

**Smiley Park Country Club
Bylaws**

October 2, 2002

**AMENDED AND RESTATED BYLAWS FOR
SMILEY PARK COUNTRY CLUB**

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**AMENDED AND RESTATED BYLAWS FOR
SMILEY PARK COUNTRY CLUB**

**ARTICLE I
DEFINITIONS**

Section 1. Accessory Building. The term "Accessory Building," as used herein, shall mean and refer to a non-residential structure including, but not limited to a shed or other structure intended to be used for storage.

Section 2. Board of Directors. The term "Board of Directors" or "Board," as used herein, shall mean and refer to the duly elected Board of Directors of the Club.

Section 3. Club. The term "Club," as used herein, shall mean and refer to Smiley Park Country Club, a nonprofit corporation, its successors and assigns.

Section 4. Common Area. The term "Common Area" or "Common Areas" as used herein, shall mean all the real property and Improvements, and all easements or other real property interests held by, or which may be acquired by the Club, for the common use and enjoyment of the Club's membership. Common Areas shall include, but not be limited to Greenbelt Areas, recreational facilities, Roadways, and facilities to provide Water Services, but shall exclude any Properties owned by the Club, whether or not such Properties are leased to a Member or Members of the Club, and shall exclude any Lot or Lots owned by the Club which are surrounded only by Properties, and not accessible from any Roadway.

Section 5. Declaration. The term "Declaration," as used herein, shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in any Declaration of Covenants, Conditions and Restrictions, recorded against the Properties, as the same may be amended from time to time.

Section 6. Greenbelt Area. The term "Greenbelt Area," as used herein shall mean and refer to those portions of the Common Area that have been set aside in perpetuity as open space, to preserve and enhance the natural vegetation, wildlife habitat, watershed resources and scenic amenities of the Park.

Section 7. Homesite. The term "Homesite," as used herein shall mean and refer to a group of any number of contiguous Lots within the Park, owned or leased by a single Owner, with the exception of Common Area. 164 Homesites make up the Properties as defined herein.

Section 8. Improvement. The term "Improvement," as used herein, shall mean any structure or appurtenance thereto of every type and kind, including, but not limited to, buildings, outbuildings, including Accessory Buildings, walkways, tennis courts, ponds, waterways, garages, swimming pools, spas, and other recreational amenities, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, windbreaks, poles, signs, entrance gates, antennae, satellite dishes or any other transmitting or receiving device.

Section 9. Lease. The term "Lease" as used herein, shall mean and refer to any Ninety-Nine Year Lease and Membership Certificate in Smiley Park Country Club executed by a Member of the Club for any Property within the Park in accordance with Article IV, below.

Section 10. Lot. The term "Lot," as used herein, shall mean and refer to a numbered area of land 20 feet by 50 feet, as shown on the Assessor's Map.

Section 11. Member/Membership. The term "Member," as used herein, shall mean and refer to those persons entitled to membership in the Club as provided in Article III, Section 1 hereof, and in the Club's Articles of Incorporation and any Declaration. Only one Membership shall be issued for each Homesite, regardless of the number of persons and/or entities holding an ownership and/or Leasehold interest in such Homesite.

Section 12. Member in Good Standing. The term "Member in Good Standing," as used herein, shall mean and refer to each Member whose membership privileges have not been suspended as provided herein.

Section 13. Owner. The term "Owner," as used herein, shall mean and refer to each of the following:

4. The Record Owner, whether one or more persons or entity, of a fee simple title to any Homesite;
5. A contract purchaser as identified in a recorded land sale contract for any Homesite; and
6. The holder or holders of a Lease, as defined herein, whether one or more persons or entity, for any Homesite.

The term Owner shall not include those persons or entities having an ownership or leasehold interest merely as security for the performance of an obligation, nor shall it include the Club for any Homesite for which the Club is the Record Owner, which Homesite is the subject of a Lease, as defined herein.

Section 14. Park. The term "Park," as used herein, shall mean and refer to the common interest development located in the unincorporated area of San Bernardino County, State of California, in Section Six (6), Township One (1) North Range Two (2), West, San Bernardino Base Meridian (excluding portions thereof retained and/or reserved by the original grantee (the Smiley family), and the portion acquired by the Running Springs Water District), as shown on Assessor's Map No. 10, recorded in San Bernardino County on May 8, 1939.

Section 15. Properties. The term "Properties," as used herein, shall mean and refer to the 164 Homesites which are owned or leased by the Owners, or which are owned by the Club, but reserved for the purposes of leasing to an Owner as of the date that these Amended and Restated Bylaws are adopted. The term "Property" shall mean and refer to any one of the 164 Homesites which are owned or leased by an Owner, or which is owned by the Club, but reserved for the purposes of leasing to an Owner as of the date that these Amended and Restated Bylaws are adopted. The Park shall consist of no more than 164 Homesites, unless a majority of the Membership consents, in writing to the addition of any other Homesite.

Section 16. Record Owner. The term "Record Owner," as used herein, shall mean and refer to the person, persons or entity identified as the buyer or transferee on the last-recorded deed for a Homesite, recorded in the Official Records of San Bernardino County. Record Owner shall not include any person, persons or entity whose interest in any Lot or Lots is derived solely from a Lease, even if such Lease is recorded. The Club shall remain the Record Owner for each and every Lot owned thereby, which is the subject of a Lease.

Section 17. Reimbursement Assessment. The term "Reimbursement Assessment," as used herein, shall mean a charge against any Owner and his Property for the purpose of reimbursing the Club for any costs incurred by the Club on behalf of or as a result of an individual Owner, including but not limited to, providing Water Services, repair of damage to Common Area(s) and facilities thereon caused by the Owner the Owner's guests or tenants and/or guests of tenants and/or any costs incurred by the Club to enforce the terms of any Declaration, the Bylaws, or Rules and Regulations against such Owner. A Reimbursement Assessment may be enforced by lien pursuant to Civil Code Section 1367, or any amendment thereto, and shall be the personal obligation of the Owner against whom such Reimbursement Assessment is levied, enforceable by any means available by law.

Section 18. Regular Assessment. The term "Regular Assessment," as used herein, shall mean the assessment imposed by the Club for funding the Club's annual budgetary needs and as further described in Article III, Section 4, below, and in Civil Code Section 1366, as the same may be amended from time to time.

Section 19. Roadway. The term "Roadway," as used herein shall mean any improved or unimproved vehicular way within the Park, except driveways serving any single Homesite.

Section 20. Special Assessment. The term "Special Assessment," as used herein shall mean an assessment levied for the purposes of defraying the costs of any action or undertaking by the Club which is not specifically covered under the Regular Assessments, including reconstruction or repair of capital improvements in the Common Area, as further described at Article III, Section 4, and as further described in Civil Code Section 1366, as the same may be amended from time to time.

Section 21. Water Services. The term "Water Services," as used herein shall mean any water provided to any Homesite by the Club, and any water meter, appurtenant shut off valves furnished by the Club.

ARTICLE II PRINCIPAL OFFICE

The principal office for the transaction of the business of the Smiley Park Country Club ("Club") shall be located at such place within the County of San Bernardino, State of California as the Board may from time to time designate by resolution.

ARTICLE III MEMBERS

Section 1. Membership. Every person or entity who is a Record Owner of a fee or undivided fee interest in any Homesite (excepting the Club, for Homesites which it owns, and leases to a Member), or who is a registered holder of a Lease, who has executed a Ninety-Nine Year Lease and Membership Certificate in Smiley Park Country Club shall be a Member of the Club. A Member shall be entitled to one Membership for each Homesite which he or she owns or leases. Regardless of the number of persons and/or entities holding title to, or having a Leasehold interest in a Homesite, only one Membership shall be issued for each Homesite. Membership shall be appurtenant to, and may not be separated from, the fee ownership of any Homesite, or any Lease interest in a Homesite which is subject to assessment by the Club. Ownership or Lease holdership of such Homesite shall be the sole qualification for Membership. Transfer of ownership or Lease holdership to a Homesite shall automatically transfer Membership in the Club. No Lease may be transferred, assigned or subleased without prior written approval of the Club, and the Club may require execution of a new Lease by any proposed transferee. The Club reserves the right

to require any potential lessee to complete an application for Membership, and may refuse to issue a Lease to any person who does not appear financially able to meet the obligations of such Lease, or who otherwise appears unable or unwilling to comply with the terms of the Lease, these Bylaws or any Declaration, however the Board of Directors shall not discriminate on the basis of race, color, ancestry, religious creed, national origin, physical handicap, medical condition, sex, age, marital or familial status. The provisions of these Bylaws are not exclusive, and Members shall also be subject to the terms and provisions of any Declaration, the Articles and any rules, regulations or other policies adopted by the Board of Directors.

Section 2. Termination of Membership. Each Owner shall remain a Member until he or she no longer qualifies as an Owner pursuant to any Declaration, or these Bylaws.

Section 3. Voting Rights. All Members in Good Standing shall be entitled to one (1) vote for each Membership, as defined in Article III, Section 1, above. If more than one person and/or entity qualifies an Owner of a Homesite, all of those persons and/or entities ("Co-Owners") shall be deemed to be one Member for voting purposes and there shall be only one (1) vote per Homesite. Co-Owners of the Homesite shall notify the Club, in writing, of the Owner designated as having the sole right to vote the Membership on their behalf. If no such notification is received, the Secretary of the Club may accept the vote of any Co-Owner as the vote attributable to the Homesite, except where Co-Owners attempt to vote the Membership attributable to their Homesite in an inconsistent fashion, the Secretary or other person(s) designated as inspector(s) of election may refuse to count any ballot pertaining to the Co-owner's Homesite. Notwithstanding the foregoing, any covenant running with the land, including any Declaration, must be approved by the Record Owner of the Property to which the same shall apply. For Properties which are the subject of a Lease, the Record Owner is the Club, and only the Club shall be entitled to impose any covenant running with the land, including a Declaration against any leased Property. The Leaseholder of any Property against which a Declaration or other covenant is recorded will only be bound by the terms thereof if such Leaseholder approves the same, and subordinates his or her Lease to such Declaration or covenant.

Section 4. Assessments. The Owner of any Homesite shall be jointly, severally and personally liable for the payment of all assessments and other charges which may, from time to time, be fixed and levied against said Homesite pursuant to the provisions of such Owner's Lease, these Bylaws and/or any Declaration. Should any Owner fail to pay his or her assessments, the Club, at the discretion of the Board, shall have the right to enforce payment of such delinquent assessments pursuant to any Declaration, including by suspension of that Owner's right to vote and/or use Common Area facilities, following notice and an opportunity for a hearing, or by any means allowed by law.

Section 4(a). Agreement to Pay Assessments. Each Owner of any Property, by acceptance of a Deed or Lease therefor, whether or not it shall be so expressed in such Deed or Lease, is deemed to covenant and agree to pay to the Club: (a) Regular Assessments, (b) Special Assessments and (c) Reimbursement Assessments, all such assessments to be established and collected as hereinafter provided. The Regular Assessments shall be in an amount sufficient to include an adequate reserve fund (as determined by the Board) for maintenance, repairs and replacement of the Common Area and the Improvements located thereon. All such assessments, together with interest, collection costs and reasonable attorneys' fees, shall be a continuing lien against each Property and shall also be the personal obligation of the Owner of such Property at the time the assessment fell due. For the purposes of this section, the grantee or transferee of any Property shall be presumed to be the Owner thereof from and after the date reflected in a Deed as the execution date, whether or not such Deed is recorded on that date, or from and after the stated effective date of any Lease, or if no effective date is set forth therein, the date that the Lease is executed.

Section 4(b). Special Assessments. In addition to Regular Assessments authorized above, the Club may levy, in any fiscal year, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement within the Common Area, including fixtures and personal property related thereto, or any other action, obligation, or undertaking on behalf of the Club, provided that any Special Assessment, the levying of which would cause the aggregate amount of Special Assessments for that fiscal year to exceed five percent (5%) of the budgeted gross expenses of the Club for that fiscal year must be approved by the vote or written assent of a majority of a quorum of the Membership of the Club at a meeting duly called for that purpose or by written ballot. The foregoing limitation on Special Assessments shall not apply to any Reimbursement Assessment.

Section 4(c). Reimbursement Assessments. The Club may, by action of the Board of Directors, levy a Reimbursement Assessment against any Owner who fails, or whose family members or guests fail to comply with the provisions of these Bylaws, any Declaration, the determinations of the Architectural Committee, the Club's Articles or Bylaws, or any rules and/or regulations adopted by the Board of Directors, if such failure results in the expenditure of monies by the Club in carrying out its functions hereunder or for purposes of collecting any fines which may be levied by the Club as well as for the purpose of reimbursing the Club for costs incurred in the repair of damage to Common Area and/or any Improvement or facility thereon. Such Reimbursement Assessment shall be due and payable to the Club when levied.

Section 4(d). Effect of Nonpayment of Assessments; Remedies of the Club. Each Owner of Property is and shall be deemed to covenant and agree to pay to the Club each and every of the assessments provided for in these Bylaws, and agrees to the enforcement of all such assessments in the manner herein specified. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of any Declaration, the Articles, these Bylaws or any rules and regulations adopted by the Board, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. A late charge of ten dollars (\$10.00) or ten percent (10%) of the assessment amount, whichever is greater, shall accrue for any assessment which is not paid within fifteen (15) days after the date on which it becomes due. Delinquent assessments and other amounts shall bear interest commencing thirty (30) days from the due date of the assessment, at the maximum rate allowed by law. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in these Bylaws, and each of them, in any manner provided by law or in equity, and without any limitation of the foregoing, by the recordation of a lien against the delinquent Owner's Property, and/or by a legal action to seek recovery of the delinquent amounts which said Owner is personally obligated to pay.

ARTICLE IV **MEETINGS OF MEMBERS**

Section 1. Place of Meetings. All meetings of Members shall be held within the Park, or as close thereto as possible, or at such other place in the County of San Bernardino as may be fixed, from time to time, by resolution of the Board. Unless unusual conditions exist, meetings of Members shall not be held outside of San Bernardino County.

Section 2. Annual Meetings. Regular annual meetings of the Members shall be held on the first Saturday in October of each year at 1:00 p.m.

Section 3. Special Meetings. Special meetings of the Members for any lawful purpose shall be called by the Board upon the vote for such a meeting by a majority of a quorum of the Board or by the President. In addition, special meetings of the Members for any lawful purpose may be called by Members representing at least five percent (5%) of the Membership of the Club.

Section 4. Notice of Meetings. Written notice of meetings, annual or special, shall be given to each Member entitled to vote, either personally or by sending a copy of the notice by first-class mail, postage prepaid, to the Member's address appearing on the books of the Club or supplied by the Member to the Club for the purpose of notice. All such notices shall be sent to each Member entitled thereto not less than ten (10) days nor more than ninety (90) days before each meeting, and shall specify the place, the day and the hour of such meeting, and (a) in the event of special meetings, the general nature of the business to be transacted and that no other business may be transacted, or (b) in the case of regular meetings, those matters which the Board, at the time of giving the notice, intends to present for action by the Members. It shall not be necessary to give any notice of an adjournment, or of the business to be transacted at an adjourned meeting, other than by announcement thereof at the meeting at which such adjournment is taken.

Section 5. Quorum. The presence at a meeting of Members, by person or proxy, entitled to cast, one-third (1/3) of the voting power of the Club shall constitute a quorum for any action taken at a meeting of the Members, except as otherwise provided in the Articles, any Declaration or these Bylaws. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to another date not more than forty-five (45) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence, in person or by proxy, of Members holding at least twenty-five percent (25%) of the voting power of the Club. Except where a greater portion of the voting power is required by the Articles, any Declaration or these Bylaws, a majority of the voting power present, in person or by proxy, shall prevail at all meetings. For any action taken by written ballot, the quorum requirement shall be one-third (1/3) of the voting power of the Club.

Section 6. Proxies. Every Member entitled to vote or execute consents shall have the right to do so either in person or by an agent authorized by a written proxy executed by such Member or the Member's duly authorized agent and filed with the Secretary of the Club. Every proxy continues with full force and effect until revoked by the person executing it prior to the vote pursuant thereto or written notice of the death or incapacity of the maker of the proxy is received by the Club before the vote pursuant thereto is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of any proxy shall not exceed three (3) years from the date of execution, as provided in Corporations Code Section 7613, or any amendment thereof.

Section 7. Form of Solicited Proxies. Any form of proxy distributed to ten (10) or more Members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each 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, and shall provide that where the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith. In any election of directors, any form of proxy in which the directors to be voted upon are named therein as candidates and which is marked by a Member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director. Failure to comply with this paragraph shall not invalidate any Club action taken, but may be the basis for challenging any proxy at a meeting, and the superior court may compel compliance therewith at the suit of any Member.

ARTICLE V
BOARD OF DIRECTORS

Section 1. Number. The affairs of the Club shall be managed by a board of five (5) directors, who shall be Members of the Club.

Section 2. Term and Election. Each director shall serve for a term of two (2) years. At each annual meeting of the Members, the Membership shall elect directors for a term of two (2) years to succeed those directors whose terms are then expiring. Three (3) directors shall be elected each odd-numbered year, and two (2) directors shall be elected each even-numbered year. Directors who have served on the Board for two (2) full consecutive terms may not be re-elected or appointed to fill a vacancy on the Board, until the expiration of at least twelve (12) months from the date that the second full term expired.

Section 3. Nomination of Directors. Nominations for candidates for the Board of Directors shall be made by a nominating committee consisting of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Club, all of whom shall be appointed by the Board of Directors prior to each annual meeting of the Members. The nominating committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Nominations may also be made by Members from the floor at the annual meeting or such other meeting at which members of the Board of Directors are to be elected. Nominations may also be made by petition or any other reasonable procedure which the Board may authorize.

Section 4. Election Procedures. The Board of Directors shall have the authority to adopt election procedures for any meeting of the Members, which procedures may specify the record date for purposes of notice and/or voting, deadline for registering proxies and/or the order of business. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy (open Board seat), as many votes as they are entitled to exercise under the provisions of any Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. Qualifications/Removal of Directors.

(A) The Board of Directors shall be composed of Members of the Club, each of whom must be a Member in Good Standing when elected and remain so throughout the Director's term of office. No Member shall be eligible for, or qualified to serve on the Board of Directors if said Member is adjudicated, after notice and hearing, of being: (1) Delinquent in the payment of any assessment or related charge levied against that Member's property; or (2) In violation of any Declaration, Rules and Regulations or other policies adopted by the Club. Provided, however, that any such delinquency or violation, once cured, shall not thereafter constitute a continuing disqualification to holding the office of director.

(B) Any director who does not qualify as a Member or who is not in good standing as a Member of the Club may be removed from the Board by the majority vote of the directors who meet all of the required qualifications to be a director and the removed director's seat will be deemed vacant. Any director who fails to attend three consecutive meetings of the Board may be removed by the majority vote of the other Members of the Board and that director's seat be deemed vacant.

(C) Any director may be removed without cause by a majority of a quorum of the Members of the Club.

(D) In the event of death, removal by the Board or resignation of a director, a successor shall be elected by the remaining members of the Board and shall serve for the unexpired term of the predecessor director. In the event of removal of a director by the Members, a successor shall be elected by the Members of the Club.

Section 6. Vacancies. Vacancies on the Board, except vacancies arising from removal of a director by the Members, may be filled by a vote of a majority of the remaining directors, even if the number of directors then in office is less than a quorum. Each director so elected shall hold office for the balance of the term of the vacancy filled. A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any director. The Members may, at any time, by special meeting duly called and noticed, elect directors to fill any vacancy not filled by the directors within forty-five (45) days. If any director tenders his resignation to the Board, the Board shall have the power to elect a successor to take office at such time as the resignation shall become effective.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice to the individual members of the Board, at such place and hour within the Park as may be fixed, from time to time, by resolution of the Board. However, such meetings may be conducted as infrequently as every three (3) months if the business to be transacted by the Board of Directors does not justify more frequent meetings.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by written notice signed by the President of the Club, or by any two (2) directors other than the President, after not less than four (4) days' notice by first-class mail or forty-eight (48) hours' notice to each director by personal delivery, telephone or facsimile. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notwithstanding the foregoing, emergency meetings of the Board, as defined by Civil Code Section 1363.05, may be called in accordance with that section.

Section 9. Quorum. A majority of the number of directors, shall be necessary to constitute a quorum for the transaction of business, except as otherwise provided herein. Every act or decision made or done by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as an act of the Board.

Section 10. Attendance of Meetings. Regular and special meetings of the Board of Directors shall be open to all Members of the Club except when the Board adjourns to executive session to consider potential or ongoing litigation, matters relating to the formation of contracts with third parties, member discipline or personnel matters.

Section 11. Compensation. The Club shall be prohibited from paying compensation to members of the Board or to officers of the Club for services performed in the scope of such director's duties as a member of the Board, or such officer's duties as an officer; provided, however, that the Board may cause a member of the Board or officer to be reimbursed for Board approved expenses incurred in carrying on the business of the Club. Nothing in this section shall prohibit limited compensation to a director or officer for services performed, or goods provided to the Club outside the scope of that person's position on the Board or office.

Section 12. Indemnification of Directors, Officers and Employees. Except to the extent prohibited by applicable law, the Club shall reimburse, indemnify and hold harmless each past, present and future director, officer, agent, committee member and employee of the Club from and against all loss, cost, liability and expense which may be imposed upon or reasonably incurred by him, including reasonable settlement payments, in connection with any claim, action, suit or proceeding or threat thereof, made or instituted, in which he may be involved or be made a party by reason of his being or having been a director, officer, agent, committee member or employee of the Club, or by reason of any action alleged to have been taken or omitted by him in such capacity, if a disinterested majority of the Board (or if a majority of the Board is not disinterested, then independent legal counsel) determines in good faith that such person was acting in good faith (a) within what he reasonably believed to be the scope of his authority or employment, and

(b) for a purpose which he reasonably believed to be in the best interests of the Club. The right of indemnification provided in this section shall inure to each person referred to in this section, whether or not the claim asserted against him is based on matters which arose, in whole or in part, prior to the adoption of this section and, in the event of his death, shall extend to his legal representatives. The right of indemnification provided in this section shall not be exclusive of any other rights to which any such person, or any other individual, may be entitled as a matter of law, or under any agreement, vote of directors or Members or otherwise.

ARTICLE VI

POWERS AND DUTIES OF DIRECTORS

Section 1. Powers. In addition to the powers of the Board, as set forth in any Declaration and the Articles, and subject to limitations of the Articles, any Declaration or these Bylaws and of the California Corporations Code as to actions to be authorized or approved by the Members, and subject to the duties of the directors as prescribed by these Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Club shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, the Board is vested with and shall have the following powers; to wit:

- (a) To select, appoint and remove all committees, officers, agents and employees of the Club; to prescribe such powers and duties for them as may be consistent with law, the Articles, any Declaration and/or these Bylaws; and to fix their compensation and to require from them security for faithful service when deemed advisable by the Board;
- (b) To conduct, manage and control the affairs and business of the Club, and to enforce the provisions of any Lease, any Declaration, the Club's Articles and Bylaws, and to adopt and enforce rules and regulations consistent with law, with the Articles, any Declaration and these Bylaws;
- (c) To lease any Property, which is owned by the Club, to any person, persons or entity, at the discretion of the Board of Directors. The Board shall approve a Ninety-Nine Year Lease and Membership Certificate form, which may be used for the purposes of leasing any Property owned by the Club, which Lease may be amended from time to time in the sole discretion of the Board of Directors. The Board may require any Property which is the subject of a Lease to be surveyed by a licensed or certified surveyor, and may require verification that property markers be identified and/or replaced, at the expense of the lessee, prior to entering into, modifying or extending any Lease. Original property markers shall prevail over any subsequent marker. By virtue of executing a Lease and Membership Certificate, the lessee shall be subject to and bound by the provisions of any Declaration, the Articles of Incorporation, Bylaws, and rules and regulations of the Club, and shall be entitled to the benefits of membership in the Club;
- (d) To purchase, own and/or lease equipment and/or personal property as is reasonably required from time to time by the Club to be used for maintenance of the Common Areas and/or Greenbelt Areas, and/or for the benefit of the membership;
- (e) To provide for the operation, control, repair, maintenance and restoration of the Common Areas and Greenbelt Areas;
- (f) To review architectural plans and provide architectural control of the Properties;
- (g) To provide for recreational activities for the Members;
- (h) To contract for such services, labor and materials as the Board may deem reasonable or necessary to operate and maintain the Park, the Common Area and the Improvements thereon and to discharge its other duties as herein provided;
- (i) To enter into an agreement or agreements to provide for development, care, maintenance, repair or replacement of the Common Area or other property, except that the Board shall not

have authority to enter into any agreement to loan corporate funds to any officer or director of the Club and/or guarantee obligations of any officer or director of the Club with corporate funds. Nothing in this section shall prohibit any regular Lease agreement with an officer or director entered into in accordance with existing policies of the Club at the time such Lease is entered into;

- (j) To suspend corporate privileges, including voting rights, of any Member, suspend any Member's rights to use Common Area recreational facilities, including the rights related thereto of any tenant or assignee of such member, levy fines and/or take other disciplinary action in connection with any violation of these Bylaws, any Declaration or any rules, regulations or policies adopted by the Club, following notice to such Member, and an opportunity for a hearing;
- (k) To adopt member disciplinary hearing procedures;
- (l) To levy a transfer fee in a reasonable amount to cover administrative expenses incurred in connection with transfer of membership to new Members. Said transfer fee shall be considered a Reimbursement Assessment, and shall be due and collectable as set forth herein;
- (m) To own and/or lease property, whether real or personal, for the common benefit, use and enjoyment of the Members of the Club;
- (n) To incur indebtedness on behalf of the Club, except that the Board of Directors may not incur any debt greater than ten percent (10%) of the Club's budgeted gross expenses for that fiscal year, unless approved by two-thirds (2/3) of a quorum of the Club's membership.
- (o) To establish and collect reasonable use charges for Common Area facilities; and
- (p) To do any and all acts and things that a nonprofit corporation is empowered to do, which may be necessary, convenient or desirable in the administration of its affairs or for the purpose of meeting its duties as set forth herein and in any Declaration. The Board shall have the authority to delegate its powers to committees, officers of the Club or its employees.

Section 2. Duties. In addition to the duties enumerated in any Declaration and in the Articles and subject to any limitations on the power of the Board set forth herein or in any Declaration, Articles or by California law, the Board shall have the following duties:

- (a) To own and maintain the Common Areas, Greenbelt Areas and easements owned by the Club for the benefit of the Members;
- (b) To prepare and distribute the financial documents required by these Bylaws and by California law;
- (c) To pay taxes and assessments which are, or could become, a lien on the Common Area, if any, or some portion thereof; and
- (d) Maintain such policies of insurance as set forth in any Declaration, or as deemed necessary by the Board of Directors, in accordance with California law.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Club shall be a President, a Vice President, a Secretary and a Treasurer all of whom shall, at all times, be members of the Board of Directors; and such other officers as the Board may, from time to time, by resolution establish.

Section 2. Election of Officers. The election of officers shall take place at a meeting of the Board of Directors immediately following each annual meeting of the Members.

Section 3. Term. The officers of the Club shall be elected annually by the Board, and each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Club may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board and the President or the Secretary.

Section 6. Vacancies. The Board of Directors shall have the power to fill any vacancies created by the death, resignation or removal of any officer for the balance of the term of the vacant office.

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

Section 8. Duties. The officers of the Club shall have the following duties:

- a. **President.** The President shall be the chief executive officer of the Club. He shall preside at all meetings of the Club and of the Board of Directors. He shall have all of the general powers and duties of management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board or by these Bylaws. Subject to the control of the Board, the President shall have general supervision, direction and control of the business and officers of the Club. He shall be, by virtue of his office, a member of all committees and shall see that all orders and resolutions of the Board are carried out.
- b. **Vice President.** In the absence or disability of the President, the Vice President shall perform all the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as, from time to time, may be prescribed by the Board or by the Bylaws.
- c. **Secretary.** The Secretary shall record the votes and keep, or cause to be kept, the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of its Members; keep the corporate seal of the Club and affix it to all papers requiring such seal; keep, or cause to be kept, appropriate current records showing the Members of the Club, together with their addresses; and shall perform such other duties as may be required by the Board.
- d. **Treasurer.** The Treasurer shall oversee the receipt and deposit in appropriate bank accounts all monies of the Club and the disbursement of such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Club; and keep, or cause to be kept, proper books of account. The Board may delegate any of the foregoing duties (except the duty to affix his signature to documents) to any person adequately covered by a fidelity bond.

ARTICLE VIII
BOOKS AND RECORDS

Section 1. Inspection Rights of Members. The accounting books and records, minutes of proceedings of the Members, the Board of Directors and of committees of the Board of Directors of the Club (excluding minutes of executive session proceedings) shall be open to inspection, upon written demand on the Club, by any Member, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Club or at such other place within the Park as the Board shall prescribe.

Section 2. Rules for Inspection. The Board of Directors may establish reasonable rules with respect to the following:

- (a) Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (b) Hours and days of the week when such an inspection may be made; and
- (c) Payment of the cost of reproducing copies of documents requested by a Member.

Section 3. Rights of Directors. No books, records or other documents, including personnel records, shall be reviewed by any director, unless for a proper Club purpose. Furthermore, no director who has a material financial interest related to the particular books, records or documents sought to be reviewed shall so review such documents, regardless of the stated purpose for such review. A director shall have a material financial interest where that director, or member of that director's family, has an economic interest with the Club greater than that of the other members of the Club. This Section is to be given a broad interpretation to protect the Club from liability for public disclosure of private information, invasion of privacy and other claims. Club staff shall implement this policy with guidance from the President of the Board of Directors or the Vice President if the President is the requesting director or the President is unavailable. Any director who believes his access is being improperly limited shall bring the matter before the full Board, in executive session, for Board determination. The President shall call a special Board meeting to facilitate a prompt determination of the issue.

ARTICLE IX
MISCELLANEOUS

Section 1. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Club, shall be signed or endorsed by such officer or officers and in such manner as, from time to time, shall be determined by resolution or the Board.

Section 2. Contracts, How Executed. The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Club, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Club by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount. Any agreement for professional management of the Club must provide that the management contract may be terminated by either party without cause or payment of a termination fee upon thirty (30) days' written notice, and the term of such management contract shall not exceed one (1) year.

Section 3. Budget, Reserve, Assessment and Insurance Documents. The Board shall prepare and distribute the various budget, reserve, assessment and insurance materials specified by applicable California law to each Member not less than forty-five (45) days nor more than sixty (60) days prior to the Club's fiscal year unless a different time frame is required by statute. Any summary of the Club's reserves disclosed pursuant to this provision shall not be used by any Member to show improper financial management of the Club, provided that other relevant and competent evidence of the financial condition of the Club is not made inadmissible by this provision.

Section 4. Inspection of Bylaws. The Club shall keep in its principal office for the transaction of business the original or a copy of the Bylaws, as amended, certified by the Secretary, which shall be open to inspection by all of the Members at all reasonable times.

Section 5. External Financial Review. An external review of the Club's financial statement prepared by an independent public accountant in accordance with generally accepted accounting principles shall be required for each fiscal year. A copy of such review of financial statement shall be distributed to the Members within one hundred twenty (120) days after the close of each fiscal year and shall be available for the inspection of each Member of the Club within thirty (30) days of completion thereof.

Section 6. Singular Includes Plural. Wherever the context of these Bylaws requires same, the singular shall include the plural, and the masculine shall include the feminine.

Section 7. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Bylaws shall control; and in the case of a conflict between any Declaration and the Bylaws, the Declaration shall control.

ARTICLE X **AMENDMENTS**

Section 1. Powers of Members. The Bylaws may be adopted, amended or repealed only by the vote or written assent of two-thirds (2/3) of the voting power of the Members constituting a quorum of the Membership.

Section 2. Record of Amendments. Whenever an amendment or new bylaw is adopted, it shall be placed in the book of Bylaws in the appropriate place. If any bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

CERTIFICATE OF SECRETARY

The undersigned, being the duly appointed Secretary of Smiley Park Country Club, a California nonprofit mutual benefit corporation, does hereby certify that the foregoing Amended and Restated Bylaws of Smiley Park Country Club has been duly approved and adopted by the requisite percentage of the membership of said Club.

Date: 11/17/02



Secretary, Smiley Park Country Club

Section 3. Budget, Reserve, Assessment and Insurance Documents. The Board shall prepare and distribute the various budget, reserve, assessment and insurance materials specified by applicable California law to each Member not less than forty-five (45) days nor more than sixty (60) days prior to the Club's fiscal year unless a different time frame is required by statute. Any summary of the Club's reserves disclosed pursuant to this provision shall not be used by any Member to show improper financial management of the Club, provided that other relevant and competent evidence of the financial condition of the Club is not made inadmissible by this provision.

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ARTICLE X **AMENDMENTS**

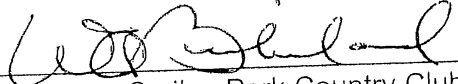
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Section 2. Record of Amendments. Whenever an amendment or new bylaw is adopted, it shall be placed in the book of Bylaws in the appropriate place. If any bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

CERTIFICATE OF SECRETARY

The undersigned, being the duly appointed Secretary of Smiley Park Country Club, a California nonprofit mutual benefit corporation, does hereby certify that the foregoing Amended and Restated Bylaws of Smiley Park Country Club has been duly approved and adopted by the requisite percentage of the membership of said Club.

Date: 11/17/02


Secretary, Smiley Park Country Club