

Canyon Lake Property Owners Association

EXHIBIT "B"

PROPOSED AMENDMENT TO THE BYLAWS

MEASURE III: Bylaw Amendment Art. VI., Section 3., to Extend Future Board Director Terms to One (1) Four-Year (4) Term

The proposed rewrite of the Canyon Lake Property Owners Association Bylaw Provision Art. VI, Section 3 is as follows:

Proposed Bylaws Article VI, Section 3.

Section 3. Election and Term of Office. Directors shall serve 4 year terms; except in the case the entire Board is removed, dies or resigns, as set forth below. If the Board is composed of 5 directors, 2 will be elected in one election, and 3 in the next election.

If a person is appointed Director, to fill a vacancy, that person may serve as Director for the remainder of the appointed term and be elected for a 4 year term immediately following conclusion of the term for which they were appointed. Under no circumstances, however, shall a person serve as Director for more than 8 years consecutively.

If the entire Board is removed, dies or resigns, in the next election of Directors all 5 seats will be elected; the 2 Directors elected with the lowest number of votes shall serve 2 year terms; and the 3 Directors elected with the highest number of votes shall serve 4 year terms, to enable CLPOA to hold elections every other year. Following this initial election, all elections will be staggered every other year, and all elected terms shall be 4 years.

Directors shall serve for the terms stated above or until their respective successors are elected, or until their death, resignation, or removal, whichever is earliest. Any successor Director selected to fill a vacancy in accordance with Section 4, below, shall serve for the balance of the term remaining to preserve the staggered terms and election of the Directors. Any Director may resign at any time by giving written notice to the President or Secretary. Any Director may be removed from office by a vote of a majority of the Members entitled to vote at any election of Directors. If any or all Directors were so removed, new Directors may be elected at the same meeting.