain a Member until he or she no longer qualifies as such under the provisions of Article IV, section 4, below.

Section 3. Single Membership. A person may hold only one Membership regardless of the number of ownership interests. Accordingly, a person who owns multiple interests in the Property shall be entitled to only one vote on each matter submitted to a vote of the membership.

Section 4. Sale or Transfer. Upon the sale, conveyance or other transfer of an Owner's interest in the Property, the Owner's membership appurtenant thereto shall automatically transfer to the new Owner(s). No conveyance of an owner's interest in the Property shall be consummated until the proposed transferee has been approved for membership in accordance with Article IV, Section 9 below. All such sales or transfers shall be in conformity with California Civil Code 1368.

Section 5. Multiple Ownership. Ownership of a single space by more than one person shall give rise to only a single membership vote in the Club. Accordingly, if more than one person owns a membership, all of those persons shall be deemed to be one Member for voting purposes, although all such Owners shall have equal rights as Members to use and enjoy the Common Areas and Common Facilities. The Secretary of the Corporation shall be notified in writing of the Owner designated by his or her Co-Owners as having the sole right to vote the membership on their behalf. If no such notification is received, the Secretary may accept the vote of any Owner of Record as the vote attributable to the ownership interest in question, provided that if the multiple Owners attempt to vote the membership attributable to said ownership interest in an inconsistent fashion, the Secretary or other person or persons designated as inspectors of election by the Board of Governors may refuse to count any ballot pertaining to the ownership interest.

Section 6. Evidence of Membership. A person shall not be entitled to exercise the rights of a Member until such person has advised the Secretary in writing that he or she is qualified to be a Member under Article IV, Section 1, above, and, if requested by the Secretary, has provided the Secretary with evidence of such qualification in the form of a copy of a recorded grant deed (certified by the Office of the Recorder); a currently effective policy of title insurance or such other documentation as the secretary may require as documentation of the ownership interest and the qualification of the owner and the proposed residents under the provisions of these Bylaws. Exercise of membership right shall be further subject to the rules regarding record date for notice, voting, and action by written ballot and eligibility for voting set forth in article V, section 7.

Section 7. Certificates of Membership. Upon submission of the requirements set forth above, the Secretary will issue certificates or cards of Membership to each member. Upon the face of each such card or certificate, there shall be printed in clear type the statement that the Club is a corporation, which corporation is not one for profit, and the further statement that such membership is not transferrable, except as provided in Article IV, Section 4. The certificates shall bear the signatures of the President and the Secretary of the Board of Governors.

Section 8. Members subject to Bylaws. Each member of the Club, by virtue of his or her acceptance of membership, agrees to be bound by the Articles of Incorporation of the Club, these Bylaws and all amendments thereof, and by all Deed Restrictions.

Section 9. Membership Restricted to Record Owners. Membership shall be restricted to record owners of an undivided interest as a tenant in common in the Property and Club facilities are for the use of members and their bona fide guests only.

Section 10. Application for Membership.

A. All applications for membership shall be in writing and signed by the applicant. The application shall contain the name, occupation, date of birth and address of the applicant, and such other instructions as the Board of Governors shall prescribe. All applications for membership shall be submitted to the Membership Committee, and the Membership Committee shall give its recommendation of approval or disapproval of each application to the Board of Governors.

B. The recommendation of the Membership Committee of approval or disapproval shall be by majority vote. During the course of an interview with a prospective member, the committee members will comply with the U.S. Fair Housing Act of 1988 and appropriate California Civil Code provisions not in conflict with the above. Committee members shall not ask questions, make motions, offer resolutions, write memos, reach decisions or take any other action based upon or which, directly or indirectly, reflect a bias or suggestion that sex, race, color, religion, ancestry, national origin, marital status or physical or mental impairment which substantially limits one or more of such person's major life activities, is a part of the consideration or decision of the committee.

C. The Board of Governors shall receive the application for membership and the recommendations of the Membership Committee, and shall take final action thereon at a meeting of the Board of Governors held after such application is submitted. The Board of Governors shall consider the recommendation of the Membership Committee, but the approval or disapproval of each application shall be subject to the discretion of the Board of Governors regardless of the recommendation of the Membership Committee. The approval or the disapproval of an application for membership by the Board of Governors shall be by majority vote. No person who has applied for membership in the Club and failed to receive the approval of the Board of Governors shall have the right of action against the Club, its Board of Governors or any member of the Club.

D. Responsibility to Inform. In addition to any other legal requirements, it is the responsibility of an owner, and any agent of an owner, to inform any prospective buyer of the nature of the owner's interest in the Property and the corporation. The owner shall also inform the prospective buyer of the necessity to meet with the Membership Committee before escrow proceedings are instituted, and to insure that copies of all documents and information pertaining to membership in the Club are supplied to the prospective buyer as specified in Article XV, Section 8.

Article V - Membership Voting

Section 1. Single Class of Membership. There shall be one class of voting membership.

Section 2. Member Voting Rights. On each matter submitted to a vote of the Members, each Member shall be entitled to cast one vote, regardless of the number of Mobile Home Spaces owned or occupied by such Member. Single memberships in which two or more persons have an indivisible interest shall be voted as provided in Article IV, Section 5 of these Bylaws.

Section 3. Eligibility to Vote. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. To be in good standing, a Member must be current in the payment of all maintenance fees and assessments levied against the Member's ownership interest and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Article VII, Section 5. A Member's good standing shall be determined as of the record date established in accordance with Article VI, section 7. The Club shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of maintenance Fees and assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with Article VII, section 5. A Member who owns or occupies more than one Space shall be ineligible to vote if that Member is delinquent with respect to any Space.

Section 4. Manner of Casting Votes.

A. Voting at Membership Meetings. Voting at any membership meeting may be by voice or in writing, provided that the vote on any issue properly before a meeting of the Members, other than procedural matters regarding the conduct of the meeting, shall be conducted by secret ballot when determined by the chairman of the meeting, in his or her discretion, or when requested by twenty (20) percent of the voting power present at the meeting. Provided however, that where the Board, upon advice of legal counsel, determines that it is necessary or advisable that members signatures appear upon their ballot with respect to any issue for the purpose of authenticating the vote of the members, there shall be no right to a secret ballot.

B. Cumulative Voting. Cumulative voting shall not be permitted.

C. Written Ballots.

(1) Definition of Written Ballot. A "written ballot" is a ballot that is mailed or otherwise distributed to every Member entitled to vote on the matter and that complies with the requirements of this Article V, Section 5.

(2) The term "written ballot" does not include a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting.

D. Proxies

(1) Proxies Generally. Any Member entitled to vote may do so at a meeting either in person or by one or more agents authorized by a written proxy signed by the Member and filed with the Secretary of the Corporation. Any proxy shall be for a term not to exceed 11 months from the date of issuance, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three years from the date of execution. Proxy forms shall be dated to assist in verifying their validity.

(2) Effectiveness of Proxies. Every proxy continues in full force and effect until revoked by the issuing member prior to the vote pursuant thereto, subject to the maximum term of a proxy set forth above. Any proxy issued hereunder shall be revocable by the person executing such proxy at any time prior to the vote pursuant thereto, by (i) delivery to the Secretary of a written notice of revocation, (ii) a subsequent proxy executed by the Member executing the prior proxy and presented to the meeting, or (iii) as to any meeting, by attendance at such meeting and voting in person by the Member executing the proxy. The dates shown on the forms of proxy presumptively determine the order of execution, regardless of the postmarks shown on the envelopes in which they are mailed. A proxy shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of the Member issuing the proxy, or upon termination of such Member's status as an Owner of an interest in the Property as provided in Article IV, Section 4.

(3) Validity of Proxies With Respect to Certain Material Transactions. Any proxy given with respect to any of the matters described in this subparagraph shall be valid only if the proxy form sets forth a general description of the nature of the matter to be voted on. The matters subject to this requirement are: (i) removal of governors without cause; (ii) filling of vacancies on the Board; (iii) approval of contracts or transactions between the Corporation and one or more of its governors, or between the Corporation and a corporation, firm or association in which one or more of its governors has a material financial interest; (iv) amendment of the Articles of Incorporation or these Bylaws; (v) action to change any Corporation assessments in a manner requiring membership approval; (v) sale, lease, exchange, transfer or other disposition of all or substantially all of the Corporation's assets otherwise than in the regular course of the Corporation's activities; (vi) merger of the Corporation or an amendment to an agreement of merger; and (vii) voluntary dissolution of the Corporation.

(4) Limited Proxies. Any form of proxy distributed to 10 or more Members must afford an opportunity on the proxy to specify a choice between approval or disapproval of any matter or group of related matters intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited. If the form of proxy lists one or more matters to be acted upon and the issuer of the proxy has specified a choice with respect to any such matter, the proxy holder shall be obligated to cast the vote represented by the proxy in accordance with the issuer's designated preference.

(5) Proxies Distributed in Connection with the Election of Governors. Proxies shall not be permitted with regard to the election of governors, which shall, in all instances be conducted by written ballot.

(6) Restriction or Elimination of Proxy Rights; Limitation on Authority. No amendment of the Articles or Bylaws repealing, restricting, or expanding proxy rights may be adopted without approval by the affirmative vote of a majority of the voting power of Members by written ballot as provided in Article V, Section 5.

(7) Proxy Rules for Memberships Held by More Than One Person. Where two or more persons constitute a Member, any proxy with respect to the vote of such Member may be signed by any such persons. The later proxy or presence of any such persons at a meeting shall be sufficient to revoke any earlier proxy. Any such persons may attend meetings, but no vote of such Member shall be cast without the unanimous consent of all persons present at such meeting constituting each Member.

(8) No Proxy Voting in Connection With Written Ballots. Proxy voting shall not be allowed when Members' votes are solicited by written ballot in accordance with article V, Article V, Section 5

Section 5. Action by Written Ballot.

A. Definition of Written Ballot. A "Written Ballot" is a ballot that is mailed or otherwise distributed to every Member entitled to vote on the matter and that complies with the requirements of this Section 5.

B. Written Ballots Generally. Any matter or issue requiring the vote of the Members shall ordinarily be submitted for vote of the membership by written ballot. The determination to seek Member determination in this fashion shall be made by a majority vote of the Board. Alternatively, the determination that a matter be submitted to the vote of the Membership by written ballot may be by members possessing 5 percent of the total voting power of the membership, either by vote at a duly held meeting of members or by a written request that a proposal be presented to the

Members for a vote by written ballot, delivered to the President, Vice President or Secretary. Once the determination is made to submit a matter to the vote of the Members by written ballot, the Board shall establish a record date (see Article VI, Section 7 for purposes of determining those Members eligible to cast written ballots).

C. Written Ballot Time Requirements. Written ballots shall be distributed to each member of the Club no less than 21 days prior to the date upon which ballots are to be counted.

D. Content of Written Ballots.

(1) Written Ballots Used for Voting in Governor Elections. Written ballots used in any election of governors shall set forth the names of the candidates whose names have been placed in nomination at the time the ballot is issued (see Article VIII, Section 4). The ballot form shall also provide one or more spaces where the Member can designate a vote for another (write-in) candidate.

(2) Written Ballots Used for Voting on Other Matters. Any form of written ballot distributed to the Members to vote on any issue other than the election of governors shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal.

E. Date Ballots are Cast. All written ballots shall state the date by which the written ballot must be returned to the Club to be counted ("Election Date"). Ballots may be cast either by mailing the ballot to the Club or by personally delivering the written ballot on or before the Election Date.

F. Number of Ballots. All written ballots shall be printed and individually numbered with the Park space numbers from 1 to 328 with only one ballot for each voting member. Space numbers will be removed by an election official before being placed in the ballot box.

G. Secret Votes. Except with respect to voting for the election of Governors, there shall be no entitlement in an election to a secret ballot. Where the board determines, upon advice of legal counsel, that members signatures should appear upon their ballot with respect to any issue for the purpose of authenticating the vote of the member in the event of a challenge to the vote, the vote on such matter shall not be by secret ballot.

H. Election Committee. The Board of Governors will appoint an Election Committee Chairman and four (4) clerks. All must be owners. The Board shall provide a workable formula to the committee for handling all other details of the balloting.

I. Polls. On the Election Date, the Polls shall be open for the personal depositing of ballots from 10:00 am to 5:00 pm and polling places within the Park shall be designated by the Board of Governors.

J. Poll watchers. Poll watchers (official observers) recognized by the Board of Governors, must maintain decorum at all times. All question and/or complaints must be made to the Election Committee Chairman. Further appeal may be made to the Arbitration Committee, appointed by the Board of Governors when needed, within five (5) days of the date of the election. The decision of the Election Committee shall be final unless appealed to the Arbitration Committee within ten (10) days of the date of the decision of the Election Committee.

K. Ballots Returned By Mail ("Absentee ballots"). Ballots returned by mail must be received prior to the closing of the polls on the Election Date. All written ballots received by mail or personally delivery prior to the close of the polls on the Election Date shall be deposited, unopened, in an official ballot box, prior to the close of the polls on the Election Date.

L. Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote by posting on the Bulletin Board in the Main Clubhouse and in the Club bulletin.

M. Retention of Ballots. All written ballots shall be retained for one (1) year following the date of voting.

N. Requirements for Valid Member Action by Written Ballot. Membership approval by written ballot shall be valid only if (i) the number of votes cast by ballot equals or exceeds the quorum requirement and (ii) the number of affirmative votes equals or exceeds the majority of the quorum.

O. Solicitation Rules Generally. All solicitations of written ballots shall indicate (i) the number of responses needed to meet the quorum requirement for valid action; (ii) the time by which the written ballot must be received by the Corporation in order to be counted; and (iii) in the case of any written ballot distributed to vote on matters other than the election of governors, the percentage of affirmative votes necessary to approve the measure submitted for membership approval.

P. Prohibition of Revocation. Once cast, a written ballot may not be revoked.

Q. Conduct of Informational Meetings. Use of the written ballot procedures provided herein shall not preclude the Club from also conducting informational meetings of the Members, with notice of the date and time of the meeting.

Section 6. Majority Vote Required. The affirmative vote of the majority of the voting power of Members entitled to vote and voting on any matter (other than the election of Governors), shall be the act of the Members, unless the vote of a greater number is required by the California Nonprofit Mutual Benefit Corporation Law or by the Articles or these Bylaws. In the case of governor elections, the candidates receiving the highest number of votes, up to the number of governors to be elected, shall be elected to the vacant governor positions.

Section 7. Action by Unanimous Written Consent. Any action required or permitted to be taken by the Members may be taken without complying with the formalities of a written ballot if all Members shall individually or collectively consent in writing to the action. When an action is taken by written consent, the consent(s) shall be filed with the Corporation's minutes.

Article VI - Membership meetings

Section 1. Place of Meeting. Meetings of the Members shall be held at the Main Club House, 300 Academy Road, City of Oceanside, or at such other reasonable place within the County of San Diego, State of California and at such time as may be designated by the Board in the notice of the meeting.

Section 2. Annual Meeting. The annual meeting of the Members shall be held on the 1st Saturday of December each year at a time established by the Board of Governors.

1983

Section 3. Special Meetings.

A. Persons Entitled To Call Special Meetings. A majority of the Board, the President, or 5 percent or more of the Members may call a special meeting of the Members at any time to consider any lawful business of the Club.

B. Procedures for Calling Special Meetings Requested by Members. If a special meeting is called by Members other than the Board of Governors or President, the request shall be submitted by such Members, in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered or certified mail, return receipt requested, to the President, any Vice President, or the Secretary of the Corporation. The officer receiving the request shall cause notice to be promptly given to the Members entitled to vote in accordance with the provisions of this Section 3, that a meeting will be held and the date, time, and purpose for such meeting, which date, as set by the Board, shall be not less the 35 nor more than 90 days following the receipt of the request. If notice of the meeting is not given within 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Governors or the President.

Section 4. Notice of Members' Meetings. It is the policy of the Corporation that member meetings be held primarily for informational purposes with the voting upon all matters, other than routine, procedural or non-controversial matters, to be conducted by written ballot.

A. Requirement That Notice Be Given. Notice of all regular and special meetings of the Members shall be sent or otherwise given in writing to each Member who is eligible to vote as of the record date for notice established in accordance with Article VI, Section 7.

B. Time Requirements for Notice. The notice of membership meetings shall be given in the manner specified in subparagraph E. of this Section 4, not less than 10 or more than 90 days before the date of the meeting. If notice is given by mail and the notice is not given by first class, registered, or certified mail, the notice shall be given not less than 21 days (nor more than 90 days) before the meeting.

C. Minimum Requirements Regarding Content of Notice. The notice of any membership meeting shall specify the place, date, and hour of the meeting. In the case of a special meeting, the notice shall also state the general nature of the business to be transacted, and that no other business may be transacted at the special meeting. In the case of a regular meeting, the notice shall also describe those matters that the Board of Governors, at the time of giving the notice, intend to present to the Members; but any proper matter may be presented at the meeting.

D. Specification of Certain Significant Actions. If any action is proposed to be taken for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice or consent states the general nature of the proposal(s): (i) Removing a governor without cause; (ii) filling vacancies on the Board of Governors under those circumstances where a vote of the Members is required pursuant to article VIII, section 8 of these Bylaws; (iii) amending the Articles of Incorporation of this Corporation or these Bylaws; (iv) approving a contract or transaction between the Corporation and one or more of its governors, or between the Corporation and any association, firm, or corporation in which one or more of its governors has a material financial interest; (v) approving any change in the Corporation's assessments in a manner requiring membership approval under the Governing Documents; or (vi) voting upon any election to voluntarily terminate and dissolve the Corporation.

E. Manner of Service. Notice of any meeting of Members shall be given either personally or by first-class mail, telegraphic, or other written communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Corporation or the address given by the Member to the Corporation for the purpose of notice. If no address appears on the Corporation's books and no other has been given, notice shall be deemed to have been given if either (i) notice is sent to that Member by first-class mail or telegraphic or other written communication to the Owner's space, or (ii) notice is published at least once in a newspaper of general circulation in the County. Notice shall be deemed to have been given at the time when the notice is delivered personally or deposited in the mail (postage prepaid) or sent by telegram or other means of written or electronic communication to the recipient.

F. Affidavit of Mailing. An affidavit of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary or the Assistant Secretary of the Corporation, and if so executed, shall be filed and maintained in the minute book of the Corporation. Such affidavit shall constitute prima facie evidence of the giving of notice.

Section 5. Quorum Requirements. The following quorum requirements must be satisfied in order to take valid action:

A. Quorum for Votes on Assessment Increases, or Removal of Governors From Office. In the case of any written ballot conducted for the purpose of voting assessment increases requiring membership approval, or removal of any governor from office, the quorum requirement for valid action on the proposal shall be the percentage specified in Civil Code section 1366 or comparable superseding statute. That quorum percentage is currently a majority of all of the Members.

B. Quorum for Valid Action on Other Matters. In the case of written ballot conducted for any other purpose, the quorum shall be more than 50 percent of the Members eligible to vote.

Section 6. Adjourned Meeting. Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another place and/or time (but not for more than 45 days) by the vote of the majority of Members present at the meeting. The reconvened meeting may take any action that might have been transacted at the original meeting.

Section 7. Record Dates for Member Notice; Voting.

A. Record Dates Established by the Board of Governors. For the purpose of determining which Members are entitled to receive notice of meetings, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board of Governors may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or take action by written ballot, notwithstanding any transfer of any membership on the books of the Corporation after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, in the California Nonprofit Mutual Benefit Corporation Law, and California Civil Codes. The record dates established by the Board pursuant to this section shall be as follows:

(1) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than 90 nor less than 21 days before the date of the meeting;

(2) Record Date for Action by Written Ballot Without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall be no more than 60 days before the day on which the first written ballot is solicited; and

(3) Record Date for Other Lawful action. In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than 60 days prior to the date of such other action.

B. Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the following rules shall apply:

(1) Record Date for Notice of Meetings. The record date for determining those Members entitled to receive notice of a meeting of Members shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

(2) Record Date of Action By Written Ballot Without Meeting. The record date for determining those Members entitled to vote by written ballot on proposed Club actions without a meeting shall be the day on which the first written ballot is mailed or solicited.

(3) Record Date for Other Lawful Action. The record date for determining those Members entitled to exercise any right in respect to any other lawful action shall be the Members at the close of business on the day on which the Board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(4) "Record Date" Means as of Close of Business. For purposes of this subparagraph B. a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

Article VII - Membership Rights and Limitations

Subject to the provision hereof and the provisions of the Governing Documents, the Members shall have the following rights and Limitations:

Section 1. Use and Enjoyment of Common Areas by Members and Family. Each residing Member and the members of his or her family residing within the Dwelling upon the same Space shall be entitled to the use and enjoyment of all Common Areas and Common Facilities upon the Property.

Section 2. Renting or Leasing. A member may not, under any conditions, Rent or lease his or her Dwelling or Mobile Home Space.

Section 3. Invitees and Guests. The invitees of a Member shall have the right to use and enjoy the Common Areas and Common Facilities within the Properties as long as the guest or invitee is under the supervision of a Member. All guests or invitees shall be subject to the same obligation to observe the rules, restrictions, and regulations of the Corporation as set forth in the Governing Documents as is imposed on the Owner.

Section 4. Club Rules and Regulations. The right of any person to use and enjoy the Common Areas and Common Facilities shall at all times be subject to the rules, limitations, and restrictions set forth herein, in the Club's published Rules and Regulations as promulgated by the Board from time to time and the other Governing Documents. The Board shall have the right to impose monetary penalties or to suspend the use and enjoyment of any Common Area and Common Facilities, with the exception of the right of use of any roads, for the failure of a Member to pay any Assessments when due under the Governing Documents, or to comply with any other rule or regulation imposed upon such Member, his or her guests, pursuant to the Governing Documents, provided, however, that any such suspension or penalty shall be imposed only after such person has been afforded the notice and hearing right more particularly described in Article VI, section 5, of these Governing Documents.

Section 5. Disciplinary Action.

A. Rights Generally. Subject to the provisions of this Article VII, Section 9, in the event of a breach or violation of any rule or of any of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, or licensees, the Board, for and on behalf of all other Owners, may enforce the obligation to obey such rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use recreational Common Facilities or suspension of the Owner's voting rights as a Member of the Corporation; provided that the Corporation's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this section 5. Monetary penalties may be imposed by the Corporation: (A) for failure of a Member or his or her guests to comply with provisions of the Governing Documents, (B) as a means of reimbursing the Corporation for costs incurred by the Corporation in the repair of damage to the Common Area or Common Facilities allegedly caused by a Member or his or her guests, or (C) in bringing the Member and his or her ownership interest in the Property into compliance with the Governing Documents. Monetary penalties may be characterized and treated as a Special Individual Assessment. The decision of whether it is appropriate or necessary for the Corporation to initiate enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Corporation's Board. If the Corporation declines to take action in any instance, any Owner shall have such rights of enforcement as may exist by virtue of the California Civil Code section 1354 or otherwise by law.

B. Schedule of Fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for late payment of Assessments or illegally parked vehicles). Once imposed, a fine or penalty may be collected as a Special Individual Assessment.

C. Definition of "Violation". A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Corporation shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible Owner.

D. Limitations of Disciplinary Rights. Loss of Rights; Forfeitures. The Corporation shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his or her Mobile Home Space or ingress or egress thereto over the roads of the Park due to the failure by the Owner (or his or her family members, guests or invitees) to comply with any provision of the Governing Documents or of any duly enacted Corporation Rule except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction, a decision arising out of arbitration or a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Corporation, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Corporation or the imposition of monetary penalties for failure to pay Assessments or otherwise comply with any Governing Documents so long as the Corporation's actions satisfy the due process requirements of subparagraph E. below.

E. Hearings. No penalty, monetary penalty or temporary suspension of rights shall be imposed pursuant to this Article VII, Section 5 unless the Owner alleged to be in violation is given at least 15 days prior notice of the alleged violation, the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board of Governors or appropriate committee established by the Board with respect to the alleged violation(s) at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action.

(1) Notwithstanding the foregoing, under circumstances involving conduct that constitutes (i) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (ii) a traffic or fire hazard; (iii) a threat of material damage to, or destruction of, the Common Area or Common Facilities; or (iv) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments or parking violations), the Board of Governors or its duly authorized agents may undertake immediate corrective or disciplinary action and, upon request of the offending Owner (which request must be received by the Corporation, in writing, within five days following the Corporation's disciplinary action), or on its own initiative, conduct a hearing as soon thereafter as reasonably possible.

(2) If the Corporation acts on its own initiative to schedule a hearing, notice of the date, time and location of the hearing shall accompany the notice of disciplinary action. If the accused Owner desires a hearing, a written request therefor shall be delivered to the Corporation no later than five days following the date when the fine is levied. The hearing shall be held no more than 15 days following the date of the disciplinary action or 15 days following receipt of the accused Owner's request for a hearing, whichever is later. Under such circumstances, any fine or other disciplinary action shall be held in abeyance and shall only become effective if affirmed at the hearing.

F. Notices. Any notice required by this Article shall, at a minimum, set forth the date and time for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents and a reference to the specific Governing Document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice, provided that if notice is given by mail it shall be sent by first-class or certified mail sent to the last address of the Member shown on the records of the Corporation.

G. Rules Regarding Disciplinary Proceedings. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Corporation Rules.

H. A suspended member may not participate as a guest of any other member in any activity of the Club.

Section 6. <u>Damage to Club Property.</u> Any member breaking or damaging any property of the Club shall pay the full cost thereof and such other reasonable penalty as the Board of Governors may impose. Such damage must be reported to the office.

Section 7. <u>Park Property Under Control of Board.</u> Owners or Guests may not remove, alter or replace any park property or fixture unless authorized to do so, in writing, by the Board of Governors.

Section 8. <u>Report of Violations.</u> Any member of the Club witnessing or having knowledge of a breach of the Bylaws or Rules & Regulations of the Club should report same to the Board of Governors in writing.

Section 9. Court Actions; Arbitration; Mediation.

A. Board Approval. Court actions to enforce these Bylaws may only be initiated on behalf of the Association upon approval of the Board.

B. Mediation. Before instituting any judicial action (other than seeking an injunction to maintain the status quo), arbitration, or other proceeding arising out of any provision of these Bylaws or the Rules and Regulations or actions of the Board, the Association or Owner who desires to initiate such action ("Complaining Party") must make a good faith attempt to mediate the dispute pursuant to this paragraph. The Complaining Party shall send the other party (the "Responding Party") written notice of the nature of the dispute, the facts giving rise to its claim and its desire to mediate (the "Mediation Notice"). Should either party commence a judicial action, arbitration, or other proceeding without sending a Mediation Notice, the Responding Party shall be entitled to stay the action and request a Mediation Notice from the Complaining Party. The Mediation Notice shall name a mediator. Complaining Party shall be obligated to pay any fee to initiate mediation, but the cost of mediation, including any attorneys' fees, shall ultimately be borne as determined by the parties if the mediation results in a settlement of the dispute. If the Responding Party does not agree with the complaining Party's choice of a mediator, the parties shall ask that the American Arbitration Association pick a mediator from its panel within ten (10) days from the Responding Party's receipt of the Mediation Notice. Within thirty (30) days after the mediator is chosen, the parties shall schedule and attend a mediation and attempt in good faith to resolve their dispute. If the mediation does not resolve the dispute or if the Responding Party refuses to attend, the Complaining Party shall be free to commence litigation. The requirements of this paragraph shall not apply under circumstances where the Complaining Party is entitled to a temporary restraining order or preliminary injunction in order to avoid irreparable harm or injury.

C. If the Association and an owner, or an owner vis-a-vis another owner, are unsuccessful at resolving any dispute arising out of the interpretation or application of the governing documents or any failure or alleged failure by the owner or by the owner's tenant to comply with any provisions of these Bylaws or the Rules and Regulations, the dispute shall be submitted to, and conclusively determined by, binding arbitration in accordance with this subparagraph, provided, however, that the provisions of this subparagraph shall not preclude any party from seeking injunctive or other provisional or equitable relief in order to preserve the status quo of the parties pending resolution of the dispute, and the filing of an action seeking injunctive or other provisional relief shall not be construed as a waiver of that party's arbitration rights.

(1) The arbitrators shall be selected and the arbitration conducted in accordance with the Commercial Arbitration rules of the American Arbitration Association, or, upon agreement by the parties, the arbitrators shall be selected by the parties from individuals affiliated with the Judicial Arbitration and Mediation Service, Inc. or the list of arbitrators maintained by San Diego Chapter of the Community Associations Institute. The arbitration shall be conducted in San Diego County, California.

(2) The parties shall submit to the arbitration all written, documentary, or other evidence and oral testimony as is reasonably necessary for a proper resolution of the dispute. Copies of all written submittals shall be provided to the arbitrator(s) and both parties. The arbitrator(s) shall conduct such hearings as (s)he/they consider necessary, may require the submission of briefs or points and authorities and may submit written questions to the parties. The parties shall respond to such questions in writing. If a question is addressed to less than all of the parties, copies of the question and the answer thereto shall be served on the other parties.

(3) At the hearing, any relevant evidence may be presented by any party and the formal rules of evidence applicable to judicial proceedings shall not govern. Evidence shall be admitted or excluded in the sole discretion of the arbitrator(s). Except as provided above, the arbitration procedures set forth in the California arbitration act statutes (CCP §§1282-1294.2) shall apply to the arbitration. The arbitration shall proceed with due dispatch and a decision shall be rendered within 90 days after appointment of the arbitrator(s). The arbitrator(s)' decision shall be in writing and in a form sufficient for entry of a judgment in any court of competent jurisdiction and in a form sufficient for entry of a judgment in a court of competent jurisdiction in the state of California. The arbitrator(s)' decision shall pertain, and shall be limited to, the granting of damages not to exceed any party's actual out-of-pocket expenses and the costs of undertaking any repairs, maintenance or reconstruction relating to the dispute and the award of any injunction or other equitable relief. In no event shall the arbitrator(s)' award include any component for punitive or exemplary damages. Costs of the arbitration proceeding shall be borne as determined by the arbitrator(s).

Article VIII - Board of Governors

Section 1. General Corporation Powers. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, the Davis-Stirling Common Interest Development Act (Civil Code sections 1350-1373) and any limitations in any of the Governing Documents relating to action required to be approved by the Members, the business and affairs of the Corporation shall be vested in and exercised by the Corporation's Board of Governors. Subject to the limitation expressed in Article X, Section 1, and Article XV, Section 2, the Board may delegate the management of the activities of the Corporation to any person or persons, management company, or committee, provided that notwithstanding any such delegation, the activities and affairs of the Corporation shall continue to be managed and all Corporation powers shall continue to be exercised under the ultimate direction of the Board.

Section 2. Number and Qualification of Governors. The Board of Governors shall consist of five (5) persons who shall be Owners residing within the Properties and whose memberships are in good standing with all assessments current and who are not subject to any suspension of membership rights. Only one Owner per Mobile Home Space shall be eligible to serve on the Board at any one time.

Section 3. Term of Office. The Governors of this Club shall serve for a term of 2 years with two (2) Governors elected in odd numbered years and three (3) elected in even numbered years. There shall be no limitation upon the number of consecutive terms to which a Governor may be reelected. Each Governor, including a Governor elected to fill a vacancy or elected at a special election by members, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified. A Governor appointed to fill a vacancy on the Board of Governors may serve only until the next annual election.

Section 4. Nomination of Governors. Any owner may nominate himself or herself or another owner as a candidate for the board of Governors during the announced nominating period by presenting such nomination, in writing and bearing the owner's signature, to the Board Secretary. It shall be the Secretary's duty to verify that the nominee is a Grant Deed holder of one or more mobile home spaces, residing within the Properties and is willing to serve for the full term if elected. The Secretary shall notify each person nominated, secure in writing his or her acceptance or disinclination to serve as a Governor if elected, and report same to the Board of Governors.

A. Nominations for Regular Elections. Nominations for regular elections shall open at the time determined by the Board, but not less than forty-five (45) days prior to the scheduled date of mailing of the written ballots and nominations shall close not less than five (5) days prior to the scheduled mailing of the written ballots. In the event fewer qualified candidates have been nominated than there are positions to be filled, the Board may extend the nominating period or establish a new nominating period and new date for the election.

B. Nominations for Special Elections. Nominations for special elections shall open thirty (30) days prior to the scheduled date of mailing of the written ballots and nominations shall close not less than five (5) days prior to the scheduled mailing of the written ballots. In the event fewer qualified candidates have been nominated than there are positions to be filled, the Board may extend the nominating period or establish a new nominating period and new date for the election.

C. Good Standing Requirement for Candidacy and Election. To be eligible for nomination and election to the Board, a candidate Member must be certified by the Corporation Secretary that he or she is in good standing with the Club and is current in the payment of Assessments both at the time his or her name is placed in nomination and as of the election date.

Section 5. Election of Governors.

A. Governors Elected by Written Ballot. The annual election of Governors shall be conducted by written ballot in accordance with article IV, section 5. Governors shall be elected in accordance with the written ballot procedures of that section to fill the number of positions on the Board then expiring. Governors shall be elected each November.

B. Determination of Election Results and Succession to Office. The candidates receiving the highest number of votes, up to the number of governors to be elected, shall be elected as governors and shall take office January 1, following their election. In the event there is a tie vote between those candidates who receive the lowest number of votes necessary to qualify the candidate for election, the tie shall be broken by a runoff election to be held within thirty (30) days.

Section 6. Vacancies on the Board of Governors.

A. Vacancies Generally. A vacancy or vacancies in the Board of Governors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation, or removal of a governors under paragraphs C. and D. below; (ii) an increase of the authorized number of Governors; or (iii) the failure of the Members, at any election at which any Governor or Governors are to be elected, to elect the number of Governors to be elected at such voting.

B. Resignation of Governors. Except as provided in this paragraph, any Governor may resign, and such resignation shall be effective on giving written notice to the President, the Secretary, or the Board of Governors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a governor is effective at a future time, the Board of Governors may elect a successor to take office when the resignation becomes effective.

C. Authority of Board to Remove Governors. The Board of Governors shall have the power and authority to remove a Governor and declare his or her office vacant if he or she (i) has been declared of unsound mind by a final order of court; (ii) has been convicted of a felony; (iii) has been found by a final order or judgment of any court to have breached any duty under Corporations Code sections 7233-7236 (relating to the standards of conduct of governors; or (iv) fails to attend four (4) consecutive regular meetings of the Board of Governors that have been duly noticed in accordance with California law, without prior approval of a majority of the Board.

D. Authority of Members to Remove Governors. Except as otherwise provided in subparagraph C. of this Article VIII, Section 6 and Section 7 of this Article VIII, a governor may be removed from office prior to expiration of his or her term only by the affirmative vote of a majority of the voting power of the members, by written ballot conducted in accordance with Article V, Section 5. Any membership action to recall or remove a governor shall be conducted in accordance with the following procedures:

(1) A petition must be presented in person to the President, Vice President, or Secretary of the Corporation and must carry the signatures of Members in good standing who represent at least 5 percent of the voting power of the membership. Such petition must bear the signature and Space number(s) of each petitioner in his or her own handwriting and must fulfill all other requirements of law. The Petition may set forth the reason(s) the petitioners are seeking the governor's removal.

(2) Within 20 days after receipt of such petition, the Board shall either call a special meeting or announce the procedures for conducting a written ballot of the Members to vote upon the requested recall. Such vote shall be conducted no less then 35 nor more than 90 days after the petition is presented. If the Board fails to set a date for, and give the Members notice of, such

written ballot with 20 days, the Members initiating the petition may call for such written ballot on their own initiative without Board approval or sanction.

(3) The governor whose removal is being sought shall have the right to rebut the allegations contained in the petition orally, in writing, or both. If the rebuttal is in writing, it shall be mailed by the Corporation or otherwise provided to all Members, prior to or together with the recall ballot.

(4) If the quorum requirement for a valid membership action is not satisfied or if the recall vote results in a tie, the removal action will have failed.

Section 7. Removal by Court Action. The County Superior Court may, in response to a suit filed by any governor or the lesser of 20 Members or 5 percent of the Members, remove any governor determined to be guilty of fraudulent or dishonest act or gross abuse of authority or discretion with reference to the Club. The Club shall be made a party to any such action.

Section 8. Filling Vacancies. Vacancies on the Board of Governors shall be filled by a majority vote of the remaining governors though less than a quorum, or by a sole remaining governor unless the vacancy is created through removal of a governor, in which case the vacancy shall be filled by the vote of the Members. The Members may elect a Governor or Governors at any time to fill any vacancy or vacancies not filled by the Governors by an election duly held by written ballot.

Section 9. Reduction in Number of Governors. No reduction of the authorized number of governors shall have the effect of removing any governor before that governor's term of office expires.

Article IX - Board Meetings

Section 1. Place of Meetings. Regular and special meeting of the Board of Governors may be held at any place within the Properties that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Club. Notwithstanding the above provisions of this section 1, a regular or special meeting of the Board may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all governors participating in the meeting can hear one another, and all such governors shall be deemed to be present in person at such meeting.

Section 2. Annual Meeting of Governors. During the first week of January of each year, the Board of Governors shall hold a regular meeting for the purposes of organization, election of officers, and the transaction of other business.

Section 3. Other Regular Meetings. Other regular meetings of the Board shall be held without call at such time as shall from time to time be fixed by resolution of the Board of Governors and communicated to the Board members. Regular meetings can be held as infrequently as every three months if the Board's business does not justify more frequent meetings. Notice of the time and place of regular meetings shall be noted in the Corporation's bulletin and posted in a prominent place within the Common Area, and shall be communicated to the Board members not less than 72 hours prior to the meeting; provided, however, that notice need not be given to any Board member who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in Article IX, Section 7.

Section 4. Special Meetings of the Board.

A. Who May Call a Special Meeting. Special meetings of the Board Of Governors may be called for any purpose at any time by the President or any two Governors.

B. Notice of Special Meetings.

(1) Manner of Giving. Notice of the time and place of special meetings of the Board shall be given to each Governor by one of the following methods: (i) by personal delivery of written notice; (ii) by first class mail, postage prepaid; (iii) by telephone communication, either directly to the governor or to a person at the governor's home or office who would reasonably be expected to communicate such notice promptly to the governor; or (iv) by telegram or other facsimile transmission, charges prepaid. All such notices shall be given or sent to the governor's address, telephone or facsimile number as shown on the records of the Club. Notwithstanding the foregoing, notice of a meeting need not be given to any governor who has signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof as more particularly provided in article IX, section 7.

(2) Time Requirements. Notices sent by first class mail shall be deposited in a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile or telegraph shall be delivered, telephoned, faxed, or given to the telegraph company at least 48 hours before the time set for the meeting.

(3) Notice Contents. The notice shall state the date, time, place, and purpose of the meeting.

Section 5. Attendance by Members.

A. Meetings Generally Open to Members. With the exception of executive sessions of the Board (see subparagraph B. below), all meetings of the Board shall be open to Members of the Club, provided, however, that non Governor Members may participate in deliberations or discussions of the Board only when expressly authorized by the Board member chairing the meeting. The agenda for board meetings shall include a specific time for Member questions and comments. The chair shall be authorized to impose reasonable time limitations on Member comments.

B. Executive Sessions. The Board, on the affirmative vote of a majority of the Governors present at a meeting at which a quorum has been established, shall be entitled to adjourn at any time for purposes of reconvening in executive session to discuss litigation, matters that relate to the formation of contracts with third parties, or personnel matters. In any matter relating to the discipline of a Club member, the board of governors shall meet in executive session if requested by that member, and the member shall be entitled to attend the executive session. Before adjourning into executive session, the topic(s) to be discussed in such session shall be announced, in general terms, to the Members in attendance at the meeting. Nothing provided herein shall be construed to obligate the Board to first call an open meeting before meeting in executive session with respect to the matters described above.

Section 6. Quorum Requirements. A majority of the authorized number of Governors shall constitute a quorum for the transaction of business, except to adjourn as provided in article IX, section 8. Every act or decision done or made by a majority of the Governors present at a meeting duly held at which a quorum is present shall be regarded at the act of the Board of Governors, subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, especially those provisions relating to: (a) approval of contracts or transactions in which a Governor has a direct or indirect material financial interest, (b) appointment of committees, and (c) indemnification of Governors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Governors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by these Bylaws, by the Articles, or by law.

Section 7. Waiver of Notice. Any action taken at any meeting of the Board of Governors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if: (a) a quorum is present, and (b) either before or after the meeting, each of the Governors not present, individually or collectively, signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waiver, consents, and approvals shall be filed with the Corporation records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any Governor who attends the meeting without protesting the lack of proper notice either before or at the inception of the meeting.

Section 8. Adjournment. A majority of the Governors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of adjournment to any other time or place shall be given prior to the time of the adjourned meeting to the Governors who are not present at the time of the adjournment. Except as provided above, notice of adjournment need not be given.

Section 9. Action Without a Meeting. Any action required or permitted to be taken by the Board of Governors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Governors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as a unanimous vote of the Board. If prompt or immediate action of the Board is necessary and there is insufficient time to comply with the notice requirements set forth herein, reasonable efforts shall nevertheless be made to contact all Board members regarding the proposed action in advance thereof, rather than relying on notification after the fact.

Section 10. Compensation. Governors and Members of Committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Board of Governors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.

Article X - Duties and Powers of the Board

Section 1. Specific Powers. Without prejudice to the general powers of the Board of Governors set forth in article VIII, section 1, the Governors shall have the power to:

A. Exercise all powers vested in the Board under the Governing Documents and under the laws of the State of California.

B. Appoint and remove all Officers of the Club, the General Manager of the Club, if any, and other Club employees. Prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation, and these Bylaws and fix their compensation.

C. Appoint such agents and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the Club, and to fix their duties and to establish their compensation.

D. Adopt and establish Rules and Regulations, subject to the provisions of the Governing Documents, governing the use of the Common Areas and the Spaces, the Common Facilities and roads within the Properties, and the personal conduct of the Members and their guests thereon, and take such steps as it deems necessary for the enforcement of such Rules and Regulations, including the imposition of monetary penalties and/or the suspension of voting rights and the right to use any Common Areas or Common Facilities; provided notice and a hearing are provided as more particularly set forth in article VII, section 5 of these Bylaws. Rules and Regulation adopted by the Board may contain Reasonable variations and distinctions as between Owners, Guests, and Invitees.

E. Recognition of Owner-Member Clubs. To determine which organized (formally or informally) named groups of owner-members shall be recognized to utilize Park facilities and to conduct special interest activities of a social, recreational, educational, or charitable nature. To set guidelines to insure the control of such groups to prevent actions prejudicial to the welfare of the Park and especially to prevent actions which would jeopardize the non-profit status or the age-restricted status of the Park.

F. Promote Social Activities For Seniors. Organize and coordinate social and recreational programs, continuing education, and informational programs specifically designed to address the physical, social and psychological needs and interests of older persons.

G. Promote Educational Activities for Seniors. Organize and facilitate the operation of emergency and preventative health care programs for owner-residents, transportation programs and cooperatives for owner-residents and programs designed to encourage and assist owner-residents to use services and facilities available to them.

H. Enforce all applicable provisions of the Governing Documents relating to the control, management, and use of the Mobile Home Spaces within the Properties and the Common Areas, Common Facilities, and the roads within the Properties; to institute legal action against violators or to restrict as necessary their use of Club facilities as stipulated in the Governing Documents.

I. Contract for and pay premiums for fire, casualty, liability, and other insurance and bonds (including indemnity bonds) that may be required from time to time by the Club.

J. Contract for and pay for maintenance, landscaping, utilities, materials, supplies, labor, and services that may be required from time to time in relation to the Common Areas and other portions of the Properties which the Club is obligated to maintain.

K. Pay all taxes, special assessments, and other assessments and charges that are or would become a lien on any portion of the Common Areas.

L. Contract for and pay for construction or reconstruction of any portion or portions of the Properties that have been damaged or destroyed and that are to be rebuilt by the Club.

M. Delegate its duties and powers hereunder to the Officers, if any, of the Club or to committees established by the Board, subject to the limitations expressed in Article XI, Section 1.

N. Levy and collect Assessments from the Members of the Club in accordance with the Governing Documents and establish and collect reasonable use charges for any or all of the recreational Common Facilities as the Board may deem necessary or desirable from time to time for the purpose of equitably allocating among the users the cost of maintenance and operation thereof. Provided however, that the Club shall not impose or collect an assessment or fee that exceeds the amount necessary for the purpose or purposes for which it is levied.

O. Perform all acts required of the Board under the Governing Documents.

P. Prepare budgets and maintain a full set of books and records showing the financial condition of the affairs of the Club in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals prepare an annual financial report, a copy of which shall be delivered to each Member as provided in Article XIII, Sections 12 and 13.

Q. Appoint such committees as it deems necessary from time to time in connection with the affairs of the Club in accordance with Article XI.

R. Fill vacancies on the Board of Governors or in any committee, except a vacancy created by the removal of a Board Member.

S. Open bank accounts and borrow money on behalf of the club and designate the signatories to such bank accounts, and to insure that no funds of the corporation be transferred to any private investment, foreign or otherwise, but that such funds must remain in banks and/or savings and loan associations maintaining a branch office located in the corporate limits of Oceanside, Carlsbad or Vista, California.

T. Bring and defend actions on behalf of one or more Members of the Club to protect the interests of the Members of the Club, as such, as long as the action is pertinent to the operations of the Club, and assess the Members for the cost of such litigation. Any disciplinary action against a Members shall be subject to the hearing and procedural requirements set forth in Article VII, Section 5 E. of these Bylaws.

U. Enter Spaces as necessary, subject to the notice requirements of Article XV, Section 6 of these Bylaws, in connection with construction, maintenance, or emergency repairs for the benefit of the Common Areas, Common Facilities or the Owners in common.

V. The fiscal year of the corporation shall be the calendar year unless changed by the Board of Governors with the approval of the members.

W. No employed office personnel shall be an owner in the corporation.

X. All contracts for other than minor services shall be made with outside firms having no ownership connections with the corporation.

Section 2. <u>Limitations on Powers.</u> Without the vote or written assent of a majority of the voting power of the Members, the Board of Governors shall not take any of the following actions:

A. Enter into a contract with a third party for the furnishing of goods or services to the Common Area or the Club for a term longer than one year. This restriction shall not apply to (i) public utility contracts in which the rates charged for materials or services are regulated by the Public Utilities Commission, provided that the term of the contract may not exceed the shortest term for which the supplier will contract at the regulated rate; (ii) prepaid casualty or liability insurance policies not to exceed three years' duration, provided that the policies provide for short rate cancellation by the insured: (iii) lease agreements for laundry room fixtures and equipment not to exceed five years duration; (iv) agreements for cable television services and equipment or satellite dish television services and equipment not to exceed five years' duration; or (v) agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services not to exceed five years' duration.

B. Incur aggregate expenditures or indebtedness of any funds in excess of Two Thousand Five Hundred dollars ($2500.00) other than for normal operation expenses, i.e.: taxes, utilities, normal maintenance of streets, etc., in any fiscal year, provided however, that this limitation shall not apply to the expenditure of any funds accumulated in a reserve funds so long as the expenditure is for the purpose for which the fund was established in compliance with article XIV below.

C. Sell during any fiscal year property of the Corporation having an aggregate fair market value greater than 5 percent of the budgeted gross expenses of the Club for that year.

D. Pay compensation to members of the Board of Governors or officers of the Corporation; provided the Governors, and officers can be reimbursed for reasonable out of pocket expenses, verified in writing, incurred in the discharge of their duties.

E. Fill any vacancy on the Board of Governors created by the removal of a Governor.

F. Impose a special assessment or to increase the regular assessment under circumstances requiring Member approval.

G. Amend these Bylaws, the Articles of Incorporation or any other Governing Document, except for the Rules and Regulations.

Article XI - Committees

Section 1. Committees of Governors. The Board may, by resolution adopted by a majority of the Governors then in office, designate one or more committees, each consisting of two or more Members (who may also be Governors), to serve at the pleasure of the Board. Committees shall have all the authority of the Board with respect to matters within their area of assigned responsibility, except that no committee, regardless of Board resolution, may:

A. Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law or these Bylaws, also requires approval of the Members.

B. Fill vacancies on the Board of Governors or on any committee that has been delegated any authority of the Board.

C. Amend or repeal Bylaws or adopt new Bylaws.

D. Amend or repeal any resolution of the Board of Governors that by its express terms is not so amendable or repealable.

E. Appoint any other committees of the Board of Governors or the members of those committees.

F. Expend Club funds to support a nominee for Governor when sufficient candidates have been nominated to fill existing vacancies.

G. Approve any transaction (i) to which the Club is a party and one or more Governors have a material financial interest; or (ii) between the Club and one or more of its Governors or between the Club or any person in which one or more of its Governors have a material financial interest.

Section 2. Meetings and Actions of Committees. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of article IX or these Bylaws, concerning meetings of Governors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Governors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Governors or by resolution of the Committee. Special meetings of committees may also be called by resolution of the Board of Governors. Notice of special meetings of committees may also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Club records. The Board of Governors may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

Section 3. Effect of Committee Actions. Unless otherwise expressly provided in the Governing Documents or in the Board resolution authorizing and empowering a committee, all actions of any committee shall be considered advisory to the Board and shall be scheduled on the agenda of the Board meeting next following the committee's action or decision for affirmation, rescission, or modification, as the Board in its discretion deems appropriate.

Article XII - Officers

Section 1. Officers. The Club shall have the following officers, all of whom shall be Governors: President, First Vice President, Second Vice President, Third Vice President, and Secretary - Treasurer, and such other subordinate officers as may from time to time be appointed by the Board. Such subordinate officers need not be Governors, but shall be members. The Board may, by resolution, provide that the office of Secretary-Treasurer may be divided with separate persons holding the offices of Secretary and Treasurer.

Section 2. President. The Board of Governors shall, at their first regular meeting, elect one (1) of their members to act as President. He or she shall be the Chief Executive Officer and shall, subject to the control of the Board, have general supervision, direction and control of the affairs of the Club and shall have the general power and duties usually vested in the office of President of a Corporation, together with such other powers and duties as may be prescribed by the Board or the Bylaws. Specifically, but not by way of limitation, the President shall:

A. Preside over all meetings of the members and Governors and shall have a vote.

B. Sign all contracts and other instruments of writing which have been first approved by the Board of Governors, and shall ordinarily be one of the two (2) or more Governors authorized to sign for drawing checks, all of which shall require two (2) signatures.

C. Call the Governors together whenever he or she deems it necessary, and shall have, subject to the advice of the Governors, direction of the affairs of the corporation, and generally shall discharge such other duties as may be required by the Bylaws and other Governing Documents.

Section 3. Vice Presidents. The Vice Presidents shall be elected by the Board from among the Governors. In the absence or disability of the President, the Vice Presidents, in numerical order, 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. He or she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or the Bylaws.

Section 4. Secretary - Treasurer. The Secretary - Treasurer (Chief Financial Officer) shall be elected by the Board from among the Governors. The Secretary shall keep or cause to be kept at the principal office or such other place as the Board may order, a book of minutes of all meetings of Governors and Members, with the time and place of holding same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Governor's meetings, the number of Members present at Members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, appropriate current records showing the Members of the Club, together with their addresses. He or she shall give, or cause to be given, notice of all meetings of the Board required by the Bylaws or by law, and he or she shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by the Bylaws. And: As Treasurer, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Club, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books and records shall at all reasonable times be open to inspection by any Governor or Member. As Treasurer shall deposit all monies and other valuables in the name and to the credit of the Club with such depositories as may be designated by the Board. He or she shall disburse the funds of the Club as may be ordered by the Board, shall render to the President and Governors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Club, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws. If required by the Board, the Treasurer shall give the Club a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his or her office and for restoration to the Club of all its books, papers, vouchers, money and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

Article XIII - Member Assessment Obligations and Corporation Finances

Section 1. Assessments Generally.

A. Covenant to Pay Assessments. Each Owner of one or more ownership interests in the Property and appurtenant exclusive right to occupy a Space, by acceptance of a deed or other conveyance therefor (whether or not it shall be so expressed in such deed or conveyance), covenants and agrees to pay to the Corporation (i) Regular Assessments, (ii) Special Assessments, and (iii) Special Individual Assessments. Each such Assessment shall be established and collected as hereinafter provided.

B. Extent of Owner's Personal Obligation for Assessments. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a debt and a personal obligation of the Person who was the Owner of the ownership interest in the Property at the time the Assessment was levied. Each Owner who acquires title to an interest in the Property (whether at judicial sale, trustee's sale or otherwise) shall be personally liable only for Assessments attributable to the interest in the Property so purchased which become due and payable after the date of such sale, and shall not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability. Any unpaid Assessment of a previous Owner shall remain the debt of such previous Owner against whom assessed.

C. Creation of Assessment Lien. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a charge on the Owner's interest in the Property and shall be a continuing lien thereon. Any lien for unpaid Assessments created pursuant to the provisions of this article may be subject to foreclosure as provided herein and in section 1367 of the California Civil Code.

D. No Avoidance of Assessment Obligations. No Owner may exempt himself or herself from personal liability for Assessments duly levied by the Corporation, nor release the ownership interest in the Property or other property owned by him or her from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area or any facilities thereon or by abandonment or non-use of his or her Space or any other portion of the Properties.

Section 2. Regular Assessments.

A. Preparation of Annual Budget: Establishment of Regular Assessments. Not less than 45 nor more than 60 days prior to the beginning of the Corporation's fiscal year, the Board shall estimate the total amount required to fund the Corporation's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement or additions to the Common Facilities) by preparing and distributing to all Corporation Members a budget satisfying the requirements of this Article XIII, section 12 of these Bylaws. If the Board fails to distribute the budget for any fiscal year within the time period provided for in this section, the Board shall not be permitted to increase Regular Assessments for that fiscal year unless the Board first obtains the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Corporation conducted in accordance with the Bylaws.

B. Establishment of Regular Assessment by Board and Membership Approval Requirements. The total annual expenses estimated in the Corporation's budget (less projected income from sources other than assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year, provided that, except as provided in subparagraph A. above, and subparagraph C. below, the Board of Governors may not impose a Regular Assessment that is more than 20 percent greater than the Regular Assessment for the Corporation's immediately preceding fiscal year without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Corporation.

C. Assessments to Address Emergency Situations. The requirement of a membership vote to approve Regular Assessment increases in excess of 20 percent of the previous year's Regular Assessment shall not apply to assessment increases necessary to address emergency situations. For purposes of this subparagraph C., an emergency situation is any of the following:

(1) An extraordinary expense required by an order of a court.

(2) An extraordinary expense necessary to repair or maintain the Common Areas or Common Facilities where a threat to personal safety is discovered.

(3) An extraordinary expense necessary to repair or maintain the Common Areas or Common Facilities that could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to subparagraph A. above, provided that, prior to the imposition or collection of an assessment under this paragraph (3), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be distributed to the Members together with the notice of assessment.

D. Uniform Allocation of Regular Assessment. The total estimated Common Expenses, determined in accordance with subparagraph A., above, shall be allocated equally among the owners of the Property. That is, the owner of each 1/328th ownership interest shall be responsible for paying 1/328th of the total estimated Common Expenses.

E. Mailing Notice of Assessment. The Board of Governors shall cause to be mailed or delivered to each Owner at the address of the Owner's Space, or at such other address as the Owner may from time to time designate in writing to the Corporation, a statement of the amount of the Regular Assessment for the next succeeding fiscal year no less than 45 days prior to the beginning of the next fiscal year.

F. Failure to Make Estimate. If, for any reason, the Board of Governors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made pursuant to Article XIII, Section 3 for that year, shall be assessed against each Owner and his or her Space on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment shall be payable on the regular payment dates established by the Corporation.

G. Installment Payment of Assessments. The Regular Assessment levied against each Owner and his or her interest in the Property shall be due and payable in advance to the Corporation in equal monthly installments on the first day of each month or on such other date or dates as may be established from time to time by the Corporation's Board of Governors. Installments of Regular Assessments shall be delinquent if not paid by the 15th day following the date due. The collection of Regular Assessments in installments as hereinabove provided is for the convenience of the Corporation only. The total Regular Assessment is levied as of the commencement of the Corporation's fiscal year and in the event of a default in the payment of any installment, the Corporation may declare the entire balance of the Regular Assessment to be in default.

Section 3. Special Assessments.

A. Purposes for Which Special Assessments May Be Levied. Subject to the membership approval requirements set forth in subparagraph B. below, the Board of Governors shall have the authority to levy Special Assessments against the Owners and their interests in the Property for the following purposes:

(1) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for said fiscal year, then, except as prohibited by article XIII, section 2 A., the Board of Governors shall levy and collect a Special Assessment, applicable to the remainder of such year only, for the purpose of defraying, in whole or in part, any deficit which the Corporation may incur in the performance of its duties and the discharge of its obligations hereunder.

(2) Capital Improvements. The Board may also levy Special Assessments for other purposes, including additional capital improvements within the Common Area (i.e., improvements not in existence on the date of these Bylaws that are unrelated to repairs for damage to, or destruction of, the existing Common Facilities). The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for normal maintenance, and replacement repair of the Common Area or existing Common Facilities through Regular Assessments (including the funding of reasonable reserves) and to maintain adequate insurance.

B. Special Assessments Requiring Membership Approval. No Special Assessments which, in the aggregate, exceed 5 percent of the budgeted gross expenses of the Corporation for the fiscal year in which the Special Assessment(s) is levied shall be made without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Corporation, provided that this membership approval requirement shall not apply to any Special Assessment levied to address "emergency situations" as defined in this article XIII.

C. Allocation and Payment of Special Assessments. Special Assessments shall be allocated among the members in the same manner as Regular Assessments and shall be payable as determined by the Board.

Section 4. Special Individual Assessments.

A. Circumstances Giving Rise to Special Individual Assessments. In addition to the Special Assessments levied against all Owners as provided above, the Board of Governors may impose Special Individual Assessments against an Owner in any of the circumstances described in subparagraphs (1) through (4) below, provided that no Special Individual Assessments may be imposed against an Owner pursuant to this Section 4 until the Owner has been afforded the notice and hearing rights to which the Owner is entitled pursuant to Article VII, section V hereof, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Corporation's Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for Special Individual Assessments include the following:

(1) Damage to Common Area or Common Facilities. In the event that any damage to, or destruction of, any portion of the Common Area or the Common Facilities is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith (to the extent not compensated by insurance proceeds) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

(2) Expenses Incurred in Gaining Member Compliance. In the event that the Corporation incurs any costs or expenses, to accomplish: (A) the payment of delinquent Assessments, (B) any repair, maintenance or replacement to any portion of the Properties that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete in a timely fashion, or (C) to otherwise bring the Owner and/or his or her Space into compliance with any provision of the Governing Documents, the amount incurred by the Corporation (including reasonable fines and penalties duly imposed hereunder, title company fees, accounting fees, court costs and reasonable attorneys' fees) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

(3) Required Maintenance on Spaces. If any Space is maintained so as to become a nuisance, fire or safety hazard for any reason, including without limitation, the accumulation of trash, junk automobiles, or improper weed or vegetation control, the Corporation shall have the right to enter said Space, correct the offensive or hazardous condition and recover the cost of such action through imposition of a Special Individual Assessment against the offending Owner.

(4) Monetary Penalties. Monetary penalties (fines) imposed by the Corporation upon a member and his or her ownership interest in the Property for violations of provisions of the Governing Documents by the owner, his co-residents, guests, or invitees shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

B. Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed, notice of such Special Individual Assessment shall be mailed to the affected Owner and the Special Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Corporation within 30 days after the mailing of notice of the Assessment.

Section 5. Purpose and Reasonableness of Assessments. Each Assessment made in accordance with the provisions of these Bylaws is hereby declared and agreed to be for use exclusively (a) to promote the recreation, health, safety and welfare of individuals residing within the Properties; (b) to promote the enjoyment and use of the Properties by the Owners and their families, invitees, licensees, guests and employees; and (c) to provide for the repair, maintenance, replacement and protection of the Common Area and Common Facilities. Each and every Assessment levied hereunder is further declared and agreed to be a reasonable Assessment, and to constitute a separate, distinct and personal obligation (with respect to which a separate lien may be created hereby) of the Owner of the Space against which the Assessment is imposed that shall be binding on the Owner's heirs, successors and assigns, provided that the personal obligation of each Owner for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 6. Collection of Assessments; Enforcement of Liens.

A. Delinquent Assessments. If any installment payment of a Regular Assessment or lump sum or installment payment of any Special Assessment or Special Individual Assessment assessed to any Owner is not paid within 15 days after the same becomes due, such payment shall be delinquent and the amount thereof may shall bear interest at the maximum rate allowed by law from and after the due date until the same is paid. In addition to the accrual of interest, the Board of Governors is authorized and empowered to promulgate a schedule of reasonable late charges for any delinquent Assessments, subject to the limitations imposed by California Civil Code sections 1366(c) and 1366.1 or comparable superseding statutes. Unless otherwise set by the Board at a lesser rate, the charge shall be ten percent (10%) of the assessment installment due, or ten dollars ($10.00), whichever is greater.

B. Effect of Nonpayment of Assessments.

(1) Creation and Imposition of a Lien for Delinquent Assessments. As more particularly provided in California Civil Code section 1367 or comparable superseding statute, the amount of any delinquent Regular, Special, or Special Individual Assessment, together with any late charges, interest and costs (including reasonable attorneys' fees) attributable thereto or incurred in the collection thereof, shall become a lien upon the ownership interest in the Property of the Owner so assessed when the Corporation causes to be recorded in the Office of the County Recorder of San Diego County, a Notice of Delinquent Assessment executed by an authorized representative of the Corporation, setting forth (A) the amount of the delinquent Assessment(s) and other sums duly imposed pursuant to these Bylaws and California Civil Code section 1366, (B) the legal description of the Owner's interest in the Property against which the Assessments and other sums are levied, (C) the name of the Owner of Record of such ownership interest in the Property, (D) the name and address of the Corporation, and (E) the name and address of the trustee authorized by the Corporation to enforce the lien by sale. Upon payment in full of the sums specified in the Notice of Delinquent Assessment, the Corporation shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof.

(2) Remedies Available to the Corporation to Collect Assessments. The Corporation may initiate a legal action against the Owner personally obligated to pay the delinquent Assessment, foreclose its lien against the Owner's interest in the Property or accept a deed in lieu of foreclosure. Foreclosure by the Corporation of its lien may be by judicial foreclosure or by nonjudicial

foreclosure by the trustee designated in the Notice of Delinquent Assessment or by a trustee substituted pursuant to California Civil Code section 2934a. Any sale of an owners interest in the Property by a trustee acting pursuant to this section 6 shall be conducted in accordance with California Civil Code sections 2924, 2924b and 2924c applicable to the exercise of powers of sale in mortgages or deeds of trust.

(3) Nonjudicial Foreclosure. Nonjudicial foreclosure shall be commenced by the Corporation by recording in the Office of the County Recorder a Notice of Default, which notice shall state all amounts which have become delinquent with respect to the Owner's Space and the costs (including attorneys' fees), penalties and interest that have accrued thereon, the amount of any Assessment which is due and payable although not delinquent, a legal description of the property with respect to which the delinquent Assessment is owed, and the name of the Owner of Record or reputed Owner thereof. The Notice of Default shall state the election of the Corporation to sell the ownership interest or other property to which the amounts relate and shall otherwise conform with the requirements for a notice of default under California Civil Code section 2924c, or comparable superseding statute. The Corporation shall have the rights conferred by California Civil Code section 2934a to assign its rights and obligations as trustee in any nonjudicial foreclosure proceedings to the same extent as a trustee designated under a deed of trust and for purposes of said section 2934a, the Corporation shall be deemed to be the sole beneficiary of the delinquent Assessment obligation. Furthermore, in lieu of an assignment of trusteeship, the Corporation shall be entitled to employ the services of a title insurance company or other responsible company authorized to serve as a trustee in nonjudicial foreclosure proceedings to act as an agent on behalf of the Corporation in commencing and prosecuting any nonjudicial foreclosure hereunder.

(4) Actions for Money Judgment. In the event of a default in payment of any Assessment, the Corporation, in its name but acting for and on behalf of all other Owners, may initiate legal action, in addition to any other remedy provided herein or by law, to recover a money judgment or judgments for unpaid Assessments, costs and attorneys' fees without foreclosure or waiver of the lien securing same.

Section 7. <u>Transfer of Ownership Interest in Property by Sale or Foreclosure.</u>

A. Except as otherwise provided herein, the sale or transfer of any ownership interest in the Property shall not affect any Assessment lien duly recorded with respect to such ownership interest in the Property prior to the sale or transfer. However, the sale or transfer of any Space pursuant to the foreclosure of any first Mortgage or other mortgage or lien recorded prior to the Corporation's Assessment lien (collectively "prior encumbrance") shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No sale or transfer as the result of foreclosure, exercise of a power of sale or otherwise shall relieve the new Owner of such ownership interest in the Property, whether it be the former beneficiary of the first Mortgage or other prior encumbrance or a third party from liability for any Assessments thereafter becoming due or from the lien thereof.

B. Where the first Mortgagee or other purchaser of an ownership interest in the Property obtains title to the same as a result of foreclosure of any such first Mortgage or other prior encumbrance or exercise of a power of sale contained therein, the person acquiring title, his or her successors and assigns, shall not be solely liable for the Assessments chargeable to such interest in the Property which became due prior to the acquisition of title.

Section 8. <u>Priorities.</u> When a Notice of Delinquent Assessment has been recorded, such notice shall constitute a lien on the ownership interest in the Property prior and superior to all other liens or encumbrances recorded subsequent to the date of the recordation of these Bylaws, except (a) all taxes, bonds, Assessments and other levies which, by law, would be superior thereto, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage or deed of trust with first priority over other Mortgages or deeds of trust) made in good faith and for value, provided that such subordination shall apply only to the Assessments which have become due and payable prior to the transfer of such property pursuant to the exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage or deed of trust, or other prior encumbrance.

Section 9. <u>Checks.</u> All checks or demands for money and notes of the Corporation shall be signed by the President and Treasurer, or by such other Officer or Officers or such other person or persons as the Board of Governors may from time to time designate. Notwithstanding the foregoing, any withdrawal of funds from Corporation reserve or operating accounts shall require the signature of two Governors.

Section 10. <u>Operating Account.</u> There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all Regular and Special Assessments as fixed and determined for all Members. Disbursements from such account shall be for the general need of the operation including, but not limited to, wages, repairs betterments, maintenance, and other operating expenses of the Properties.

Section 11. <u>Other Accounts.</u> The Board shall maintain other accounts it shall deem necessary to carry out its purposes, including a reserve accounts for replacement of capital improvements as set forth in Article XIV. All Corporation Books of account shall be maintained in accordance with generally accepted accounting principles.

Section 12. <u>Budgets and Financial Statements.</u> The following financial statements and related information for the Corporation shall be regularly prepared and copies thereof shall be distributed to each Member of the Club:

A. Budget. A pro forma operating budget for each fiscal year consisting of at least the following information shall be distributed to Members not less the 45 days nor more that 60 days prior to the beginning of the fiscal year. Such budget shall contain at least the following information:

(1) Estimated revenue and expenses on an accrual basis;

(2) A summary of the Club's reserves based upon the most recent review or study conducted pursuant to California Civil Code, Section 1365.5, which will be printed in bold type and include all of the following:

(a) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.

(b) As of the end of the fiscal year for which the study is prepared:

(i) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components.

(ii) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components.

(iii) The percentage that the amount determined for purposes of clause (ii) of subparagraph (b) is of the amount determined for purposes of clause (i) of subparagraph (b).

(3) A statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor.

(4) A general statement setting forth the procedures used by the Board in calculating and establishing reserves to defray the costs of future repair, replacement or additions to major components of the Common Areas and Common Facilities which the Club is obligated to maintain, including the percentage the amount determined for purposes of repair, replace, restore, or maintain major components is of the amount determined for purposes of cash reserves necessary and a statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves.

B. In lieu of distributing the complete pro forma operating budget as specified above, the Board may elect to distribute a summary of the budget to the Members (within the time limits provided above), together with a notice that the complete budget is available at the Corporation's Principal office and that copies will be furnished, upon request, to any Member at the Corporation's expense. The summary of the corporation's reserves disclosed pursuant to subparagraph (2) shall not be admissible in evidence to show improper financial management of a corporation provided that other relevant and competent evidence of the financial condition of the corporation is not made inadmissible by this provision.

C. Along with the summary of the operating budget, the Board shall distribute to the members a notice that copies of the Board minutes may be obtained within 30 days after each Board Meeting, at the Club office during business hours, at a reasonable cost.

D. If a Member requests a copy of the complete budget the copy of the complete budget may be handed to the Member, or the Club shall mail the material, via first class mail, within five days. The notices required hereunder shall be presented on the front page of the summary of the budget in at least 10 point bold type. **(This is 10 point bold type).**

Section 13. <u>Year End Report.</u> Within 120 days after the close of the fiscal year, a copy of the Corporations year end report consisting of at least the following shall be distributed to Members:

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

B. An operating (income) statement for the fiscal year;

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

D. A statement advising Members of the place where the names and addresses of the current Members are located; and

E. Any information required to be reported under California Corporations Code Section 8322 requiring the disclosure of certain transactions in excess of $50,000 per year between the Corporation and any Member of the Corporation and indemnifications and advances to Members in excess of $10,000 per year.

Section 14. <u>Review of Financial Statements.</u> A review of the financial statement of the Corporation shall be prepared in accordance with generally accepted accounting principles by a licensee of the State Board of Accountancy for any fiscal year in which the gross income of the Corporation exceeds $75,000. A copy of the review of the financial statement shall be distributed with 120 days after the close of each fiscal year.

Section 15. Annual Statement Regarding Delinquency/Foreclosure Policy. In addition to financial statements, the Board of Governors shall annually distribute within 60 days prior to the beginning of the fiscal year, a statement describing the Corporations policies and practices in enforcing its remedies against Members for defaults in the payment of Regular and Special Assessments including the recording and foreclosing of liens against Members.

Section 16. Review of Accounts. On no less that a quarterly basis, the Board of Governors shall:

A. Review a current reconciliation of the Corporation's operating accounts;

B. Review a current reconciliation of the Corporation's reserve accounts;

C. Review the current year's actual reserve revenues and expenses compared to the current year's budget;

D. Review the Corporation's latest account statements prepared by the financial institution(s) with whom the operating and reserve accounts are lodged; and

E. Review the Corporation's income and expense statement for the operating and reserve accounts.

To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.

Article XIV - Reserve Account.

Section 1. Establishment of Reserves. The Board shall cause to be collected from the members funds to be utilized for the repair, restoration, replacement and major maintenance of, or litigation concerning, the major components of the Park which the corporation is obligated to repair, restore, replace or maintain. Such funds shall be kept separate from the operating accounts of the corporation and shall be referred to herein as the Reserve Account.

Section 2. Expenditure of Reserve Funds. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement or maintenance of, major components which the corporation is obligated to repair, restore, replace or maintain and for which the reserve fund was established. However, the Board may authorize the temporary transfer of money from a reserve fund to the corporation's general operating fund to meet short-term cash-flow requirements or other expenses. The transferred funds shall be restored to the reserve fund within three years of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a delay would be in the best interests of the common interest development, delay the restoration until the time which the board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve account, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this section. This special assessment is not subject to the limitation imposed by California Civil Code Section 1366.

Section 3. Reserve Account Study. At least once every three years the Board shall cause a study of reserve account requirements of the common interest development to be conducted if the current replacement value of the major components which the corporation is obligated to repair, replace, restore, or maintain is equal to or greater than one-half of the gross budget of the corporation for any fiscal year. The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review. The study required by this subdivision shall at a minimum include:

A. Identification of the major components which the Corporation is obligated to repair, replace, restore, or maintain which, as of the date of the study, have a remaining useful life of less than 30 years.

B. Identification of the probable remaining useful life of the components identified in paragraph A. as of the date of the study.

C. An estimate of the cost or repair, replacement, restoration, or maintenance of each major component identified in paragraph A. during and at the end of its useful life.

D. An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

E. As used in this section, "reserve account requirements" means the estimated funds which the Corporation's board of governors has determined are required to be available at a specified point in time to repair, replace, or restore those major components which the Corporation is obligated to maintain.

Article XV - Miscellaneous

Section 1. <u>Inspection of Books and Records.</u>

A. Member Inspection Rights. All accounting books and records, minutes of proceedings of the Members, the Board, except Executive Board Meetings, and committees of the Board and the membership list of the Club shall at all times, during reasonable business hours, be subject to the inspection of any Member or his or her duly appointed representative at the offices of the Corporation for any purpose reasonably related to the Member's interest as such. Member's rights of inspection shall be exercisable on ten days' written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested. In the case of the demands to inspect the Corporation's membership list, a Member's inspection rights shall be subject to the Corporation's right to offer a reasonable alternative to inspection within ten days after receiving the Member's written demand (as more particularly set forth in Corporations Code sections 8330-8338).

B. Governor Inspection Rights. Every Governor shall have an absolute right at any reasonable time to inspect all books, records, documents, and minutes of the Corporation and the physical properties owned by the Corporation. The right of inspection by a Governor includes the right to make extracts and copies of the documents.

C. Adoption of Reasonable Inspection Rules. The Board of Governors may establish reasonable rules with respect to (i) notice of inspection, (ii) hours and days of the week when inspection may be made, and (iii) payment of the cost of reproducing copies of documents requested by the Member.

Section 2. <u>General Manager.</u>

A. The Board may, from time to time, employ the services of a Manager to manage the affairs of the Club and, to the extent not inconsistent with the laws of the State of California, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the Manager any of its day-to-day management and maintenance duties and powers under these Bylaws and the Governing Documents, provided that the General Manager shall at all times remain subject to the general control of the Board.

B. Notwithstanding any other provision of these bylaws, no general manager shall be employed by the Board on behalf of the club unless the hiring of such general manager; the general scope of such manager's duties and the initial salary of such manager is approved by the majority vote of the members.

Section 3. Seal. The club shall have a common seal, consisting of a circle having on its circumference the words "SAN LUIS REY HOMES, INC., Oceanside California" and across the face #503061 Corporate Seal.

Section 4. Robert's Rules of Order. In the event of a dispute concerning the procedural aspects of any meetings which cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

Section 5. Amendment or Repeal of Bylaws by Members. Except as otherwise expressly provided herein, these Bylaws may be amended or repealed, and new Bylaws adopted, only by the affirmative vote or assent by written ballot of a majority of the voting power of the Members of the Club. Any amendment to these Bylaws shall become effective immediately upon approval by the Members, The Secretary of the Club shall certify adoption of any duly approved amendment to the Bylaws and a copy of said certificate and the amendment shall be included in the Club's corporate records.

Section 6. Notice Requirements. Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 72 hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Corporation or the Board of Governors, at the principal office of the Corporation as designated from time to time by written notice to the Members; if to a Governor, at the address from time to time given by such Governor to the Secretary for the purpose of service of such notice; if to a Member, at the address from time to time given by such Member to the Secretary for the purpose of service of such notice, or, if no such address has been so given, the address of any Space within the Properties occupied by such Member.

Section 7. Indemnification.

A. Indemnification of Corporation. Each Owner shall be liable to the Corporation for any damage to the Common Areas caused by the negligence or willful misconduct of the Owner or his or her family, guests, or invitees, to the extent that the damage shall not be covered by insurance. Each Owner shall indemnify, hold harmless, and pay any costs of defense of each other Owner from claims for personal injury or property damage occurring within any Space owned or occupied by the indemnitor, provided that this protection shall not extend to any indemnitee whose negligence or willful misconduct caused or contributed to the injury or damage. This section is not intended to be for the benefit of any insurer and shall not affect nor limit the duty of any insurer to pay any claim which would be payable by said insurer but for this section.

B. Indemnification by Corporation of Governors, Employees, and Other Agents. To the fullest extent permitted by law, the Corporation shall indemnify its Governors employees and other agents described in Corporation Code section 7237, including persons formerly occupying any such position, against all expenses, judgments, fines, settlement, 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 Corporation, by reason of the fact that such person is or was a Governor or a person described by that section. "Expenses," as used in this section, shall have the same meaning as in Corporations Code section 7237(a).

C. Approval of Indemnity by the Corporation. On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine in accordance with the Corporations Code section 7237(e), whether the applicable standard of conduct set forth in

Corporations Code section 7237(b) or section 7237(c) has been met, and if it has, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Governors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Governors who are not parties to the proceeding, the Board shall promptly call for a vote of the Membership. The voting Membership shall determine under article 4 above whether the applicable standard of conduct set forth in Corporation Code section 7237(b) or section 7237(c)has been met, and if it has, by their vote, shall authorize indemnification.

D. Advancement of Expenses. To the fullest extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a Governor/employee/agent seeking indemnification under paragraphs (b) and (c) of this section 7 in defending any proceeding covered by those sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation 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 Corporation for those expenses.

E. Insurance. The Corporation shall purchase and maintain insurance on behalf of its Governors, employees and other agents against other liability asserted against or incurred by any Governor, employee, or agents in such capacity or arising out of the Governor's, employee's, or agent's status as such.

Section 8. Responsibility to Inform Prospective Purchasers. Pursuant to the provisions of Civil Code Section 1368, the following documents shall be made Available to Prospective Purchaser:

A. The owner of an interest in the Property shall, as soon as practicable before transfer of title to the interest in the Property or execution of a real property sales contract therefor, as defined in Civil Code Section 2985, provide the following to the prospective purchaser:

(1) A copy of the governing documents (Grant Deed, Use Permits, Articles of Incorporation, Current Rules and Regulations, and these Restated Bylaws and any amendments thereto).

(2) Any restriction in the governing documents limiting the occupancy, residency, or use of a separate interest on the basis of age.

(3) A copy of the most recent financial statement distributed pursuant to Section 1365 California Civil Codes.

(4) A true statement in writing from an authorized representative of the Club as to the amount of the Corporation's current regular and special assessments and fees, as well as any assessments levied upon the owner's interest in the common interest development which are unpaid on the date of the statement. The statement shall also include true information on late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the owner's interest in a common interest development pursuant to Section 1367 California Civil Code.

(5) Any change in the Club's current regular and special assessments and fees which have been approved by the Club's Board of Governors, but have not become due and payable as of the date disclosure is provided pursuant to this subdivision.

B. Upon written request, the Corporation shall, within 10 days of the mailing or delivery of the request, provide the owner of a separate interest with a copy of the requested items specified in paragraphs (1), (2), (3), (4), and (5) of subdivision (A). The Club may charge a fee for this service, which shall not exceed the Club's reasonable cost to prepare and reproduce the requested items.

C. The Club shall not impose or collect any assessment, or fee that exceeds the amount necessary to defray the costs for which it is levied.

D. Any person or entity who willfully violates this the provisions of Civil Code section 1368 is liable to the purchaser for actual damages occasioned thereby and, in addition, plus a civil penalty in an amount not to exceed five hundred dollars ($500) and reasonable attorneys' fees.

E. Nothing in this section affects the validity of title to real property transferred in violation of this section.

Section 9. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular. All captions and titles used in these By laws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

CERTIFICATE OF SECRETARY

The undersigned, Secretary of the corporation known as San Luis Rey Homes, Inc., does hereby certify that the above and foregoing Restated Bylaws consisting of 38 pages (including this page), were duly adopted by written ballot of the Members of said Corporation on the 18th day of May 1993, and that they now constitute said Bylaws.

Alice E. Medlin

ALICE E. MEDLIN

CERTIFICATION OF ADOPTION

The undersigned, being the duly elected and acting President and Secretary of SAN LUIS REY HOMES, INC. hereby certify that the foregoing document, which constitutes, in part, the "Declaration" as that term is defined in section 1351(h) of the California Civil Code with respect to the real property described above, was duly approved by the percentage of the owners required.

Dated: May 27, 1993

Frank J. Firko

FRANK J. FIRKO, President

Alice E. Medlin

ALICE E. MEDLIN, Secretary

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3/20/93

2011

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On May 27, 1993, before me, the undersigned, a Notary Public in and for said State, personally appeared FRANK J. FIRKO and ALICE E. MEDLIN, personally known to me or proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity on behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
JEAN M. DAVIS
NOTARY PUBLIC-CALIFORNIA
COMMISSION NUMBER 963990
PRINCIPAL OFFICE IN SAN DIEGO COUNTY
MY COMMISSION EXP. APR. 9, 1996

Jean M. Davis
Notary Public in and for said State JEAN M. DAVIS

RECORDING REQUESTED BY:

FEIST, VETTER, KNAUF AND LOY

AND WHEN RECORDED, MAIL TO:

San Luis Rey Homes, Inc
300 Academy Road
Oceanside, CA 92049-0240

1305

DOC # 1996-0269197
29-MAY-1996 12:47 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY SMITH, COUNTY RECORDER
RF: 6.00 FEES: 10.00
AE: 3.00
1.00

RECEIVED
JUN 17 1996
SAN LUIS REY HOMES INC.

(Space Above for Recorder's Use Only)

FIRST AMENDMENT TO
RESTATED BYLAWS
AND DECLARATION OF RESTRICTIONS

SAN LUIS REY HOMES, INC

The Restated Bylaws and Declaration of Restrictions for SAN LUIS REY HOMES, INC., recorded May 28, 1993, as Document # 1993-0341126 in the Office of the County Recorder of San Diego County, California, are hereby amended as follows:

Article X, Section 1, subsections G., N. and S. are deleted in their entirety, and in their place and stead, the following subsections G., N. and S. are inserted:

G. Promote Educational Activities for Seniors. Organize and facilitate preventative health care programs for owner-residents, transportation programs and cooperatives for owner-residents and programs designed to encourage and assist owner-residents to use services and facilities available to them.

N. Levy and collect Assessments from all Members of the Club in accordance with the Governing Documents and establish and collect reasonable charges for all of the recreational Common Facilities as the Board may deem necessary or desirable from time to time for the purpose of equitably allocating among the users the cost of maintenance and operation thereof. Provided however, that the Club shall not impose or collect an assessment or fee that exceeds the amount necessary for the purpose or purposes for which it is levied.

S. Open accounts and borrow money on behalf of the Club and designate the signatories to such accounts, and to insure that no funds of the Corporation be transferred to any private investment, but that such funds must remain in U.S. Government insured accounts in financial institutions maintaining branch offices in San Diego County, California.

CERTIFICATION OF ADOPTION

The undersigned, being the duly elected and acting President and Secretary of SAN LUIS REY HOMES, INC, hereby certify that the foregoing First Amendment to Restated Bylaws and Declaration of Restrictions - San Luis Rey Homes, Inc. was duly approved by the percentage of the owners required.

Dated: May 28, 1996

Quinn Thornton
Quinn Thornton, President

Ann Witherow
Ann Witherow, Secretary

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On May 28, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared **Quinn Thornton and Ann Witherow**, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he/she~~/they executed the same in ~~his/her~~/their authorized capacity(ies), and that by ~~his/her~~/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

JEAN M. DAVIS
Comm. # 1095257
NOTARY PUBLIC-CALIFORNIA
SAN DIEGO COUNTY
My Comm. Exp. Apr. 16, 2000

Jean M. Davis
Notary Public in and for said State

RECORDING REQUESTED BY:

AND WHEN RECORDED, MAIL TO:

San Luis Rey Homes, Inc
300 Academy Road
Oceanside, CA 92057

DOC # 2000-0419089

AUG 08, 2000 3:06 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 14.00

5461

2000-0419089

(Space Above for Recorder's Use Only)

**SECOND AMENDMENT TO
RESTATED BYLAWS
AND DECLARATION OF RESTRICTIONS**

SAN LUIS REY HOMES, INC

The Restated Bylaws and Declaration of Restrictions for SAN LUIS REY HOMES, INC., recorded May 28, 1993, as Document # 1993-0341126 in the Office of the County Recorder of San Diego County, California, and amended by document recorded May 29, 1996 as Document # 1996-0269197in the Office of the County Recorder of San Diego County, California is hereby amended as follows:

Article IV, Section 3, Article V, Sections 2 and 3 and Article VII, Section 2 are deleted, and in their place and stead, the following are inserted:

> Article IV, Section 3. Single Membership. A person may hold only one Membership. No person may hold an ownership interest in more than one Mobile Home space within the Property.
>
> Article V, Section 2. Member Voting Rights. On each matter submitted to a vote of the Members, each Member shall be entitled to cast one vote. Single memberships in which two or more persons have an indivisible interest shall be voted as provided in Article IV, Section 5 of these Bylaws.
>
> Article V, Section 3. Eligibility to Vote. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. To be in good standing, a Member must be current in the payment of all maintenance fees and assessments levied against the Member's ownership interest and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Article VII, Section 5. A Member's good standing shall be determined as of the record date established in accordance with Article VI, section 7. The Board shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of maintenance fees and assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with Article VII, section 5.

Article VII, Section 2. Prohibition on Multiple Ownership and Renting or Leasing of Coaches/Spaces. No person shall, directly or indirectly, own, or have an ownership interest in, more than one Space/Coach within the Park. A member may not, under any condition, rent or lease his or her dwelling or Mobile Home Space. Notwithstanding the provisions of these Bylaws prohibiting multiple ownership, the Board of Governors may grant an exception, for a limited period of time not to exceed one year (upon a written finding of unreasonable hardship the Board may allow a greater time period), to allow a member to sell one Coach/Space after purchasing another Coach/Space within the Park or for other good cause. If such exception is granted, the owner shall have but a single membership and single vote during the period of the exception. The prohibition on Multiple Ownership shall not apply to the Association.

Article VII, §9C. is deleted.

The following new section 4. is added to Article III:

Article III, Section 4. Residential Use Only, No Business or Commercial Activity. Each Space shall be used for residential purposes only. No residence shall house more than one person for each 400 square feet of living space or portion thereof. No part of the Property shall be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending or other such nonresidential purposes. The provisions of this section shall not preclude: (a) professional and administrative occupations without any external evidence thereof, for so long as such occupations are otherwise conducted in conformance with all applicable governmental ordinances and are merely incidental to the use of the Dwelling Unit as a residential home ["external evidence" of a business includes, but is not limited to, visible, audible or olfactory evidence of the business, signs, customers or employees coming or going or package delivery in excess of normal residential use] or (b) the conducting of Association business or (c) the holding of not more than two (2) "garage sales" per space per year, each of which may not last more than two consecutive days, and shall otherwise be conducted in accordance with guidelines published by the Board, in addition to any such sales sponsored or authorized by the Association on a community-wide basis.

CERTIFICATION OF ADOPTION

The undersigned, being the duly elected and acting President and Secretary of SAN LUIS REY HOMES, INC. hereby certify that the foregoing Second Amendment to Restated Bylaws and Declaration of Restrictions - San Luis Rey Homes, Inc. was duly approved by in excess of a majority of the Members as required by Article XV, Section 5 of said document.

Dated: 8-7-2000

1st Vice, President

, Secretary

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

On August 7 2000, before me, Karen J. McKean a Notary Public in and for said State, personally appeared Llewellyn Peirce and Shannon Ritter personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he/she~~/they executed the same in ~~his/her~~/their authorized capacity(ies), and that by ~~his/her~~/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

KAREN J. McKEAN
Commission #1179502
Notary Public - California
San Diego County
My Commission Exp. April 11, 2002

Karen J. McKean
Notary Public in and for said State

RECORDING REQUESTED BY

PG 5P ICC

AND WHEN RECORDED MAIL TO:

SAN LUIS REY HOMES, INC.
300 ACADEMY ROAD
OCEANSIDE, CA 92057

DOC # 2009-0449106

AUG 11, 2009 2:54 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
DAVID L. BUTLER, COUNTY RECORDER
FEES 32.00

PAGES: 5

(Space Above for Recorder's Use Only)

THIRD AMENDMENT TO RESTATED BYLAWS AND DECLARATION OF RESTRICTIONS SAN LUIS REY HOMES, INC.

[This document is being recorded to correct the following clerical errors in that certain document recorded July 27, 2009 as document no. 2009-0417020: "First Amendment" in the caption and preamble is changed to "Third Amendment" and descriptions of the first two amendments are inserted].

This Third Amendment amends that certain document recorded May 28, 1993 as Document No. 1993-0341126, in the Office of the County Recorder of San Diego County, California, as such document has been amended by a First Amendment recorded May 29, 1996 as Document No. 1996-0269197 in the Office of the County Recorder of San Diego County, California, and a Second Amendment recorded August 9, 2000 as Document No. 2000-0419089, in the Office of the County Recorder of San Diego County, California, as follows:

Article I, Section 4A is amended to read, in its entirety, as follows:

A. Common Area. The term "Common Area" means the entirety of the Property and the improvements located upon the Property, except the mobile homes and personal property of Owners located upon spaces to which individual owners have been granted exclusive use. "Common Facilities" means all buildings, structures and utilities located upon the Common Area which are managed, maintained and under the operation and control of the Corporation.

Article VII, section 7, is amended to read, in its entirety, as follows:

Section 7. Park Property Under Control of Board.

A. Owner Alterations to Common Area. Owners and Guests may not change, remove or alter any portion of the Common Area or Common Facilities, or change, remove, alter or replace any park property or fixture, unless authorized to do so, in writing, by the Board of Governors.

B. Owner Alterations of Spaces and Homes.

(1) No Alteration without Prior Written Board Approval. No exterior modifications or improvement may be made to the home or to the Exclusive Use Space upon which the home is located without the prior written approval of the Board of Governors and the appropriate permits from the City of Oceanside.

(2) Building Code Requirements. In addition to receiving the prior written approval of the Board of Governors for work on the outside of the home, it is emphasized that all Owners should check with the Association office regarding the procedure for also obtaining City of Oceanside permits BEFORE purchasing awnings, skirting, utility sheds, porches, additions, windbreaks, water softeners, plumbing, wiring, concrete work, et cetera, as these projects must conform to current Oceanside City codes. Effective 9/19/1994, all manufactured and mobile homes installed must have listed tie downs or an engineered tie down system (ETS) installed as required by Health and Safety Code section 18613.4. Failure to meet these requirements may prove costly. A copy of City approved permits shall be submitted to the Board of Governors and placed in the Owner's file. Approval by the City is in addition to the required approval of the Board of Governors.

C. Home Removal and Replacement. No home may be removed from a space and no replacement home may be brought into San Luis Rey Homes, Inc. until complete site plans are submitted to and approved by the Board of Governors in writing. NO COACH MAY BE BROUGHT INTO SAN LUIS REY HOMES INC. UNTIL A WRITTEN AUTHORIZATION IS RECEIVED BY THE OWNER FROM THE BOARD OF GOVERNORS. A REPRESENTATIVE OF THE BOARD OF GOVERNORS MUST BE PRESENT WHENEVER A COACH IS REMOVED OR BROUGHT INTO SAN LUIS REY HOMES, INC. IF THE COACH AND OR SITE DOES NOT CONFORM WITH THE APPROVED SUBMITTED PLANS THE COACH WILL BE DENIED ENTRY.

D. No New Homes Older than Ten (10) Years. No mobile home shall be placed upon a space that is more than ten (10) years old at the time of placement, and must conform to City of Oceanside Codes.

E. No Multiple Story Homes. No multiple story coaches, new single-wide coaches, or recreational vehicles for use as a home are permitted upon any Exclusive Use Space.

F. Electric. All homes placed upon a Exclusive Use Space shall be equipped with a new 50 Ampere, 240 volt, 3 Pole, 4 wire grounding plug attached to the end of a standard 4 wire molded flexible cable designed and approved for connecting a mobile home to the electrical power source. The electric meter pedestal is corporate property and no disturbance or movement of the pedestal or additions or alterations to it are permitted without the prior express written approval of the Board of Governors. Due to power limitations, the main circuit breaker in the meter pedestal is limited to 40 Amperes.

G. Driveways. The driveway must be at least thirty-four feet (34') long. The minimum width of the driveway is eleven feet (11'). A width of twelve feet (12') is recommended to allow ease of entrance for your car.

H. Carports. Carports are required to be at least thirty-four feet (34') long and cover the parking area of two standard-size passenger cars and be continuously maintained so as to permit the parking of two standard-size passenger cars.

I. Storage Sheds. No more than two (2) storage sheds are permitted upon an Exclusive Use Space. Total square footage of all storage sheds shall not exceed 100 square feet. No storage shed shall exceed ten feet (10') in height, except if located under the carport, in which case the shed may reach as high as the underside of the carport roof..

J. No Excavation under Exclusive Use Space. The ground under the Exclusive Use Spaces is common area. Gas and electric utility lines serving several spaces are located under each of the exclusive use spaces in San Luis Rey Homes, Inc. Any disruption of these utilities by an owner adversely affects many residents of other spaces. Therefore:

(1) No Owner may alter any utility line located under his or her Exclusive Use Space nor do any act or make any installation upon his or her Exclusive Use Space that would disrupt or interfere with the maintenance or repair of any utility lines or disrupt or interfere with the delivery of gas, electricity, water or other utilities to other spaces, except for good cause and then only with the prior written permission of the Board of Governors.

(2) No Owner may excavate under his or her Exclusive Use Space.

(3) Any excavation within San Luis Rey Homes, Inc. shall be done by and under the control of the Board of Governors using such licensed and insured contractors as the Board may approve. If such excavation is done for the benefit of an individual space Owner, it shall be at the expense of the Owner of such space and the Board may require a deposit of the estimated cost of such work prior to performing such work.

(4) The Board, by rule, may create an exception to the prohibition of this provision for the limited purpose of planting vegetation upon the exclusive use Spaces and like incidental shallow digging.

K. Foundations. No permanent foundations are permitted. No foundation that requires digging for a footing or subsurface mounting is permitted. No concrete slab or similar installation of any size shall be installed under a coach, whether upon or below the surface of the ground, shall be permitted.

L. Awnings and Skirting. All homes must have complete, vented skirting and a full carport awning installed within sixty (60) days of placement. Plans and specification for awnings and skirting must be submitted to and approved by the Board of Governors prior to installation.

M. Planter Box. A planter box, constructed of masonry block and compatible with existing park walls is recommended. Other suitable finish at the front of the Exclusive Use Space may be acceptable. Plans and specification for planter boxes and other exterior installations must be submitted to and approved by the Board of Governors prior to installation.

N. House Numbers. House numbers shall be of a style compatible with existing house numbers, shall be three inches (3") high and shall be placed on both sides of the Exclusive Use Space mailbox and/or at other visible locations on the home as approved by the Board of Governors

O. Mailboxes. Shall be of a design approved by the Board of Governors and shall be mounted on posts approximately four feet (4') high and within twelve inches (12") of the street boundary and not in violation of postal regulations.

P. Home Placement.

(1) Setback: There shall be a two (2) foot clearance from the street line to the coach, including any attachments thereto.

(2) Elevation: No mobile home shall be mounted upon its piers so that the door sill height of its main entrance is more than thirty-six inches (36") above the original graded surface of the Exclusive Use Space.

(3) Side and Back Wall Setbacks: In no event may any portion of a mobile home or home addition be located, constructed, placed or maintained closer than three feet (3') from either side line or the back line of the Exclusive Use Space or from any property line wall. Storage sheds and other ancillary structures may be located within three feet (3') of the property line, except such sheds and other ancillary structures may not be located within three feet of where the side property lines intersect with the back property line and comply with all city and county codes.

Q. Plot Diagram. BEFORE purchasing a coach intended to be installed upon an Exclusive Use Space within San Luis Rey Homes, Inc., an Owner shall submit to the Board of Governors a diagram or plan showing the proposed placement of the new home. The diagram shall contain accurate dimensions and data. BY SUBMITTING SUCH PLAN THE OWNER IS CERTIFYING THAT THE PROPOSED COACH AND PROPOSED INSTALLATION CONFORM TO ALL OF THE PROVISIONS OF THIS DOCUMENT AND THE RULES AND REGULATIONS ADOPTED BY THE BOARD OF GOVERNORS.

Except as so amended, the recorded May 28, 1993 as File/Page No. 1993-0341126, in the Office of the San Diego County Recorder remains unchanged.

CERTIFICATION of AMENDMENT

The undersigned, being the duly elected President and Secretary of San Luis Rey Homes, Inc., hereby certify that the foregoing Third Amendment to Restated Bylaws [and Declaration of Restrictions] for San Luis Rey Homes, Inc. was approved by 68.73% of the voting power of the Owner-members of San Luis Rey Homes, Inc., a percentage in excess of the majority of the voting power required to amend the document required by article XV, section 5 of the document being amended.

Dated: August 11, 2009

Dennis R Thomas

DENNIS R. THOMAS
President, San Luis Rey Homes, Inc.

KEITH GARDNER
Secretary, San Luis Rey Homes, Inc.

State of California)
County of San Diego)

On August 11, 2009, before me, Anita Joan Allen, Notary Public, personally appeared DENNIS R. THOMAS and KEITH GARDNER who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he/she~~/they executed the same in ~~his/her~~/their authorized capacity(ies), and that by ~~his/her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Anita Joan Allen

ANITA JOAN ALLEN
COMM. #1738345
NOTARY PUBLIC-CALIFORNIA
SAN DIEGO COUNTY
MY COMM. EXPIRES MAY 10, 2011

X
3P

RECORDING REQUESTED BY)
AND WHEN RECORED, MAIL TO:)

San Luis Rey Homes, Inc.
300 Academy Road
Oceanside, CA 92057

DOC# 2019-0567210

Dec 05, 2019 04:10 PM
OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: $95.00 (SB2 Atkins: $75.00)

PAGES: 3

(Space Above for Recorder's Use Only)

FOURTH AMENDMENT TO RESTATED BYLAWS AND DECLARATION OF RESTRICTIONS

SAN LUIS REY HOMES, INC.

The Restated Bylaws and Declaration of Restrictions for SAN LUIS REY HOMES, INC. recorded May 28, 1993, as Document No. 1993-0341126 in the Office of the County Recorder of San Diego County, California. These Restate Bylaws and Declaration of Restrictions have been amended as follows:
FIRST Amendment recorded May 29, 1996 as Document No. 1996-0269197;
SECOND Amendment recorded August 9, 2000 as Document No. 2000-0419089;
THIRD Amendment recorded August 11, 2009 as Document No. 2009-0449106, in the Office of the County Recorder of San Diego County, California, are hereby amended as follows:

<u>Article VI Membership Meetings, Section 2 Annual Meeting</u> is amended, in its entirety, to read as follows:

Section 2. <u>Annual Meeting.</u> The annual meeting of the Members shall be held each year on the 1st of November or on a weekday nearest thereto if the 1st falls on a weekend. The purpose of the Annual Meeting is to elect the Board of Governors and to conduct any other business the Board deems necessary. The Board of Governors shall establish the meeting time.

<u>Article VIII Board of Governors, Section 5 Election of Governors, Paragraph A</u> is amended, in its entirety, to read as follows:

A. The Annual Election of Governors shall be conducted by written ballot and the written ballot procedures in accordance with article IV, section 5 to fill the number of positions on the Board then expiring or that are vacant after a resignation or death of a Governor. The Election shall be held each year at the Annual Meeting of Members on the 1st of November or on a weekday nearest thereto if the 1st falls on a weekend.

CERTIFICATION of AMENDMENT

The undersigned, being the duly elected President and Secretary of San Luis Rey Homes, Inc., hereby certify that the foregoing Fourth Amendment to the Restate Bylaws [and Declaration of Restrictions] for San Luis Rey Homes, Inc. was approved by 84 % of the voting power of the Owner-members of San Luis Rey Homes, Inc., a percentage in excess of the majority of the voting power required to amend the document required by article XV, section 5 of the document being amended.

Dated: 11/25/2019

Robert B. Coffman
President, San Luis Rey Homes, Inc.

Margaret E. Bradnum
Secretary, San Luis Rey Homes, Inc.

Note: Signatures to be notarized

ATTACHED CERT. BY NOTARY PUBLIC.

SAN LUIS REY HOMES, INC

A Resident Owned Community

A Non-Profit Corporation #503061, Incorporated January 18, 1966 State of California, Original Rules and Regulations of 1966—Revised December 12, 2022.

1. **MEMBERSHIP COMMITTEE PROCEDURES:**
   - **A.** In Accordance with Article IV, Sec. 10 of the Bylaws, a membership committee consisting of five members, all resident Grant Deed holders, shall be appointed by the Board of Governors at the beginning of each calendar year. Three shall constitute a quorum for interviewing prospective club members. Term of office for members shall be for two years, three being appointed on odd years and two to be appointed on even years. Term of office for each member shall begin on January 1st of one year and end on December 31st of the second year.
   - **B.** Committee members will elect a chairman and secretary on the second Tuesday in January of each year, and anytime thereafter, should the chairman or secretary fail to serve. Any committee vacancies shall be filled by appointment by the Board of Governors for the remainder of the term. One member of the Board of Governors shall be ex-officio member of the committee without voting power.
   - **C.** The committee shall construct an outline of proposed procedures to be used for interviewing prospective club members and submit same for any amendment and subsequent approval by the Board of Governors.
   - **D.** During the course of an interview with the prospective member, the members will comply with the U.S. Fair Housing Act of 1988 and appropriate State Civil Code provisions not in conflict with the above. Committee members shall not ask questions, make motions, offer resolutions, write memos, reach decisions or take any other action which directly or indirectly reflect a bias or suggestion that sex, race, color, religion, ancestry, national origin, marital status or physical or mental impairment, which substantially limits one or more of such person's major life activities is a part of the consideration or decision of the committee.
   - **E.** The disposition of all applications, approval or disapproval, by majority vote shall be submitted to the Board of Governors as outlined in Art. IV Sec. 10 of the Bylaws.
   - **F.** Additional Requirements for owner-membership in San Luis Rey Homes, Inc., are contained in the following documents:
     1. Grant Deed
     2. Bylaws
     3. New Membership Requirements

II. RIGHTS AND PRIVILEGES OF GRANT DEED OWNERS:

A. Ingress and egress to the mobile home space to which he has exclusive right to occupy. (Grant Deed)
B. Use of the physical facilities of the park, i.e.: use of public rooms, passage ways, laundry rooms, roads and all public portions equipment of said buildings as well as roads in common with other resident owners thereof.
C. The right to vote at annual elections, special elections, and regular special meetings of the Grant Deed Owner Bylaws
D. Right to make written application for membership in the corporate body known as San Luis Rey Homes, Inc., primary purpose of which is the owning, conducting, operating, and managing a private social and recreational club for the benefit pleasure and recreation of its members, and to present oneself at an interview with the Board of Governors, or such membership committee as the Board of Governors designates. (Bylaws Art. IV)
E. Right to enjoy, upon acceptance to membership in San Luis Rey Homes, Inc., as the Board of Governors may determine, the following privileges of club members:
   1. To fully participate in the social and recreation activities of the club with other members, and to hold such membership and/or offices in the "named groups" as the electors deem him worthy, so long as he remains a member of San Luis Rey Homes, Inc., in good standing, meeting all the obligations of a Grant Deed Owner.
   2. Opportunity to present before the Board of Governors or the membership committee, the merits and qualifications of any prospective owner whom he deems worthy of membership in San Luis Rey Homes, Inc., and whom he proposes to sponsor for such membership

III. MOBILE HOME PLACEMENT:

In occupying the mobile home space and placing a mobile home thereon, the Grant Deed owner is Required to comply with the City of Oceanside and applicable construction codes, as amended with the following specific requirements.

A. SIZE

The minimum size of mobile home allowed in the park is 20 ft. X 40 ft. Maximum size is determined by the size of space setback and clearance as shown below. In any case, the occupied area of a mobile home lot shall not exceed 75 percent of the lot area.

B. AGE:

No mobile home that is more than (10) years old **at the time of placement,** shall be placed upon a Grant Deed space. Mobile homes must conform to the City of Oceanside codes and two-story homes are not permitted.

C. SETBACK AND CLEARANCE:

Due to the nature of the Grant Deed and the physical limitations of lot sizes, etc. under which we must operate, the following restrictions are applicable

1. Setback: There shall be a (two) 2-foot clearance from the street line to the coach including any attachments thereto.
2. Elevation: No mobile shall be mounted upon its piers or foundations blocks so that the door sill height of its main entrance is more than thirty-six (36) inches above original graded surface of lot.
3. Placement: For fire clearance in no event may any portion of mobile home be closer than three (3) feet to either side or back of lot wall or property wall. The total storage shed area, regardless of number of sheds, shall not exceed 100 sq. ft. and no shed shall be taller than (ten) 10 feet, except if located under carport, in which case the shed may not exceed the height of the carport. Driveway: A width of twelve (12) feet is recommended to allow ease of entrance to your car. **A minimum width of the driveway eleven (11) feet.**
4. Carport: **A minimum length of thirty-four feet,** space sufficient to accommodate two (2) passenger vehicles parked on space, must be maintained at all times or you may have only one vehicle.

D. PLOT DIAGRAM:

1. A diagram or plan showing placement of home, conforming to the above rulings, complete with accurate dimensions and data shall be submitted to the Board of Governors for approval of park requirements BEFORE the purchase of a coach. After a satisfactory review by the Board, the plan will be given a signed approval by the Board of specific park requirements not in conflict with Oceanside Codes and shall be subject to final approval by the Oceanside inspector. No coach will be permitted to be delivered for placement on a lot until an OK is given to do so by the Board of Governors. After approval by the Board of Governors, this plan shall be made available to the installer and the space owner. It is then the space owner's responsibility to secure the Oceanside City Code Compliance with all building requirements. Owners are advised to secure assurance of compliance in writing before signing any contract.

E. AWNING AND SKIRTING:

All mobile homes must have complete vented skirting and a full awning installed within sixty (60) days of placement.

F. PLANTER BOXES:

A planter box constructed of masonry blocks and compatible with existing park's walls is recommended. Other suitable **masonry** finish at front of lot may be acceptable, **subject to Board approval.**

G. MAILBOXES:

Shall be uniform horizontal design and shall be mounted approximately four (4) feet high with twelve (12) inches of street boundary line, and not in violation of U.S. Postal regulations.

H. HOUSE NUMBERS:

Three (3) inches high, shall be placed on both sides of mail boxes or other visible locations in front of each home.

I. BUILDING CODE REQUIREMENTS:

It is emphasized that all owners check with the office regarding the proper procedure for obtaining City of Oceanside permits before purchasing or installing awnings, skirting, utility sheds, porches, additions, windbreaks, water softeners, plumbing, wiring, concrete work, etc., as these projects must conform to the current Oceanside city codes. Effective 9/19/1994, all manufactured and mobile homes installed must have listed tie downs or an engineered tie down system (ETS) installed as required by CA Health and Safety Code 18613.4.

The approved "Plot Diagram" (Section D) forms the basis for the issuance of all permits by the appropriate government authority. Owners are cautioned that the final responsibility for code compliance lies with the owner, whether the work is done by himself or a hired contractor. When employing a contractor to perform work requiring permits, and City of Oceanside compliance, the owner should secure a written agreement that the work must comply with the City of Oceanside codes.

IV. **OTHER APPLICABLE GOVERNMENT CODES AND SAN LUIS REY HOMES, INC. REQUIREMENTS:** In addition to the foregoing park restrictions, owners must conform to the following:

A. RECREATIONAL VEHICLES:

No RVs, trailers, commercial vehicles or boats are permitted to be stored on a mobile home space. A variance is allowed if your only means of transportation is your camper; which is used regularly. Owners and guests may not occupy any type of RV in parking areas, driveways, lots, or streets for sleeping or cooking. A utility trailer is not considered an RV, but will require Board approval to be parked in the carport

B. TRANSIENT R.V. PARKING

A designated area on the North side of the Hobby Shop has been striped for R.V. parking, on an overnight basis, by arriving and departing vehicles. A parking pass is required.

C. STORAGE:

No materials shall be stored under mobile homes, storage sheds or on owner's space which might be considered **hazardous or unsightly.** A limited number of storage spaces and storage sheds are available in the Triangle Lot area, and are assigned on a first come, first served basis. If a member has been granted a space in the Triangle Lot area and the member's home is transferred to a new owner, the seller must surrender the space in the Triangle Lot area to the next person on the list within 90 days. **(Storage sheds in the Triangle Lot are not inherited)**

D. PARKING:

Our streets are less than 32 ft. wide, and as such are considered fire-lanes. Grant deed owner(s)/occupants are responsible for their **guests'** parking. **Parking rules are:**

1. Overnight parking in common area parking lots is allowed only with a Parking Pass.
2. No parking within 15 ft. of a street corner
3. Contractors should use orange cones.
4. On street parking is allowed for maximum of two (2) hours.
5. At all times a licensed driver must be on site to remove the vehicle if necessary.
6. Park on the same side of the street as other vehicles that are already parked on the street.
7. Leave as much space as possible for passing vehicles.
8. For prolonged maintenance of the coach or coach area requiring the removal of vehicles, the parking lots should be used.
9. Park no vehicle on another resident's space unless **permission has been obtained from the owner in writing. Form obtained in SLRH office.**
10. Bicycles parked at the main Clubhouse shall utilize bike racks **or motorcycle parking spaces**
11. The parking spaces at our entrance and behind the Clubhouse, at the **laundry, gym, and hobby shop** are for a limited duration parking only. Exception: (Caregivers and Guests with a parking pass, which can be obtained through the Office/Board of Governors).
12. RVs (Recreational Vehicles) may be parked on the street, but only for time required for loading and unloading.

V. MISCELLANEOUS PARK REGULATIONS:

A. NOISE:

Prevent all unnecessary disturbing noise coming from your space during "Quiet Hours" of 10p.m. to 7a.m.

B. NO SMOKING:

Smoking is prohibited on all common areas of the park within twenty (20) feet of of any building regardless of where windows and doors may be located.

C. GUESTS:

1. Recurring visits by the same adult or children that total more than sixty (60) days and/or nights per year require prior special written permission from the Board of Governors. Short term, INFREQUENT day, or day and evening, or evening social calls are not included. Any guest using park facilities, must be accompanied by an owner. Skateboards, roller blades, and roller skates are not permitted on streets or parking areas. Guests are subject to the same rules and regulations as owners.
2. When an owner is ill or incapacitated, they may employ a health care provider. A Health care resident is defined in California Civil Code Section 51.3(c). The employee is not considered a guest, therefore, **need not be accompanied when** using the laundry facilities for owner. However, to avoid confusion, the Board, or the Board's appointee, may issue dated identification to the health care provider.

D. SPEED LIMT:

Observe posted park speed limit of fifteen (15) miles per hour at all times.

E. WATER RUNOFF:

Pressure washing of coaches and driveways is permitted with Board approval. Watering of plants should be done to keep water on the streets to a minimum to avoid street damage.

F. CAR WASH:

Vehicles must be washed or repaired in the designated area near laundry building, which is for OWNERS ONLY. Do not wash or repair your car in your driveway.

G. LAUNDRY:

Clothes lines and items hanging from clothes lines should not be visible from the common areas.

H. TREES AND SHRUBS:

No planting of trees or shrubs in the ground which may impact sewer lines. Trees and shrubs that are presently planted in the ground are grandfathered in. The use of pots for new plantings is recommended. Tree height is limited to (15) fifteen feet. Owners of trees and shrubs are responsible for any damages caused by their trees and shrubs. Owners are responsible for trimming overhanging trees and shrubs, and responsible for any plant litter cleanup.

I. **FENCES**

Require prior Board approval: for residents who build any type of structure, including fencing, decks, sheds, etc. without leaving accessible clearance for utility repairs, residents will be responsible for the cost of removing such structures. Fences and Gates are restricted to a height of (6) six feet.

J. **ANTENNAS:**

Antennas are permitted provided they are omni directional vertical type and a maximum **height of 40 feet as measured from the ground.**

K. **PETS:**

HUD CONCILIATION AGREEMENT:

San Luis Rey Homes, Inc. is still a "NO PET" park, but we make reasonable accommodation for anyone with physical or mental disabilities, including but not limited to emotional and/or service animals. The Conciliation Agreement between SLR Homes, Inc. and the United States Department of Housing and Urban Development explains the difference between pets, Emotional Support animals and Service animals: HUD Case No. 09-19-4606.8: (also, see FHEO NOTICE: FHEO-2013-01)

Residents must complete the following with the office for the Animal:

Form: 1. Reasonable Accommodation

Form: 2. Policies and Rules of Conduct for animal

Form: 3. Verification of Disability

L. **NON-OWNER RESIDENTS-HEALTH CARE PROVIDERS**

A homeowner who is living alone in the mobile home, and wishes to share occupancy of his or her home with a health care provider may do so after registering with the park office and **providing documentation of health care provider's identity and age. The Grant Deed holder is responsible for the conduct of the health care provider.**

M. **NON-OWNER OCCUPANCY:**

Non-Owner occupants will need to qualify to live in the park, including but not limited to age and identification verification. The minimum age of a cohabitant is 50 years old, unless the person is a parent, child, sibling who is providing care for the owner occupant.

N. **SIGNS:**

Signs or Posters advertising coach or property for sale shall not exceed a dimension of 18" X 24" (inches). The sign shall be so located in a window inside of the coach.

O. SOLICITATIONS:

Door-to-Door solicitation is prohibited. The distribution of fliers and/or advertising materials pertaining to "the park" functions by club members can be placed in "park mail slots" and shall not be considered a door-to-door solicitation. Presentation of wares or offers of services at a pre-authorized (Board of Governors) function, open to all members of the club, held on park property is allowed.

VI. NAMED GROUPS

A. Small groups of owner-members, in good standing, who have a common social, recreational, education or charitable interest may organize specialized named groups, such as; "Craft Group", "Pool Group", "RV Social Group", etc. Each such named specialized group must petition the Board of Governors for status, as follows:

1. File a written statement of purpose, a plan or organization, a program of activities, and remain open to any interested owner-member of San Luis Rey Homes, Inc.
2. File a current listing of responsible officers who are elected annually. Notice of such elections and meetings shall be given in park bulletin in advance of same.
3. Agree to operate without dues or assessments, using club facilities in common with other members, or as directed by schedule of events Social Activities Director, and under approved house rules and regulations at all times.
4. Maintain a record of all receipts and expenses in accordance with accepted accounting practice, said records to be part of the official park records subject to the approval of the park Treasurer and annual park audit. File an annual financial report as of the last day of each year and a proposed budget for the coming year. The financial report shall be submitted in a form authorized by the Board of Governors. The proposed budget shall include all expenses for whatever purposes the named group desires. In addition, the "Bingo Group" shall comply with the City of Oceanside code with the provision that any proposed charitable donations be approved in advance by the Board of Governors. All physical property acquired by all such groups, or individuals which is used by and for the benefit of the membership shall immediately, upon acquisition, become the property of San Luis Rey Homes, Inc., until final disposition of such property. Proper supervision will be required in the use of all equipment. No property of San Luis Rey Homes, Inc. may be loaned without the permission of the Board of Governors.

B. It shall be understood that occasional groups of invited visiting guests shall be permitted to participate in social and recreational activities on reciprocal basis. Furthermore, the Main Clubhouse shall remain open during such nonprofessional tournaments or activities to all owners and spectators who might desire to watch such activities without being solicited for donations. Owner and spectators shall display mannerly conduct and proper decorum, and shall be considerate of overcrowded conditions.

VII. SOCIAL ACTIVITIES SCHEDULING:

Shall be administered by the Social Activities Committee, with approval of the Board of Governors, who shall maintain a calendar of events Park Bulletin Board in the Board Room.

A. The "Hilltop" clubhouse may be reserved in advanced for named groups' meetings, parties of member and their guests, or other social activities of members. Reservations must be made through Board of Governors, and must not conflict with any general park event.

B. Main clubhouse activities shall normally be open to all members of the park. All who wish to participate are warmly invited to attend these functions. In the event that any park group finds that the anticipated attendance as shown by their roster, shall overcrowd the Hilltop clubhouse, they may apply to the Board of Governors for a date in the Main clubhouse. Any such special event shall be limited to a given time frame. The Board of Governors may find it necessary to pre-empt a regularly scheduled weekly event occasionally, in order to make available suitable time for a "Special Event".

VIII. ACCEPTABLE STANDARDS OF CONDUCT:

A. USE OF RECREATIONAL FACILITIES:

1. It is expressly understood that all corporate owned facilities are for the exclusive use of bona fide owner-members and their escorted sponsored guests only.
2. No person, group or special interest named group within the park shall monopolize or dominate any corporate facility, nor shall they annoy, coerce, or in any way intimidate other members (including attempts to "collect donations") nor exclude them from participating in any group activity of their choice.
3. Furthermore, no activity in which a small minority of the membership participates shall be allowed to usurp or take possession of available space and/or time to the exclusion of, or in conflict with, other scheduled activities. Any conflict of interest will be resolved by the Board of Governors.

B. RESIDENTIAL REQUIREMENTS IN COMMON AREAS AND GRANT DEED SPACES:

1. Maintain clean, quiet surroundings in each neighborhood and throughout the park
2. Protect the exclusive right of occupancy of all spaces with NO solicitations or undesired visitations, NO parking of **unlicensed vehicles in common areas,** NO intentional littering of another's property.

SAN LUIS REY HOMES, INC.

A Nonprofit Mutual Benefit Corporation C0503061

300 Academy Road ▪ Oceanside ▪ CA 92057

760-757-5000 * FAX 760-757-5001

To: All Members/Owners

From: SLRH Board of Governors

Subject: Revised Schedule of Fines

Date: July 17, 2025

In accordance with Article VII, Section 5.B. of the Bylaws, which reflects the requirement of Civil Code 1363.05 (g), the Board has developed a Schedule of Fines for violations of our governing documents. The Schedule of Fines is intended to be a guideline for the Board and the membership.

SCHEDULE OF FINES	**VIOLATIONS**
Owner's cost to bring all into compliance.	Rules & Regulations III. Mobile Home items Placement and Building codes.
$25.00	R & R, III.C.5. Carport to accommodate (2) passenger vehicles. If space is only available for one (1) vehicle, that unit can only have one (1) vehicle.
$25.00	R & R, IV.A. Washers, dryers, refrigerators, freezers, etc. must be confined within the home or approved shed.
$50.00	R & R, IV.B. RV or Boat Storage-No one is to occupy, cook, or sleep in an RV.
$25.00	R & R, IV.C. Transient RV Parking over 24 hours. Pass is needed for transient parking.

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SCHEDULE OF FINES	VIOLATIONS
$25.00-$50.00	R & R, IV.D. Store no materials on owner's space, which is hazardous or unsightly.
$25.00/Towed Away	R & R, IV.E. Parking on the street, other than temporary loading/unloading.
$25.00	R & R, V.A. Quiet hours 10:00PM – 7:00AM
$25.00	R & R V.B. Smoking in the Clubhouse.
$25.00-$50.00	R & R.V.D. (1) Recurring visits by the same adult or child for more than 60 days or nights per year. Guest/Visitor Application required.
$25.00	R & R, V.D. (1) Skateboards and roller skates are prohibited.
$50.00	R & R V.D. (3) No Childcare.
$25.00	R & R, V.E. Speeding – over 15mph
$25.00	R & R V.F. No wash downs unless approved by a board member
$25.00	R & R, V.G. Cars to be washed in the designated area and for owners only. No RVs over 20 feet
$25.00	R & R, V.H. No visible clothes lines, laundry or rags may be displayed on mobile home spaces.
$25.00	R & R, V.I. Owners must schedule heavy equipment between 7AM & 10AM as a precaution against street damage from June 1st and November 1st or approved by the Board.
Owners may be required to remove trees and pay for damage	R & R, V.J. Trees and Shrubs: Owners are responsible to clean up litter, trimmings, and prevent damage to walls, streets, and utilities. If any damage occurs, the owner will be responsible. Clean up charge will be added to owner's bill.

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SCHEDULE OF FINES	VIOLATIONS
$25.00	R & R, V.K. Leaving trash or trash bags on, or around, the trash bins.
$100.00	R & R, V.L. No application for service or assistance animal
$25.00	R & R, V.N. No signs or posters except a single sign advertising the coach & property for sale. Sign no large than 18" X 24", located inside the home.
$100.00	Bylaws Article III. Section 2. Dwellings to be occupied by owners. Exception is an approved Caregiver/Permitted Health care Resident Registration Form.
$50.00-$100.00	Bylaws Article III. Section 3. At least one occupant must be 55 years of age. All other occupants must be at least 50.
$100.00	B. Article VII. Section 2. Renting or leasing of dwelling or mobile home space is prohibited.
$25.00	B. Article VII. Section 3. Guests have the right to use and enjoy common areas as long as the guest is under the supervision of a member. Guests are subject to the same restrictions as Members.
See attached policy statement	B. Article VII. Section 4. Failure to pay assessments
Pay the full cost, plus other penalties that the Board may impose	B. Article VII. Section 6. Damage to club property.
Same as above.	B. Article VII. Section 7. Park property may not be removed, altered or replaced without authorization.

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SCHEDULE OF FINES	VIOLATIONS
10% (10 percent)	B. Article XIII. Section 6. Delinquent Assessments. Any regular or special or special individual assessment that is not paid within 15 days after the due date is delinquent.
$100.00 + cost of repair to gate	Tampering or damaging the entry or exit gate
$25.00	Bylaw Article XIII, Section 4 (3) if any Space is not maintained

NOTE: The violations as stated above are abbreviated words, phrases or sentences. Please refer to your copy of the Bylaws or Rules and Regulations for the complete item in question.

NOTE: From the Bylaws Article VII, Section 5.A.: "The decision of whether it is appropriate or necessary for the corporation to initiate enforcement or disciplinary action in any particular instance shall be within the sole discretion of the corporation's Board. If the Corporation declines to take action in any instance, any owner shall have such rights of enforcement as may exist by virtue of the California Civil Code, Section 1354 or otherwise by law."