

**FIRST RESTATED BYLAWS**  
**OF**  
**PLUMAS PINES II HOMEOWNERS ASSOCIATION**

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**FIRST RESTATED BYLAWS**  
**OF**  
**PLUMAS PINES II HOMEOWNERS ASSOCIATION**

**ARTICLE I**  
**RECITALS AND DEFINITIONS**

Section 1.01. Name of Association. The name of this corporation shall be Plumas Pines II Homeowners Association and shall be referred to herein as the "Association."

Section 1.02. Association Is Nonprofit. The Association is a California nonprofit mutual benefit corporation and is an "association" as defined by California Civil Code section 4080.

Section 1.03. Purpose. The specific and primary purpose of this Association shall be to own, repair, maintain and manage the Common Areas within the Plumas Pines II Homeowners Association common interest development located in the County of Plumas, State of California, and to enforce the Governing Documents.

Section 1.04. Definitions.

(a) Board or Board of Directors. "Board" or "Board of Directors" means the governing body of the Association.

(b) Common Area. "Common Area" means the real property owned by the Association for the common use and enjoyment of the Owners and shall include lots A, B, C and D, as shown on the Subdivision Map. The Common Area shall not include any residential Lots.

(c) County. "County" means the County of Plumas, State of California.

(d) Davis-Stirling. "Davis-Stirling" means the Davis-Stirling Common Interest Development Act. All citations to Davis-Stirling shall to the portions of the Civil Code as effective January 1, 2014 (Civil Code section 4000 et seq.). In the event Davis-Stirling is further amended, then the Bylaws shall be deemed to reference the updated Davis-Stirling citations.

(e) Declaration. "Declaration" means the First Restated Declaration of Covenants, Conditions and Restrictions for Plumas Pines II Homeowners Association, recorded substantially concurrently herewith, as such Declaration may from time to time be supplemented, amended or modified by a duly Recorded subsequent Declaration, or amendment thereto.

(f) Good Standing. "Good Standing" means those Members who constitute part of the Voting Power of the Association and are therefore eligible to vote with respect to any other matter or action that requires the consent or approval of the Members. In order to be in Good Standing, a Member must be current in the payment of all assessments levied against the Member's Lot and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the due process and disciplinary hearing

procedures of the Declaration and applicable law. Good Standing shall also be a prerequisite for being a candidate for election to the Board of Directors and for continued service on the Board, once elected to office.

(g) Governing Documents. "Governing Documents" means the Articles of Incorporation, Bylaws, Declaration, and all other rules, regulations, policies and procedures adopted by the Board.

(h) Lot. "Lot" means those residential lots known as Lots 1 through 42, inclusive, as shown on the Subdivision Map.

(i) Majority of a Quorum. "Majority of a Quorum" means the affirmative vote of a majority of the votes cast at a meeting of the Members or cast by written ballot by Members in Good Standing which equals or exceeds the Quorum requirement for such Member action.

(j) Member. "Member" means a person or entity holding a membership in the Association as provided herein. Each Owner or Co-Owner of a Lot shall be a Member of the Association. If a Trust is a Member, then the Trustee(s) of the Trust shall be treated as the Member. If an entity is a Member, then the partners (partnership), shareholders (corporation), or members (LLC) shall be considered the Member(s).

(k) Owner. "Owner" means the record holder or holders of title to a Lot.

(l) Project. "Project" means all the Lots and Common Area as described on the Subdivision Map.

(m) Quorum. "Quorum" means those specific percentages set forth in Section 5.05 of these Bylaws for valid Member action.

(n) Subdivision Map. "Subdivision Map" means the map entitled "Plumas Eureka Estates, Unit 7, Phase II," filed for record April 30, 1990, in Book 6 of Maps, Pages 117-119, Plumas County Record.

(o) Voting Power. "Voting Power" means the number of Members in Good Standing, subject to Section 3.03 below that there shall be one Member for each Lot for voting purposes.

(p) Other Definitions Incorporated by Reference. Any capitalized terms used in these Bylaws that are not defined herein shall have the same meaning given to those terms in the Declaration, unless the context clearly indicates a contrary intention.

## **ARTICLE II LOCATION OF PRINCIPAL OFFICE**

The principal office of the Association shall be in Plumas County, California, in a location determined by the Board.

### **ARTICLE III MEMBERSHIP**

Section 3.01. Members of the Association. Every Owner of a Lot within the Project shall be a Member of the Association. Membership in the Association is appurtenant to, and may not be separated from, Ownership of any Lot.

Section 3.02. Term of Membership. Each Owner shall remain a Member until he or she no longer qualifies as such under Section 3.01, above. Upon the sale, conveyance or other transfer of an Owner's interest in a Lot, the Owner's membership interest appurtenant to the Lot shall automatically transfer to the Lot's new Owner(s).

Section 3.03. Multiple Ownership of Lots. Ownership of a Lot in the Project shall give rise to a single membership in the Association. Accordingly, if more than one (1) person owns a Lot, all of the co-Owners shall be deemed to be one (1) Member for voting purposes. Any one (1) of the multiple Owners shall be entitled to vote the membership, unless the secretary of the Association is 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 such notification does not occur and more than one (1) of the multiple Owners of a Lot attempts to vote the membership that is appurtenant to that Lot, the inspector of elections shall be empowered to disqualify that Member's vote. If a person or entity owns more than one (1) Lot in the Project, that Owner shall have one membership and membership voting rights with respect to each Lot owned.

Section 3.04. Furnishing Evidence of Membership. A person shall not be entitled to exercise the rights of a Member until such person has advised the secretary of the Association in writing that he or she is qualified to be a Member under Section 3.01, above, and, if requested by the secretary, has provided the secretary with evidence of such qualification in the form of a duly recorded grant deed to the Lot that gave rise to the membership.

### **ARTICLE IV MEMBERSHIP VOTING**

Section 4.01. Classes of Membership. The Association shall have a single class of membership comprised of those persons who are Owners of Lots in the Project.

Section 4.02. Member Voting Rights. On each matter submitted to a vote of the Members, whether (i) at a meeting of the membership, (ii) a vote conducted by written ballot in accordance with Section 4.06, below, or (iii) a secret ballot conducted in accordance with Section 7.05, below, each Member who is in Good Standing shall be entitled to have one (1) vote for each Lot that the Member owns. Single memberships in which two or more persons have an indivisible interest shall be voted as provided in Section 3.03, above.

Section 4.03. Eligibility to Vote. Only Members in Good Standing shall be entitled to vote with respect to any matter requiring the consent or approval of the Members. A Member's Good Standing shall be determined as of the record date established by the Board. (See Section 5.08 below).

Section 4.04. Manner of Casting Votes.

(a) Voting. Voting at any membership meeting shall be by written ballot; provided, however, that the voting in any election of directors or any other matter identified in subparagraph (b), below, shall be conducted by secret ballot in accordance with Civil Code section 5100 et seq., and Section 7.05, below. Cumulative voting shall not be allowed.

(b) Secret Ballot Voting Requirements. The following actions must be conducted by use of a secret ballot, with the vote of the Members conducted in accordance with the requirements of Section 7.05, below.

- (i) any vote of the Members to approve an increase in the Regular Assessment or imposition of a Special Assessment where Member approval is required under Civil Code section 5605(b);
- (ii) any vote for the election or removal of directors;
- (iii) any vote to approve amendments to the Governing Documents; and/or
- (iv) any vote authorizing the granting of exclusive use of Common Area property pursuant to Civil Code section 4600.

Except for the meeting conducted pursuant to Section 7.05, below (i.e., a meeting convened to count the secret ballots), a vote or election that is subject to the secret ballot voting requirements may be conducted entirely by mail.

Section 4.05. Proxies. Proxy voting shall not be permitted.

Section 4.06. Action by Written Ballot Without a Meeting.

(a) Written Ballots, Generally. A "written ballot" is a ballot which is mailed or otherwise distributed to every Member entitled to vote on the matter and which complies with the requirements of this Section. The determination to seek Member approval by written ballot shall be made by a majority vote of the Board of Directors. Any written ballot distributed to the Members to vote shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal. 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 Association in order to be counted; and (iii) the percentage of affirmative votes necessary to approve the measure. The written ballot shall be conducted in accordance with such additional procedures, not inconsistent with the provisions of this Section or applicable law, or as may be prescribed by the Board.

(b) Balloting Time Requirements. Written ballots shall be distributed to all eligible Members in Good Standing at least thirty (30) days prior to the final date the written ballots must be received by the Association in order to be counted.

(c) Requirements for Valid Member Action by Written Ballot. Membership approval by written ballot shall only be valid if: (i) the number of votes cast by ballot within the time



established by the Board for the return of ballots equals or exceeds the Quorum; and (ii) the number of affirmative votes equals or exceeds the number of affirmative votes that would have been required to approve the action at a formal membership meeting.

(d) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall publicize the tabulated results of the election to all Members by general notice (Civil Code section 4045) within thirty (30) days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter prior to conclusion of the stated balloting period is insufficient to satisfy the minimum Quorum requirements for valid Member action, the Board shall so notify the Members.

(e) No Revocation of Written Ballots. Once cast, a written ballot may not be revoked.

(f) Conduct of Informational Meetings. Use of the written ballot procedures shall not preclude the Association from also conducting informational meetings of the Members to provide information or a forum during the prescribed voting period or from scheduling a Board or membership meeting to coincide with the culmination of the prescribed balloting period.

Section 4.07. Majority Vote of Members Represented at Meeting Required for Valid Action. At a meeting, the affirmative vote of a Majority of a Quorum of the Members who are entitled to vote and voting on any matter (except where a secret ballot is required under Section 4.04(b)) shall be the act of the Members, unless the vote of a greater number is required by applicable law or by the Governing Documents of the Association.

## **ARTICLE V MEMBERSHIP MEETINGS**

Section 5.01. Place of Meeting. The meetings of the Members shall be held at the offices of the Association within the Project or at such other reasonable location and at such time as may be designated by notice of the Board of the meeting.

Section 5.02. Annual Meeting. The annual meeting of the Members shall be held in the month of June of each year at date, time and location set forth in the notice of the annual meeting. If it is unusually difficult to hold a meeting in that month, the Board may schedule it for any other month in its discretion so long as the proper notice is given.

Section 5.03. Special Meetings.

(a) Persons Entitled to Call Special Meetings. A majority of the Board, the president or five percent (5%) or more of the Members may call special meetings of the Members at any time to consider any lawful business for consideration by Members of the Association.

(b) Procedures for Calling Special Meetings Requested by Members. If a special meeting is requested by five percent (5%) or more of the Members, rather than being called by the Board of Directors or the 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 first-class, certified or registered mail to the president, the vice

president, or the secretary of the Association. Upon receipt of the Members' demand for a special meeting, the Board shall cause notice to be promptly given to the Members in Good Standing, that a meeting will be held, and the date, time and purpose for such meeting.

(c) Effect of Approval of Actions at a Special Membership Meeting for Which Voting by Secret Mailed Ballot is Required. In the event that a special meeting of the Members is called in response to a demand for the meeting received from petitioning Members pursuant to subparagraph (b) above, and a Majority of a Quorum of the Members present at the meeting in person approve an action that must be conducted by a secret ballot in accordance with Section 4.04(b), the action taken by the Members at the special meeting to approve the proposed action is merely a directive to the Board of Directors to prepare and distribute a secret written ballot to all Members and to comply with the other secret ballot voting requirements and procedures set forth in Section 7.05, below, so as to afford all Members the opportunity to vote on the proposal by secret ballot as required by these Bylaws and applicable law. It is only following the conduct of that mailed secret ballot vote that the underlying action may be approved and become effective.

(d) Special Meetings of Members to Vote to Reverse a Rule Change. In the event that five percent (5%) or more of the Members call for a special meeting pursuant to Civil Code section 4365 for the purpose of voting to reverse a rule change proposed by the Board of Directors, the Members' request for the special meeting must be delivered to the Association within thirty (30) days after the Members are notified of the proposed rule change. In lieu of calling a special meeting for the purposes described in this subparagraph (d), the Board of Directors, in its discretion, may distribute a written ballot to every Member of the Association in conformity with these Bylaws. The vote of Members on a proposed reversal of a rule change is not subject to the secret ballot voting procedures set forth in Civil Code section 5100 et seq. and Section 7.05 of these Bylaws.

#### Section 5.04. Notice of Members' Meetings.

(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 in Good Standing as of the record date for notice established in accordance with Section 5.08, below.

(b) Time Requirements for Notice. Except in the case of special membership meetings called in response to a valid demand by Members, notice of membership meetings shall be given not less than ten (10) nor more than ninety (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 twenty (20) days (nor more than ninety (90) days) before the meeting. When a meeting of the Members is called in response to a valid Member demand, the Board shall be obligated to send the Members a notice of the special meeting within twenty (20) days following receipt of the Members' demand and the meeting must be held on a date which is not less than thirty-five (35) nor more than ninety (90) days following the receipt of the request. If notice of the meeting is not given by the Association's Board within the twenty (20) days after receipt of the request, the Members requesting the meeting may give the notice.

(c) Minimum Requirements Regarding Content of Notice. Notices of meetings of the Members shall specify the place, date, and hour of the meeting and: (i) in the case of a special

meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving the notice, intends to present for action by the Members; but any proper matter may be presented at the meeting for such action so long as a Quorum is present. Certain significant actions may only be acted upon by the Members when the notice of the meeting has informed the Members that the matter or action is on the agenda for action (See (d) below).

(d) Specification of Certain Significant Actions. The notice must also state the general nature of the proposal to approve the following actions:

- (i) Removing a director without cause;
- (ii) Filling vacancies on the Board of Directors under those circumstances where a vote of the Members is required pursuant to Section 7.07(f), below;
- (iii) Amending the Articles of Incorporation of the Association, these Bylaws or the Declaration in any manner requiring approval of the Members;
- (iv) Approving a contract or transaction between the Association and one (1) or more of its directors, or between the Association and any corporation, firm or association in which one (1) or more of its directors has a material financial interest;
- (v) Approving any change in the Association's Assessments in a manner requiring membership approval under the Declaration; or
- (vi) Voting upon any election to voluntarily terminate and dissolve the Association.

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).

(e) Manner of Service. Notice of any meeting of Members shall be given either personally or by first-class mail, or other means of written communication (including facsimile transmission or electronic mail if a Member consents or indicates such consent in a written communication to the Association (including an email to the Association) to receive electronic transmissions of notices under Corporations Code section 20), charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. If no address appears on the Association'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 at the Member's Lot; (ii) notice is sent to that Member by first-class mail or other written communication to the Association's principal office, or (iii) 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 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 Association, and if so executed, shall be filed and maintained in the minute book of the Association. Such affidavit shall constitute prima facie evidence that proper notice was given.

Section 5.05. Quorum Requirements.

(a) Quorum Requirements Generally. The following Quorum requirements must be satisfied in order to take valid action at any meeting of the Members or by written ballot.

(i) Quorum for Votes on Assessment Increases; Special Assessments; Certain Significant Board Actions. In the case of any Member vote for the purpose of voting on Assessment increases requiring membership approval, or to vote on those matters requiring Member consent pursuant to Section 9.02(b), below, the Quorum requirement for valid action on the proposal shall be a majority of the Members; and

(ii) Quorum for Valid Action on Other Matters. In the case of any Member vote for any other purpose (except as otherwise provided in the Governing Documents or applicable law), the Quorum shall be twenty percent (20%) of the Members in Good Standing present at the meeting or returning a written ballot; provided, however, that at any meeting actually attended by less than one third (33.3%) of the Voting Power of the Association (but at which a Quorum is present), the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting.

(b) Effect of Departure of Members from Meeting. The Members present at a duly called or duly held meeting at which a Quorum is achieved may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a Quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a Quorum. If a Quorum is never established for the meeting, a majority of those Members who are present may vote to adjourn the meeting for lack of a Quorum but no other action may be taken or business transacted.

(c) Application of Quorum Requirements to Votes Conducted by Written or Secret Ballot. In any vote or election that is required to be conducted by use of a written or secret ballot, each ballot received by the inspector of elections from Members in Good Standing on or before the deadline established for the return of ballots shall be treated as a Member present at a meeting for purposes of establishing a Quorum.

Section 5.06. Adjourned Meeting.

(a) Adjournment, Generally. Any Members' meeting, annual or special, whether or not a Quorum is present, may be adjourned to another time and/or place by the vote of the majority of Members present at the meeting. Unless there is an absence of a Quorum (in which case no business other than adjournment may be transacted), at the reconvened meeting the Members may take any action that might have been transacted at the original meeting.

(b) Time Limitations for Reconvening an Adjourned Meeting. No meeting may be adjourned for more than forty-five (45) days. In addition, when adjournment is for lack of a

Quorum, the meeting shall be adjourned to a date that is not less than five (5) or more than thirty (30) days from the original meeting date.

(c) Notice Requirements for Adjourned Meetings. When a Members' meeting is adjourned to another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the Board sets a new record date.

Section 5.07. Waiver by Members. Attendance by a Member at a meeting shall also constitute a waiver of any objections such person may have with respect to notice of that meeting, except when the Member attends the meeting for the sole purpose of objecting at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 5.08. Record Dates for Member Notice, Voting and Giving Consents.

(a) Record Dates Established By the Board of Directors. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board of Directors may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. The record date shall not be more than sixty (60) days prior to the date of such action.

(b) Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the record date shall be close of business on the 60th day prior to the date of such other action or the date the written/secret ballots are sent to the members, whichever is later.

## **ARTICLE VI MEMBERSHIP RIGHTS**

Subject to the provisions hereof and the provisions of the Declaration, the Members shall have the following rights:

Section 6.01. Use and Enjoyment of Common Areas by Members and Family. Each Member in Good Standing shall be entitled to the use and enjoyment of all Common Areas within the Project, subject to the Association Rules.

Section 6.02. Tenants and Lessees. Each Member shall have the right to assign his or her rights as a Member (other than voting rights) to a tenant residing at the Member's Lot. Such assignment shall only be effective so long as said tenant is residing at said Lot and is in compliance with the Governing Documents as the same may exist from time to time. At all times the Owner shall remain responsible for compliance by Owner's lessee or

tenant with the provisions of the Governing Documents. Under no circumstance shall any Owner or tenant provide access or use of the Common Area to any person who is not leasing or renting a Lot except for immediate family, guests or invitees.

Section 6.03. Invitees and Guests. Owners may be fined and/or disciplined for violations of their tenants, family, invitees and/or guests. The Board shall be empowered to adopt rules and regulations to define who qualifies as an immediate family, invitee and guest of a Member. The Association may disallow the use of the Common Areas by persons who violate the Association Rules.

Section 6.04. Association Rules and Regulations. The Board shall have the right to adopt rules and regulations, and to impose monetary penalties or to temporarily suspend (which may continue during the period of non-compliance and up to one year thereafter, subject to limits imposed by the Act for Davis-Stirling prohibiting complete denial of access to a Member's Lot), the use and enjoyment of any Common Areas for the failure of a Member to pay any Assessments when due under the Declaration, or to comply with any other rule or regulation imposed upon such Member, his or her tenants or guests, pursuant to the Governing Documents; provided, however, that any such suspension shall only be imposed after the Member has been afforded the notice and hearing rights more particularly described in Section 13.06 of the Declaration. Such notice and hearing rights shall not apply to tenants, invitees or guests, and the Board may take action against these persons without following Section 13.06 of the Declaration.

## **ARTICLE VII BOARD OF DIRECTORS**

Section 7.01. General Association Powers. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, Davis-Stirling and any limitations contained in any of the Governing Documents relating to action required to be approved by the Members, the business and affairs of the Association shall be vested in and exercised by, the Association's Board of Directors. Subject to the limitations expressed in Article X below, the Board may delegate the management of the activities of the Association to any person or persons, management company or committee, provided that notwithstanding any such delegation the activities and affairs of the Association shall continue to be managed and all Association powers shall continue to be exercised under the ultimate direction of the Board.

Section 7.02. Number and Qualification of Directors. The Board of Directors shall be comprised five (5) natural persons who shall be Members in Good Standing. No Owners of the same Lot may serve on the Board concurrently.

Section 7.03. Term of Office. Directors shall serve for three (3) year terms of office on a staggered basis. Each director, including a director elected to fill a vacancy or elected at a special meeting of Members, shall hold office for the term for which the director has been elected and until a successor director has been elected and qualified. Persons serving on the Board are limited to two (2) consecutive full terms of office, but can (i) run again for election after being off the Board for one year or more, or (ii) run again immediately and be elected by acclamation if there are not enough candidates for election to fill all the Board seats up for election, as determined as of the date for close of nominations for candidacy as set by the Board.

Section 7.04. Nomination of Directors; Qualifications for Candidacy.

(a) Right of Self-Nomination. All nominations shall be by self nomination. Any individual who is a Member in Good Standing shall have the right to place his or her name in nomination for election to the Board of Directors so long as the Member tenders written notice to the Board of Directors of his or her desire to run for election at least forty-five (45) days prior to the date of the election. There shall be no nominations after this period, including from the floor at the annual members meeting called for the election.

(b) Good Standing Requirement. In order to be eligible for nomination and election to the Board, the Association secretary must certify that the candidate-Member is in Good Standing. Remaining current in the payment of Assessment obligations shall also be a continuing qualification for a sitting director's continued service on the Board of Directors, and failure to maintain Good Standing shall be cause for removal by the Board.

Section 7.05. Election of Directors; Ballot Tabulation and Retention Requirements. The Association shall conduct the election of directors and all other applicable Member voting in conformance with Davis-Stirling (see Civil Code section 5100 et seq.). The Board shall adopt operating rules for election and voting procedures that conform Davis-Stirling, and the Board shall periodically review and, if necessary, amend the rules to ensure they conform to the law. In the case of the election of directors, those candidates who receive the highest number of votes, up to the total number of positions on the Board to be filled, shall be the successful, elected candidates.

Section 7.06. Election by Acclamation. The election rules adopted by the Board shall prohibit write in candidates, nominations from the floor, and shall provide for election by acclamation if the number of duly nominated candidates for the open Board positions is equal to or less than the open Board positions. In that case, there shall be no circulation of secret ballots or election, and the duly nominated candidates shall be elected by acclamation without the formality of a secret ballot distribution or vote.

Section 7.07. Vacancies on Board of Directors.

(a) Vacancies, Generally. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation or removal of a director; (ii) an increase of the authorized number of directors; or (iii) the failure of the Members, at any meeting of Members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting.

(b) Resignation of Directors. Except as provided in this subparagraph, any director may resign, which resignation shall be effective on giving written notice to the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

(c) Authority of Board to Remove Directors. The Board of Directors shall have the power and authority to remove a director 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; or

(iii) fails to attend three (3) consecutive regular meetings of the Board of Directors or five meetings in any twelve-month period which have been duly noticed; or (iv) the director fails to remain in Good Standing with the Association. In exercising its discretion to remove a director for his or her failure to attend duly noticed meetings, the Board may consider in mitigation medical hardship, business travel, financial hardships, or other factors, being mindful, however, to the benefits that accrue to the Members, as a whole, from the active and regular participation of the full Board of Directors. In the event that the basis for removal of an incumbent director is the director's failure to remain current in the payment of assessment obligations to the Association, the Board shall take no action to declare the delinquent director's seat to be vacated unless and until the director has received a notice of the delinquency and a reasonable opportunity to cure.

(d) Authority of Members to Remove Directors. A director may also be removed from office prior to expiration of his or her term, with or without cause, by the affirmative vote of a Majority of a Quorum of the Members conducted in accordance with the secret ballot voting requirements.

(e) Removal by Court Action. The Plumas County Superior Court may, in response to a suit filed by any director or five (5%) percent of the Members, remove any director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion, or breach of the fiduciary duty of loyalty, with reference to the Association and its Members. The Association shall be made a party to any such action.

(f) Filling of Vacancies. Vacancies on the Board of Directors shall be filled by a majority vote of the remaining directors though less than a quorum, or by a sole remaining director unless the vacancy is created through removal of a director by action of the Members in which case the vacancy shall be filled by a vote of the Members conducted by secret ballot. The secret ballot of the Members for the removal of a director or directors may be combined with an election for the replacement director(s) to be effective only if the removal is approved by a Majority of a Quorum of the Members.

## **ARTICLE VIII MEETINGS OF THE BOARD OF DIRECTORS**

### Section 8.01. Place of Meetings; Meetings by Conference Telephone.

(a) Permitted Locations for Board Meetings. Except as otherwise provided in subparagraph (b), below, regular and special meetings of the Board of Directors may be held at any place within the County, or any other location approved by the Board that has been designated by 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 Association.

(b) Requirements for Conducting Board Meetings by Conference Telephone or Other Electronic Means. A regular or special meeting of the Board may be held by conference telephone, electronic video screen communications, or other communications equipment so long as the requirements of Davis-Stirling (see Civil Code § 4090(b)) are satisfied.



Section 8.02. Annual Meeting of Directors. Immediately following each annual meeting of Members, the Board of Directors shall hold a regular Board Meeting for the purpose of organization, election of officers, and the transaction of other business.

Section 8.03. Other Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, and, more often, if deemed necessary by the Board, at such time, place, and date set by the Board. If the Board adopts an annual schedule for the conduct of regular meetings and that schedule is communicated to all directors at the inception of the year, no further notice of a regular meeting shall be required unless the date, time or location for a particular regular meeting is changed for any reason, in which case, notice shall be provided to all directors.

Section 8.04. Special Meetings of the Board. Special meetings of the Board of Directors for any purpose may be called at any time by the president or any two (2) directors.

Section 8.05. Notice of Board Meetings.

(a) Minimum Time Requirements for Giving Notice to Directors. In the case of any special meeting of the Board, and if the Board has not fixed the time and location for regular meetings and provided each director with the schedule for the conduct of regular meetings, notice shall be communicated to each Board member not less than four (4) days prior to the date of the meeting; provided, however, that if the meeting qualifies as an emergency meeting or is a special meeting that can be called in executive session the time for providing notice is forty-eight (48) hours prior to the meeting, unless notice is given by first-class mail in which case the four (4) day notice requirement remains in effect. Notice of a meeting of the Board need not be given to any director who has signed a waiver of notice or a written consent to the conduct of the meeting or an approval of the minutes of the meeting (whether before or after the meeting) or who attends the meeting without protesting, prior thereto or at the commencement of the meeting, the lack of notice to that director.

(b) Manner of Giving Notice to Directors. Each director shall be entitled to receive notice of meetings by any one of the following means: by first-class mail, by personal delivery, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, by facsimile, electronic mail, or other electronic means (so long as the director has provided his or her consent to the receipt of notices by electronic transmission).

(c) Notice Contents. The notice of any meeting of the Board shall state the time, place, and purpose of and agenda for the meeting.

(d) Members' Right to Receive Notice of Board Meetings. All Members of the Association shall be given notice of the time and place of all Board meetings except for "emergency meetings" (as defined in subparagraph (e), below), at least four (4) days prior to the date of the meeting. Unless an executive session meeting of the Board is called as an "emergency meeting" Members are entitled to receive notice of executive session meetings at least two (2) days prior to the meeting, even though the Members may be excluded from attending the executive session under most circumstances. Notices of Board meetings shall include the agenda

for the meeting and shall be given by mail to any Member who has requested notification of Board meetings by mail, at the address requested by the Member. On Member request, notice may also be given to that Member by mail or delivery of the notice to each Lot in the Project or by newsletter, or similar means of communication, or with the consent of the recipient Member, by electronic means.

In addition to the foregoing general notice requirements for Members, if a particular Member or Members are scheduled for possible disciplinary action on the agenda for a Board meeting, the Board must notify the subject Member(s) in writing, by either personal delivery or first-class mail, at least ten (10) days prior to the date of the meeting. Any such special notice of possible disciplinary action must contain, at a minimum, the date, time and location of the meeting, the nature of the alleged violation for which the Member(s) is/are being considered for disciplinary action, and a statement that the Member(s) has/ have a right to attend the meeting and address the Board concerning the disciplinary matter, and that the Member may request the disciplinary hearing to be in executive session.

(e) Definition of an Emergency Meeting. For purposes of the Member notification requirements set forth in subparagraph (d), above, an "emergency meeting" of the Board means a meeting called by the president or by any two (2) members of the Board under circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board and which of necessity make it impracticable to provide prior notice to the Members. Notice of emergency meetings must still be provided to each director at least four (4) days in advance of the meeting if the notice is given by mail and at least forty-eight (48) hours prior to the meeting when notice is delivered to a director by one of the other means stated above where feasible under the circumstances.

Section 8.06. Attendance by Members; Common Interest Development Open Meeting Act Provisions. The Board must conduct all meetings in accordance with Davis-Stirling, including the California Common Interest Development Open Meeting Act (California Civil Code section 4900 et seq.) as it may be amended from time to time.

(a) Right of Members to Speak at Meetings. The Board of Directors shall permit any Member to speak at any meeting of the Members or of the Board of Directors, except for Board meetings that are held in executive session pursuant to subparagraph (e), below. Reasonable time limitations can be imposed by the Board or the chairman of the meeting on presentations or statements by Members and, in the case of Board meetings, the agenda for the meeting can designate a specific time for Member statements and comments.

(b) Meeting Agendas; General Restriction of Action to Items on the Agenda. Any notice of Board meetings that is required by law to be distributed or made available to the Members must include an agenda for the meeting. Except as otherwise provided below, the Board of Directors may not discuss or take action on any item at a non-emergency meeting of the Board unless the item was placed on the agenda that was included in the notice given to the Members. Members who are not on the Board may, however, speak on issues that are not on the agenda. Notwithstanding the general rule that Board actions must be restricted to items shown on the meeting agenda, a member of the Board of Directors, a managing agent or other agent of the

Board, or a member of the staff of the Board of Directors may respond or take actions as permitted by Davis-Stirling.

(c) Executive Sessions.

(i) Definition of What Constitutes an Executive Session. An executive session meeting is a meeting that is conducted by the Board of Directors that is not open to attendance by all Members and which is convened to consider and potentially to act upon one or more of the following matters only: (i) litigation in which the Association is or may become a party; (ii) matters relating to the formation of contracts with third parties; (iii) Member discipline; (iv) personnel matters, (v) to meet with a Member, upon the Member's request, regarding the Member's payment of Assessments; or (vi) other items permissible for executive session under Davis-Stirling.

(ii) Reporting of Executive Session Meetings in the Minutes. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following Board meeting that is open to the entire membership.

(d) Board Meeting Minutes; Right of Members of Obtain Minutes. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors, other than minutes of an executive session, shall be available to the Members within thirty (30) days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement of the Association's costs in making that distribution.

Section 8.07. Quorum Requirements. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 8.09, below. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors 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, the Articles or by law.

Section 8.08. Waiver of Notice. The transaction of any meeting of the Board of Directors, 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 directors not present, individually or collectively, signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The requirement of notice of a meeting shall also be deemed to have been waived by any director who attends the meeting without protesting the lack of proper notice either before or at the inception of the meeting.

Section 8.09. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of adjournment to any other time or place shall be given prior to the time of the adjourned meeting to the directors who are not present at

the time of the adjournment. Except as provided above, notice of adjournment need not be given.

Section 8.10. Compensation. Directors, officers 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 Directors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.

## **ARTICLE IX DUTIES AND POWERS OF THE BOARD**

Section 9.01. Specific Powers. Without prejudice to the general powers of the Board of Directors, the directors shall have the power to:

(a) Exercise all powers vested in the Board of Directors under the Governing Documents of the Association and under the laws of the State of California.

(b) Appoint and remove all officers of the Association, the Association's General Manager, property manager or property management company, if any, (subject to any contractual obligations that may exist) and other Association employees; prescribe the 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 Association, and to fix their duties and to establish their compensation.

(d) Adopt and establish rules and governing the use of the Common Areas within the Project, 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; provided notice and a hearing are provided for such disciplinary hearings. Rules and regulations adopted by the Board may contain reasonable variations and distinctions as between Owners and tenants.

(e) Enforce all applicable provisions of the Governing Documents relating to the control, management, and use of the Lots, Common Areas and roads within the Project.

(f) Contract for and pay premiums for fire, casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time to be maintained by the Association pursuant to Article X of the Declaration

(g) 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, or other portions of the Project, if any, that the Association is obligated to maintain, repair or replace.

(h) Pay all taxes, special assessments and other assessments and charges which are or would become a lien on any portion of the Common Areas.

(i) Contract for and pay for construction or reconstruction of any portion or portions of the Project that the Association is obligated to maintain, repair and replace pursuant to Article XI of the Declaration and which have been damaged or destroyed and which are to be rebuilt.

(j) Delegate its duties and powers hereunder to the officers of the Association or to committees established by the Board, subject to the limitations expressed in Section 10.01, below.

(k) Levy and collect Assessments from the Members of the Association.

(l) Perform all acts required of the Board of Directors under the Declaration, these Bylaws and the other Governing Documents of the Association.

(m) Prepare budgets and maintain a full set of books and records showing the financial condition of the affairs of the Association 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 Section 12.05, below.

(n) Appoint such other committees as it deems necessary from time to time in connection with the affairs of the Association in accordance with Article X, below.

(o) Fill vacancies on the Board of Directors or in any committee, except for a vacancy created by the removal of a Board member by action of the Members.

(p) Open bank accounts and borrow money on behalf of the Association and designate the signatories to such bank accounts.

(q) Bring and defend actions on behalf of the Members in common or the Association to protect the interests of the Members in common or the Association, as such, so long as the action is pertinent to the operations of the Association, and assess the Members for the cost of such litigation.

(r) Enter Lots as necessary, subject to the notice requirements of the Declaration, in connection with construction, maintenance or emergency repairs for the benefit of the Common Areas or the Owners in common.

Section 9.02. Limitations on Powers of the Board.

(a) Prohibited Actions. The Association is prohibited from taking any of the following actions:

(i) Denial of Access to Lots. Except as otherwise provided in law, or order of the court, or an order pursuant to a final and binding arbitration decision, the Association shall

not deny a Member or occupant physical access to his or her Lot either by restricting access through the Common Areas to the Lot or by restricting access solely to the Lot;

(ii) Assignments or Pledges of Future Assessment Obligations. The Association may not voluntarily assign or pledge the Association's right to collect payments or Assessments or to enforce or foreclose a lien to a third party except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or State law when acting within the scope of that charter or license as security for a loan obtained by the Association; however, the foregoing provision may not restrict the right or ability of the Association to assign any unpaid obligations of a former Member to a third party for purposes of collection;

(iii) Rules Unreasonably Restricting Sales. The Association shall not adopt a Rule or regulation that arbitrarily or unreasonably restricts an Owner's ability to market the Lot;

(iv) Exclusive Broker Relationships. The Association shall not establish an exclusive relationship with a real estate broker through which the sale or marketing of Lots is required to occur; or

(v) Use of Association Funds for Campaign Purposes. The Association shall be prohibited from using any Association funds for campaign purposes in connection with the election of directors and shall follow all requirements of Davis-Stirling. (See Civil Code § 5135)

(b) Board Actions Requiring Member Approval. The Board of Directors shall not take any of the following actions without the consent of a simple majority of the Members constituting a Quorum of more than fifty percent (50%) of the Voting Power of the Members of the Association:

(i) Enter into a contract with a third party for the furnishing of goods or services to the Common Areas or the Association for a term longer than three (3) years.

(ii) Incur aggregate expenditures for capital improvements to the Common Areas in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that year.

(iii) Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(iv) Pay compensation to members of the Board of Directors or the officers of the Association; provided, however, that directors and officers can be reimbursed for reasonable out-of-pocket expenses, verified in writing, incurred in carrying on the business of the Association.

(v) Remove any director or fill any vacancy on the Board of Directors created by the removal of a director by election of the Members.

## **ARTICLE X COMMITTEES**

Section 10.01. Committees of the Board. The Board is not required to appoint any committees but may, in its discretion, appoint the following Committees which, if established, shall be appointed bi-annually by the Board of Directors:

(a) Architectural Control Committee. If the Board deems it necessary to appoint an Architectural Control Committee, that committee will have the responsibility of reviewing all plans for proposed Improvements that require Committee approval pursuant to the Declaration. This Committee may also prepare amendments to the Architectural Rules for review and approval by the Board. This Committee shall perform other duties as may be designated by the Board. Nothing in this section shall be construed to require the Board to appoint such a committee.

(b) Covenants Committee. The Board has the authority to appoint a Covenants Committee to enforce the Governing Documents. Nothing in this section shall be construed to require the Board to appoint such a committee.

Section 10.02. Other Committees. In addition to the Committees designated in section 10.01, the Board of Directors shall be authorized and empowered to appoint additional committees to assist the Board and management in the effective pursuit of the Association's business and affairs. Such committees, if appointed, shall be advisory to the Board and the scope of their authority shall be as stated in the resolution creating the committee. Only members in Good Standing may serve on Association committees. Nothing in this section shall be construed to require the Board to appoint such committees.

Section 10.03. Organization of Committees. It shall be mandatory, at the next regular Board meeting after election of the President, that the Chairperson of the Committees described in Section 10.01, if created by the Board, above, be appointed by the President, with the advice and consent of the Board.

(a) Appointment of Committee Members. The Chairperson of each committee shall select and appoint the other members of the committee from the membership at large and the Chairperson shall be empowered to appoint chairmen of the respective subcommittees which have been established by the Board.

(b) Composition of Committees; Terms of Service. Unless described differently herein or in the charter forming the committee, all Standing Committees shall have not less than three (3) members. The terms for service of each member of a committee (other than the person designated by the President of the Association as Chairperson) shall be one (1) year. The committee Chairperson shall have the discretion to allow members to serve up to two (2) successive additional terms on the same committee. The limitation on the number of terms of service shall not apply to the committee Chairperson. The above requirements shall apply to all committees other than committees appointed by the President from time to time to serve a single and limited purpose.

Section 10.04. Powers of Committees. If created by 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 which, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the Members.
- (b) Fill vacancies on the Board of Directors or on any committee which 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 Directors which by its express terms is not so amendable or repealable.
- (e) Appoint any other committees of the Board of Directors or designate the members of those committees.
- (f) Approve any transaction: (i) to which the Association is a party and one or more directors have a material financial interest; or (ii) between the Association and one or more of its directors or between the Association or any person in which one or more of its directors have a material financial interest.

Section 10.05. Meetings and Actions of Committees. Duly appointed committees of the Association shall meet with such frequency as is considered necessary or appropriate to accomplish the tasks and to perform the duties that have been delegated to the committee. The committee meetings may, but need not, be open to the Members and are not subject to the Davis-Stirling Open Meeting Act. All members of a committee shall receive at least forty-eight (48) hours' prior notice of meetings. Notices may be given in writing, electronically, or in person or by telephone (so long as committee member responds to the call or a voice mail message is left). Unless otherwise provided in the Board resolution establishing the committee, minutes shall be kept of each meeting of any committee and shall be filed with the Association records. The Board of Directors may adopt additional rules, not inconsistent with the provisions of these Bylaws, for the governance of any committee. Unless otherwise provided in the Board resolution appointing a committee, all actions of committees established pursuant to this Article X shall be recommendations to the Board and no committee shall have authority to bind the Association.

## **ARTICLE XI OFFICERS**

Section 11.01. Officers. The officers of the Association shall be a president, a secretary and a treasurer. The Association may also have, at the discretion of the Board, one or more assistant secretaries, one or more assistant treasurers, a vice president, and such other officers as may be appointed in accordance with the provisions of Section 11.03, below. Any person may hold two or more offices, except that neither the secretary nor the treasurer may serve concurrently as president.



Section 11.02. Election of Officers. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 11.03 below, shall be chosen annually by majority vote of the Board at its first regular meeting following the annual meeting of the Members or the election of directors, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

Section 11.03. Subordinate Officers. The Board may appoint, and may empower the president to appoint, such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws and as the Board may from time to time determine.

Section 11.04. Removal of Officers. Any officer may be removed, either with or without cause, by the Board at any regular or special meeting.

Section 11.05. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the president or to the secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 11.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 11.07. President. The president shall be elected by the Board from among the directors. The president shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. The president shall preside at all meetings of the Board, and shall have the general power and duties of management 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.

Section 11.08. Vice President. If the Board deems it necessary to have a vice president, the vice president shall be elected by the Board from among the directors. 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 the Bylaws.

Section 11.09. Secretary. The secretary shall be elected by the Board from among the directors. 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 directors 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 directors' 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 Association, together with their addresses. The secretary shall give, or cause to be given, notice of all meetings of the Board required by the Bylaws or by law to be given, and the secretary shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by the Bylaws.

Section 11.10. Treasurer. The treasurer shall be elected by the Board from among the directors. The treasurer shall: (a) keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements; (b) deposit all monies and other valuables in the name and to the credit of the Association with such depositaries as may be designated by the Board; (c) disburse the funds of the Association as may be ordered by the Board; (d) render to the president and directors whenever they request it, an account of all of the chief financial officer's transactions as treasurer and of the financial condition of the Association; and (e) shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws. The books and records shall at all reasonable times be open to inspection by any director or Member. If required by the Board, the treasurer shall give the Association a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the treasurer's office and for restoration to the Association of all its books, papers, vouchers, money, and other property of every kind in the officer's possession or under the officer's control on the officer's death, resignation, retirement, or removal from office.

## **ARTICLE XII**

### **MEMBER ASSESSMENT OBLIGATIONS AND ASSOCIATION FINANCES**

Section 12.01. Description of Assessments to Which Owners Are Subject. Owners of Lots within the Project are subject to Regular, Special, Special Individual and Emergency Assessments.

Section 12.02. Checks. All checks or demands for money and notes of the Association 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 Directors may from time to time designate. Notwithstanding the foregoing, any withdrawal of funds from Association reserve accounts shall require the signature of two directors or an officer (who is not also a director) and a director.

Section 12.03. Operating Account. 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 Project.

Section 12.04. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes, including reserve accounts for replacement of

capital improvements. All Association books of account shall be maintained in accordance with generally accepted accounting principles.

Section 12.05. Budgets and Financial Statements. The financial statements and related information for the Association shall be regularly prepared and copies thereof shall be distributed to each Member of the Association in accordance with Davis-Stirling. (See Civil Code §§ 5300-5320). On no less than a quarterly basis, the Board of Directors shall take the actions identified in Civil Code section 5500.

Section 12.06. Required Reserve Studies. The Board shall conduct such reserve studies as required under Davis-Stirling and the minimum requirements specified in Civil Code section 5550 et seq.

Section 12.07. Statutory Assessment and Reserve Funding Disclosure Summary. The disclosures required by the Association pursuant to this Article XII may be presented to the Members in summary form using the form that is set forth in Civil Code section 5570. The form required by the Civil Code may be supplemented so long as the minimum information set out in the statute is provided.

### **ARTICLE XIII OTHER REQUIRED REPORTS AND DISCLOSURES TO MEMBERS**

In addition to the documents that the Association is required to distribute to the Members pursuant to Article XII, above, various statutes applicable to common interest developments and Owner associations require that the following disclosures and information be provided to the Members of the Association on an annual or other periodic basis or in response for a request for the information by a Member, including, without limitation, Civil Code sections 4765, 4950(b), 5300-5325, 5730, 5900-5925, and 5925-5965. The Association also must provide notice to its members of any "rule change" and follow the procedures set forth in Civil Code sections 4340-4370.

### **ARTICLE XIV MISCELLANEOUS**

Section 14.01. Inspection of Books and Records.

(a) Member Inspection Rights.

(i) Scope of Inspection Rights of Members. All accounting books and records, minutes of proceedings of the Members, the Board and committees of the Board, the membership list of the Association, and other documents that are defined as "association records" or "enhanced association records" shall at all times, during reasonable business hours, be subject to the inspection of any Member in accordance with the requirements and restrictions set forth in Civil Code section 5200 et seq.

(ii) Association's Right to Withhold Information. The Association has the right to withhold or redact information from the accounting books and records and the minutes of

proceedings for any of the following reasons: (A) the release of the information is reasonably likely to lead to identity theft (i.e., the unauthorized use of another person's personal identifying information to obtain credit, goods, services, money or property); (B) the release of the information is reasonably likely to lead to fraud in connection with the Association; or (C) the information is privileged by law. Salary and other information for individual employees shall be presented only by job classification or title, and not by use of the employee's name, social security number or other personal information.

(iii) Cost of Copies. The Association may bill the requesting Member for its actual, reasonable costs for copying and mailing requested documents so long as the Association informs the Member of the amount of the copying and mailing costs before sending the requested documents. Nothing in this subparagraph (iii)) shall be construed to obligate the Association to make copies of requested documents or to organize or compile specific information or categories of information sought by a requesting Member under circumstances where the Association has made the information available for inspection and copying by the Member or his or her agent.

(b) Director Inspection Rights. Every director shall have an absolute right at any reasonable time to inspect all books, records, documents and minutes of the Association and the physical properties owned by the Association. The right of inspection by a director includes the right to make extracts and copies of documents. All directors should consider their fiduciary obligations to act in good faith and in a manner the director believes to be in the best interests of the Association in determining what use and/or dissemination is to be made of information obtained in the director's exercise of his or her inspection rights.

(c) Adoption of Reasonable Inspection Rules. The Board of Directors 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 14.02. General Manager and/or Property Manager. The Board of Directors may, from time to time, employ the services of a manager or property management company to manage the affairs of the Association 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 or management company any of its day-to-day management and maintenance duties and powers under these Bylaws and the Declaration, provided that the manager or management company shall at all times remain subject to the general control of the Board.

Section 14.03. Corporate Seal. The Association shall have a seal in circular form having within its circumference the words "Plumas Pines II HomeOwners Association," Incorporated July 24, 1990 in the State of California."

Section 14.04. Roberts Rules of Order. In the event of a question or 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 14.05. Fiscal Year. The fiscal year of the Association shall be July 1 to June 30.

Section 14.06. Amendment or Repeal of Bylaws.

(a) Member Approval Requirements. These Bylaws may be amended or revoked in any respect by the affirmative vote of a majority of a Quorum. Notwithstanding the foregoing, the percentage of the Voting Power necessary to amend a specific clause or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Any vote to amend these Bylaws shall be conducted in accordance with the secret ballot voting procedures set forth above.

Section 14.07. Notice Requirements. Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally, by mail, or by email where the Member has agreed to accept email delivery of notices. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Association or the Board of Directors at the principal office of the Association as designated from time to time by written notice to the Members; if to a director, at the address from time to time given by such director 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, to the address of any Lot within the Project owned by such Member. If a Member has consented to receiving notices by email, which consent may be documented in an email from a Member indicating such consent, then the Association may send all notices hereunder to that Member's email address and such notice shall be effective for all purposes unless the Member's consent is revoked by the Member in writing.

Section 14.08. Indemnification of Agents.

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

(b) Approval of Indemnity by Association. On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine in accordance with Corporations Code section 7237(e) whether the applicable standard of conduct set forth in 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 directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to the proceeding, the Board shall

promptly call a meeting of Members. At that meeting, the Members shall determine under Corporations Code section 7237(e) whether the applicable standard of conduct set forth in section 7237(b) or section 7237(c) has been met and, if it has, the Members present at the meeting shall authorize indemnification.

(c) 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 person seeking indemnification under paragraphs (a) and (b) of this Section in defending any proceeding covered by those sections shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

(d) Insurance. The Association shall have the power to purchase and maintain insurance on behalf of its directors, officers, employees and other agents against other liability asserted against or incurred by any director, officer, employee or agent in such capacity or arising out of the director's, officer's, employee's or agent's status as such.

Section 14.09. 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, except to the extent superseded by Davis-Stirling. 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 Bylaws 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 THE SECRETARY

The undersigned Secretary of Plumas Pines II HomeOwners Association hereby certifies that the above and foregoing First Restated Bylaws, consisting of 30 pages, were duly adopted and approved by the Board and by a Majority of the Members of the Association, and that they now constitute the Bylaws of the Association and supersede and replace all prior Bylaws in their entirety, effective as of this 17 day of OCTOBER, 2015.

**PLUMAS PINES II HOMEOWNERS ASSOCIATION,**  
a California nonprofit mutual benefit corporation

By: Robert E. Darling  
**ROBERT E. DARLING, Secretary**