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AMENDED BYLAWS OF
WEST ALMANOR COMMUNITY CLUB**

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**AMENDED BYLAWS OF
WEST ALMANOR COMMUNITY CLUB**

ARTICLE 1 NAME AND LOCATION

- 1.1 Name and Location. The name of the corporation is West Almanor Community Club, which is hereinafter referred to as the "Association." The principal office of the Association shall be located in Plumas County, California.

ARTICLE 2 DEFINITIONS

- 2.1 Articles. "Articles" shall mean the Articles of Incorporation of West Almanor Community Club, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.
- 2.2 Association. "Association" shall mean West Almanor Community Club, its successors and assigns.
- 2.3 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.
- 2.4 Bylaws. "Bylaws" shall mean the Bylaws of the Association as they shall be adopted by the Board of Directors and Members and any duly-adopted amendments thereof.
- 2.5 Common Area. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners and Residents of the Development, including but not necessarily limited to Areas "A", "C", "D", "E", "E-1", "E-2", "G", and "H", as shown on the Maps as defined in the Declaration.
- 2.6 Contract Purchaser/Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller,

respectively, under an installment land contract in which title to the property is transferred after the final installment payment is made.

- 2.7 **Declaration.** "Declaration" shall mean the Amended Declaration of Covenants, Conditions and Restrictions of West Almanor Community Club, recorded in the Office of the County Recorder of Plumas County, California, and any amendments thereof.
- 2.8 **Development.** "Development" shall mean all the real property described in Exhibit "B" to the Declaration comprising West Almanor Community Club, including such additions thereto as may hereafter be brought within the jurisdiction of the Association. Portions of Lot 198 as shown on the Map of Lake Almanor West Unit No. 4 have been further subdivided as shown on the Maps of Lake Almanor West Unit No. 5, the Maps of Top of the West Units No. 1, No. 2, and No.3, and the Subdivision Map and Condominium Plan of West Almanor Heights Unit One.
- 2.9 **Governing Documents.** "Governing Documents" shall mean the Articles, Bylaws, Declaration, and Rules, and the policies and resolutions adopted by the Board and distributed to the Members.
- 2.10 **Lot.** "Lot" shall mean the numbered plots of land shown upon the recorded subdivision maps of Lake Almanor West Units No. 1, No. 2, No. 3, No. 4, and No. 5, and Top of the West Units No. 1, No. 2, and No. 3, and any recorded subdivision map of all or any portion of the Remaining Lands, and the numbered condominium units shown upon the recorded Condominium Plan for West Almanor Heights Unit No. 1 or any recorded condominium plan of all or any portion of the Remaining Lands. The total number of Lots in the Development shall not exceed eight hundred (800). No Lot may be divided into two or more lots or parcels, subdivided, merged, resubdivided, or split. Without limiting the generality of the preceding sentence, the use of more than one Lots as the site of a single Residence shall not be deemed a merger of the Lots involved and shall not affect the Owner's obligation to pay Assessments with respect to all of the Lots involved.
- 2.11 **Member.** "Member" shall mean an Owner.
- 2.12 **Member in Good Standing.** "Member in Good Standing" shall mean a Member of the Association who is current in the payment

of all assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents and who is in compliance with all of the provisions of the Governing Documents.

- 2.13 **Owner**. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Development, including Contract Sellers, but excluding Contract Purchasers and excluding those persons having such interest merely as security for the performance of an obligation.
- 2.14 **Remaining Lands**. "Remaining Lands" shall mean: those portions of Lot 198 as shown on the Map of Lake Almanor West Unit No. 4 which as of the recordation of this Declaration have not been further subdivided as shown on the recorded Maps of Lake Almanor West Unit No. 5, and Top of the West Units No. 1, No. 2, and No. 3, and the Condominium Plan of West Almanor Heights Unit No. 1; Lots 27, 28, & 29 of Top of the West Unit No. 1; and Lot 50 of Lake Almanor West Unit No.5.
- 2.15 **Residence**. "Residence" shall mean a residential structure located upon a Lot which is designed for human residential use and occupancy and shall include condominiums.
- 2.16 **Resident**. "Resident" shall mean any person who resides on a Lot within the Development whether or not such person is an Owner as defined in Section 2.13 above.
- 2.17 **Rules**. "Rules" shall mean the rules, regulations, and policies governing the use, occupancy, management, administration, and operation of the Development or any part thereof as adopted and published by the Board of Directors from time to time.
- 2.18 **Total Voting Power**. "Total Voting Power" shall mean the number of votes eligible to be cast at any time, calculated on the basis of one vote for each Lot, excluding any Lot as to which an Owner is not then a Member in Good Standing.

ARTICLE 3 MEMBERSHIP AND VOTING

- 3.1 **Membership**. Membership in the Association shall include, and shall be limited to, all Owners of any Lot located within the

Development. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Upon becoming the Owner of a Lot, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as his or her Lot ownership ceases for any reason. Membership in the Association shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Lot to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Lot. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a Lot including a transfer upon the death of an Owner, Membership in the Association shall pass automatically to the transferee.

3.2 Voting. Members in Good Standing shall be entitled to cast one (1) vote for each Lot owned. In the event more than one (1) person owns a given Lot, the vote for such Lot shall be exercised as the Owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If the joint Owners of a Lot are unable to agree among themselves as to how their vote or votes are to be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Lot. The vote at any meeting of Members may be by voice vote or by ballot; provided, however, that all elections of Directors must be by ballot.

3.3 Delegation of Membership Rights. A Member who has sold his Lot to a Contract Purchaser shall be entitled to delegate to such Contract Purchaser his or her rights and privileges of membership in the Association and shall be deemed to have delegated to a Contract Purchaser who has assumed occupancy of the Member's Residence all rights of use and enjoyment of the Common Area. No delegation of any membership rights or privileges to a non-resident Contract Purchaser shall be binding, however, until the Board of Directors has been notified thereof in writing. Notwithstanding any delegation, until fee title to the Lot has been transferred of record, a Contract Seller shall remain liable for all assessments, fines, and other charges imposed by the Board and for compliance with the Governing Documents by all Residents of his or her Lot. In the case of Lots that have been improved with

a Residence, any Member who has leased or rented his or her Residence to another person or persons shall in all events be deemed to have delegated to his or her tenants all rights of use and enjoyment of the Common Area. It is the express purpose and intent of the provisions of this Section 3.3 to limit the right of use and enjoyment of the Common Area to Owners of unimproved Lots and Residents of the Development and their guests.

- 3.4 Record Date. The Board of Directors may fix a time not more than ninety (90) days and not less than ten (10) days preceding the date of any meeting of the Members as a record date for determining the Members entitled to notice of and to vote at any such meeting. If the Board sets a record date, only those persons or entities identified as Members in Good Standing in the records of the Association on the date so fixed shall be entitled to notice of and to vote at such meeting. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to notice of and to vote at any meeting shall be the thirtieth (30th) day preceding the date of the meeting as of 8:00 a.m. on such day.

ARTICLE 4 MEETINGS OF GENERAL MEMBERSHIP

- 4.1 Annual Meeting. The Annual Meeting of the Members shall be held during the month of July of each year, on a date and at a time and place to be designated by the Board of Directors, upon proper written notice to all of the Members entitled to notice and to vote.
- 4.2 Special Meetings. Special Meetings of the Members may be called at any time by the President or by the Board of Directors or pursuant to the written request of Members entitled to cast at least five percent (5%) of the Total Voting Power of the Membership.
- 4.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or other person authorized to call a meeting. Written notice shall be mailed first class, postage prepaid, or otherwise delivered at least ten (10) but not more than ninety (90) days before such meeting, to each Member entitled to vote at such meeting, except in the

case of a special meeting called pursuant to the request of Members. In the case of a special meeting called pursuant to a written request of Members as provided in Section 4.2, notice of such special meeting shall be mailed or otherwise delivered within twenty (20) days after receipt of such written request by the Board, and the date of such special meeting shall be set by the Board and shall be not sooner than thirty-five (35) days nor later than ninety (90) days after the date of the Board's receipt of such written request. Notice of meetings shall be addressed or otherwise delivered to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Notice of any meeting of Members shall specify the date, hour, and place of the meeting, and the general nature of those matters which the Board intends to present for action by the Members. If the meeting is actually attended, in person or by proxy, by less than one-third (1/3) of the Total Voting Power of the Association, the Members can act only on matters the general nature of which has been set forth in the notice of such meeting.

- 4.4 Conduct of Meetings. All meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt.
- 4.5 Place of Meetings. Annual and special meetings of the Members shall be held at a location within the Development, provided that the Board may designate, by resolution, a convenient place located as close as reasonably practicable to the Development.
- 4.6 Quorum. The presence at any meeting, in person or by proxy, of Members entitled to cast at least one-third (1/3) of the Total Voting Power of all the Members shall constitute a quorum for the transaction of any business, subject to the last sentence of Section 4.3 of these Bylaws and except as otherwise provided in the Governing Documents. If such quorum shall not be present or represented at any meeting, the Members otherwise entitled to vote at that meeting shall have power to adjourn the meeting from time to time, to be reconvened on a date not more than forty five (45) days from the date of the adjourned meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. At the continuation of any meeting so adjourned, the presence in person or by proxy of Members entitled

to cast at least twenty-five percent (25%) of the Total Voting Power of all of the Members shall constitute a quorum.

- 4.7 Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary. Every proxy shall be revocable, and no proxy shall be valid after the expiration of eleven months from the date of its execution. A proxy shall automatically cease upon conveyance by the Member of his or her Lot.
- 4.8 Vote of the Members. If a quorum is present, in person or by proxy, the affirmative vote of a majority of the voting power so present and voting on any matter shall constitute the act of the Members, unless the approval of a greater number or proportion of Members is required by any provision of the Governing Documents or of law.
- 4.9 Adjournment. Whether or not a quorum is present, any meeting of Members may be adjourned from time to time to be reconvened on a later date, by the vote of a majority of the Members present in person or by proxy at such meeting; however, in the absence of a quorum, no business other than adjournment may be transacted.
- 4.10 Action Without A Meeting.
- (a) Any action, other than the election of Directors, which may be taken at a regular or special meeting, may be taken without a meeting of Members, if the Association distributes a written ballot to every Member entitled to vote. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association, which shall be a date not earlier than thirty (30) days after distribution of the written ballot to the Members.
 - (b) Approval by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum that would be required if the action were taken at a meeting, and the number of approvals equals or exceeds the number of votes that would be required to approve the action if it

were taken at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

- (c) The ballot solicitation shall identify both the number of responses needed to meet the quorum requirement and the percentage and/or number of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.

ARTICLE 5 BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

- 5.1 Number and Qualification of Directors. The affairs of this Association shall be managed by or under the direction of a board of five Directors. Only persons who are Members in Good Standing of the Association shall be eligible to be elected to the Board.
- 5.2 Election and Term of Office. At annual meetings of the Association, the Members shall, in alternate years, elect three (3) Directors and two (2) Directors, respectively, for terms of two (2) years each. Each Director shall serve until the expiration of his or her term and thereafter until a successor is elected, or until the earlier disqualification, death, resignation, or removal of such Director.
- 5.3 Removal. Any Director may be removed from the Board, with or without cause, by the vote of a majority of the Members voting at a meeting or by written ballot, provided the number of Members voting shall be sufficient to constitute a quorum. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.
- 5.4 Compensation. No Director shall receive compensation for any service he or she may render to the Association as a Director. However, upon approval by the Board, any Director may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.
- 5.5 Vacancies. A vacancy shall exist on the Board of Directors in the event of the disqualification, death, resignation, or removal of any

Director, or if the authorized number of Directors is increased, or if the Members fail to elect the full authorized number of Directors. A reduction in the authorized number of Directors shall not cause removal of a Director prior to the expiration of his or her term. The Board of Directors shall have the right to declare the office of a Director vacant if the Director is found by a court of competent jurisdiction to be of unsound mind or is convicted of a felony; if within sixty (60) days after receiving notice of election, he or she fails to accept such office, either in writing or by attending a meeting as a Director; if he or she is absent from three (3) consecutive Board meetings, or if he or she ceases to be a Member in Good Standing.

- 5.6 Filling Vacancies. Any vacancy occurring on the Board of Directors, except a vacancy created by the removal of a Director, may be filled by approval of the Board of Directors, or if the number of Directors then in office is less than a quorum, by the vote of a majority of the remaining Directors at a meeting of the Board, or by unanimous written consent of the Directors then in office, or by a sole remaining Director. A Director so chosen shall serve the remainder of the term of office of the Director he or she replaces. The Members may elect a Director at any time to fill any vacancy not filled by the Directors. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board (or if the Board fails to act, the Members) may elect a successor to take office when the resignation becomes effective.

ARTICLE 6 NOMINATION AND ELECTION OF DIRECTORS

- 6.1 Nomination. Nominations of candidates for election to the Board of Directors shall be made by a Nominating Committee prior to any meeting of Members at which one or more Directors are to be elected. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors at the first regular meeting of the Board after the annual meeting of the Members to serve from the date of appointment until the close of the next annual meeting. The Nominating Committee shall nominate as many candidates for election to the Board of Directors as it shall in its discretion determine, but not less than the number of positions on

the Board that are to be filled at a particular meeting. All nominations shall be made from among Members in Good Standing. The names of all persons who have been nominated by the Nominating Committee to be candidates for election to the Board at a meeting of the Members shall be set forth in the notice of the meeting. Nominations may also be made from the floor during any such meeting.

- 6.2 Election. At each election of Directors, the Members or their proxies may cast, in respect to each position on the Board to be filled, one vote for each Lot owned. The persons receiving the largest number of votes shall be elected. The method for voting for Directors shall be as set forth in Section 3.2 of these Bylaws.

ARTICLE 7 MEETINGS OF DIRECTORS

- 7.1 Organizational Meetings. Within thirty (30) days after each annual meeting of Members, the Board of Directors shall hold a meeting for the purpose of organization, election of officers, and transaction of other business, as appropriate.
- 7.2 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly upon notice to the Directors, at a place within the Development and on a day and at a time as fixed from time to time by resolution of the Board or, upon proper notice which conforms to the provisions of Section 7.4 of these Bylaws, at another place, day, and time as set forth in such notice. Should the date for any meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. In the event the Board should determine that the business to be transacted by the Board does not reasonably justify monthly meetings, then regular meetings of the Board shall be held at such intervals as the Board may determine, but not less frequently than quarterly.
- 7.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two Directors.
- 7.4 Notice to Directors. Notice of each meeting of the Board shall be communicated to the Directors not less than four (4) days prior to a regular meeting, and not less than seventy-two (72) hours prior

to a special meeting; provided that shorter notice may be given in the case of a bona fide emergency; and provided further that notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, whether before or after the meeting.

- 7.5 **Notice to Members.** Except for executive session meetings and *bona fide* emergency meetings, as defined by law, at least four (4) days prior written notice of the day, time, and place of each meeting of the Board of Directors, whether regular or special, shall be given to all Members by posting it in a prominent place or places within the Common Area, by mailing or delivery to each Residence, by newsletter or by other means of communication reasonably designed to provide prior actual notice of such meeting.
- 7.6 **Open Meeting.** Regular and special meetings of the Board of Directors shall be open to all Members of the Association, except when the Board meets in executive session. A reasonable time limit for all Members to speak to the Board shall be established by the Board.
- 7.7 **Executive Session.** The Board of Directors may meet in executive session to confer with legal counsel or to discuss and vote upon personnel matters, Member discipline, litigation in which the Association is or may become involved, and matters that relate to the formation of contracts between the Association and others. In any matter relating to the discipline of an Association Member, the Board shall meet in executive session if requested to do so by that Member, and that Member and any other person(s) whose participation is, in the judgment of the Board, necessary or appropriate shall be entitled to attend the executive session.
- 7.8 **Action Taken Without a Meeting.** To the fullest extent permitted by law, the Directors shall have the right to take any action without a meeting, which they could take at a meeting, by obtaining the unanimous written approval of all the Directors of such action. Any action so approved shall have the same effect as though taken at a duly-called and noticed meeting of the Directors and such unanimous written approval shall be filed in the official minutes of the Board.

- 7.9 **Quorum.** A majority of the number of Directors then in office shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board.
- 7.10 **Minutes of Meetings of Directors.** Within thirty (30) days after the date of any meeting of the Board, the Board shall make available to the Members either (i) the minutes of that meeting as adopted by the Board, (ii) those minutes as proposed for adoption which shall be marked to indicate draft status, or (iii) a summary of the minutes. Any matter discussed in an executive session shall be generally noted in the minutes of the Board and minutes of executive sessions shall not otherwise be required. Copies of the minutes, proposed minutes, or summary of minutes shall be provided to any Member of the Association upon request and upon reimbursement of the Association's costs in providing such copies.

ARTICLE 8 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- 8.1 **Powers.** In addition to such other powers as may be expressly set forth in the Governing Documents or provided by law, the Board of Directors shall have the power to:

8.1.1 **Rules and Regulations.** Adopt, publish, amend, repeal, and enforce rules and regulations governing the administration, management, operation, use, and occupancy of the Development, including the use of the Common Area and facilities, the personal conduct of the Members and their tenants and guests within the Development, and any other matter which is within the jurisdiction of the Association;

8.1.2 **Contracts.** Authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association by any contract or agreement, or to pledge the credit of the Association, or to render the Association liable for any purpose or on any account;

8.1.3 Determination of Good Standing. Determine, after notice to the Member and an opportunity for a hearing by the Board, that a Member is not a Member in Good Standing during any period in which the Member is in default in the payment of any assessment, fine, or other charge levied by the Board or is in violation of any provision of the Governing Documents; however, a Member shall not be denied any privileges of membership except upon an explicit finding by the Board of Directors, after notice and an opportunity for a hearing, that a Member is not a Member in Good Standing for specified reasons. A Member found by the Board to be not a Member in Good Standing shall be deemed to continue in that status until the Board shall make a determination, either upon the Board's own initiative or upon the request of the Member, that such Member is, once again, a Member in Good Standing of the Association;

8.1.4 Sanctions and Hearings. Establish and impose sanctions for the infraction of any provision of the Governing Documents, and after notice to the Member and opportunity for a hearing, suspend the voting or other membership rights and privileges of a Member, including the right to use the recreational facilities, during any period in which such Member shall be in default in the payment of any assessment, fine, or other charge levied by the Association, and/or for any infraction of the Governing Documents. At least fifteen (15) days prior to the effective date of a sanction, written notice shall be mailed or personally delivered to the affected Member. The notice shall state the reasons for the sanction and shall provide the opportunity for a hearing by the Board of Directors, orally or in writing, at least five (5) days before the effective date of the proposed sanction. In the case of a continuing violation (such as an uncorrected architectural violation), where a Member fails to cease or remedy a violation after notice from the Board to do so, the Board may deem such continuing violation to constitute two or more separate and distinct violations of the same Governing Document provision and may impose separate and successive sanctions for each such violation; however, the Board shall not do so more than once during each successive thirty (30) day period. It is the intent and purpose of this provision to authorize and empower the Board in exercise of its discretion to impose sanctions against a Member for a continuing violation of the same Governing Document provision once during each successive thirty (30) day period, provided that each time the Board decides to impose a sanction, it shall provide

the affected Owner with notice and an opportunity to be heard by the Board prior to the effective date of any such sanction. The Board may limit the scope of such hearing to facts and circumstances occurring subsequent to the previous Board hearing relating to the subject continuing violation;

8.1.5 Manager. Engage the services of a manager or management company as either an employee or an independent contractor, and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties;

8.1.6 Other Professional Advisors. Consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out its authority and responsibility under the Governing Documents and the law, and to pay for such professional services;

8.1.7 Entry For Repairs. Enter a Lot, when necessary, pursuant to Section 7.2 of the Declaration;

8.1.8 Property Taxes. Pay all real property taxes and assessments levied upon any property within the Development to the extent not separately assessed to the Owners. Provided that any such taxes are paid or that a bond insuring the payment is posted, such taxes and assessments may be contested or compromised by the Association prior to the sale or other disposition of any property to satisfy the payment of such taxes;

8.1.9 Association Property. Subject to Sections 4.9, 4.10, and 4.11 of the Declaration, acquire and deal with real and personal property of the Association;

8.1.10 Indemnification of Agents. Indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a director, officer, employee, or agent of the Association or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, and other amounts, as those terms are defined by California law, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a director, officer, employee, or agent of the Association or member of any committee appointed by the Board;

8.1.11 Bank Accounts. Open bank accounts, designate signatories upon such bank accounts, and borrow money on behalf of the Association, subject to any restrictions set forth in the Governing Documents; and

8.1.12 Other Powers. Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by other provisions of the Governing Documents, and undertake any action on behalf of the Association as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Association and/or the interests of the Association and its Members.

8.2 Duties. It shall be the duty of the Board of Directors to:

8.2.1 Records and Minutes. Cause to be kept a complete record of all its acts and the corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board, and committees of the Board, and to present a statement thereof to the Members at the annual meeting of the Members;

8.2.2 Pro Forma Budget. Prepare and distribute to the Members annually, not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of each fiscal year, a pro forma operating budget which shall conform to the requirements of *Civil Code* section 1365 or any successor statute;

8.2.3 Reserve Study. In accordance with California *Civil Code* section 1365.5(e) or any successor statute, at least once every three (3) years cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the Development if the current replacement value of such major components is equal to or greater than one-half of the gross budget of the Association for the fiscal year, excluding the Association's reserve account for that year. The Board shall review the reserve study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review. The

reserve study shall include the minimum requirements specified in *Civil Code* section 1365.5 or comparable successor statute;

8.2.4 Reserve Funds. Except as provided in California *Civil Code* section 1365.5(c) and (d) or any successor statute, not expend any funds designated as reserve funds for any purpose other than the maintenance, restoration, repair, or replacement of, or litigation involving the maintenance, restoration, repair, or replacement of, major components which the Association is obligated to maintain, restore, repair, or replace and for which the reserve fund was established;

8.2.5 Review Accounts. Review the Association's operating and reserve accounts at least in accordance with the minimum requirements set forth in California *Civil Code* section 1365.5(a) or successor statute;

8.2.6 Review of Annual Financial Statement. For any fiscal year in which the gross income to the Association exceeds Seventy-five Thousand Dollars (\$75,000.00), prepare and distribute a review of the financial statements of the Association, in accordance with California *Civil Code* section 1365.5(b) or successor statute. At least every three years, an audit of the Association's financial statement shall be performed instead of a review;

8.2.7 Notification Regarding Insurance Coverage. In accordance with *Civil Code* section 1365, within 60 days preceding the beginning of the Association's fiscal year, the Association shall prepare and distribute to all Members a summary of the Association's property, general liability, and earthquake and flood insurance policies, if any. The summary shall include the name of the insurer, the type of insurance, the policy limits of the insurance, and the amount of deductibles, if any. The Association's disclosure obligations may be satisfied by distributing to the Members a copy of the insurance policy declaration page, so long as that page presents the information specified in the preceding sentence. As soon as reasonably practicable, the Association shall notify the Members by first-class mail if any of the policies described above have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible for any of those policies.

If the Association receives any notice of nonrenewal of a policy described above, the Association shall immediately notify the Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

The summary distributed pursuant to this Section 8.2.7 shall contain, in at least 10-point boldface type, the following statement:

This summary of the Association's policies of insurance provides only certain information, as required by Civil Code Section 1365(e), and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association Members should consult with their individual insurance broker or agent for appropriate additional coverage.

8.2.8 Annual Notifications to Members. Distribute to the Members annually:

- (a) a statement describing the Association's policies and practices in enforcing lien rights and other legal remedies for default in payment of assessments as required by *Civil Code* section 1365(d);
- (b) a summary of the statutory provisions relating to employing alternative dispute resolution procedures in certain matters related to enforcement of the governing documents which specifically references *Civil Code* section 1354 and which

includes the language required by section 1354(i). The summary shall be provided either at the time the budget required by Section 8.2.2 of these Bylaws is distributed or in the manner specified in *Corporations Code* section 5016;

- (c) a copy of the procedures applicable to the imposition of sanctions, pursuant to *Civil Code* section 1363(g);
- (d) a notice and statement concerning the insurance carried by the Association as required by Section 8.2.7 of these Bylaws and *Civil Code* section 1365(e); and
- (e) a statement explaining the Members' right to obtain copies of minutes of meetings of the Board as required by Section 7.10 of these Bylaws and by *Civil Code* section 1363.05(e);

8.2.9 Supervision. Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;

8.2.10 Notice of Assessments. As more fully provided in the Declaration, (i) send written notice to each Owner in advance of each fiscal year of the regular assessment levied against his or her Lot for that fiscal year; and (ii) collect assessments levied by the Association by foreclosing the lien against any property for which assessments are not paid as required in the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same;

8.2.11 Certificate of Payment of Assessments. Issue, or cause an appropriate officer to issue, upon demand by any proper person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

8.2.12 Insurance. Procure and maintain adequate casualty, liability and other insurance on property owned by the Association, and other appropriate insurance, as follows:

- (a) fire insurance covering the full insurable replacement value of the Common Area improvements with extended coverage, in the name of the Association for the benefit of all Owners;
- (b) liability insurance insuring the Association against any liability to the public or to any Owner, their invitees or tenants incident to their occupancy and/or use of the Common Area, with limits of liability to be set by the Board but in no event less than those set forth in *Civil Code section 1365.7*, such limits and coverage to be reviewed at least annually by the Association and increased or decreased in its discretion;
- (c) workers' compensation insurance to the extent necessary to comply with any applicable laws;
- (d) standard fidelity bond covering members of the Board of Directors and Officers of the Association and employees of the Association in an amount which shall be determined by the Board of Directors; and
- (e) errors and omissions or directors and officers insurance covering the actions of directors, officers, and committee members;
- (f) any other insurance deemed necessary or prudent by the Board of Directors of the Association.

The premiums for any insurance obtained by the Association shall be a common expense of the Association and shall be paid for out of the operating fund of the Association; provided however, that the amount of any deductible relating to any insurance obtained by the Association shall be borne by the Owner or Owners of any property affected by any loss covered by such insurance; and

8.2.13 Enforcement Generally. Enforce the provisions of the Governing Documents, as more particularly set forth in the Declaration, and perform all acts required of the Board under the Governing Documents or required by law.

ARTICLE 9 OFFICERS AND THEIR DUTIES

- 9.1 **Enumeration of Offices.** The officers of this Association shall be a President and Vice-President, a Secretary, and a Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board of Directors may, from time to time, by resolution appoint.
- 9.2 **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors, following each annual meeting of the Members.
- 9.3 **Term.** The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year, unless he or she shall sooner resign, be removed by the Board, or otherwise be disqualified to serve.
- 9.4 **Special Appointments.** The Board may elect 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 the Board may, from time to time, determine.
- 9.5 **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, the President, or the Secretary. Such resignation shall take effect on the date of 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.
- 9.6 **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces, subject to the Board's right to remove an officer.
- 9.7 **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 9.4 of this Article.
- 9.8 **President.** The President shall be the chief executive officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and

the other officers and the employees and agents of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board of Directors, shall have the general powers and duties of management usually vested in the office of the President of an Association, and shall have such other powers and duties as may be prescribed by the Board of Directors and the Bylaws, subject, however, to any limitations contained in the Declaration.

9.9 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 of the powers of, and be subject to all of 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 of Directors.

9.10 Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may prescribe, a book of minutes of all meetings of Directors, Members, and Committees of the Board setting forth the time and place of holding of such meetings; whether regular or special, and if special, how authorized; the notice thereof given; the names of those present at Directors or Committee meetings; the number of memberships and votes present or represented at Members meetings; and all the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors required by the Bylaws or by law to be given and shall maintain a proper record of the giving of such notice, and shall keep the books, records, and documents of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

9.11 Treasurer. The Treasurer shall be responsible for the receipt and deposit in appropriate accounts of all monies of the Association and shall cause disbursement of such funds as directed by resolution of the Board of Directors; shall cause to be prepared a monthly statement of expenditures which shall include the name of the payee, date of payment, amount, and account number or designation; may sign all checks and promissory notes of the Association; shall keep proper books of account; shall cause an annual review of the Association's books and financial statements to be made by a public accountant at the completion of any fiscal

year for which such review is required by law or as determined by the Board; shall assist the Board in preparation of an annual budget and a statement of income and expenditures to be presented to the Members of the Association as provided by law; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

ARTICLE 10 COMMITTEES

- 10.1 Committees. The Board shall appoint an Architectural Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws and may appoint such other committees, as it deems appropriate in carrying out the powers and purposes of the Association. Any "Committee of the Board" (that is, a committee consisting only of Directors, as referred to in *Corporations Code* section 7212), shall consist of at least two (2) Directors and shall have such powers and duties as the Board shall determine, subject to the limitations of section 7212.

ARTICLE 11 BOOKS, RECORDS AND FUNDS

- 11.1 Record Keeping. The accounting books and records of the Association and the minute books of proceedings of the Members, the Board, and Committees of the Board shall, upon written request and during reasonable hours, be subject to inspection by any Member for any purpose, specified in writing, which is reasonably related to such Member's interest as a Member of the Association. The Governing Documents shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. The Board may adopt and publish reasonable rules and regulations establishing procedures relating to a Member's inspection and obtaining copies of Association records.
- 11.2 Checks, Drafts, and Evidences of Indebtedness. All checks, drafts, or other orders for payment of money, or notes or other evidences of indebtedness issued in the name of, or payable to, the Association shall be signed or endorsed by one or more officers of the Association and the manager, and in the manner as specified by the Board of Directors; provided, however, that the

signatures of at least two (2) persons who shall be members of the Board of Directors or one (1) member of the Board of Directors and one (1) officer who is not a member of the Board of Directors shall be required for the withdrawal of funds from the Association's reserve account.

11.3 Funds and Deposits. Any funds of the Association shall be deposited to the credit of the Association in such banks or other depositories as the Board of Directors shall, from time to time, determine.

11.4 Fiscal Year. The fiscal year of the Association shall be as determined by resolution of the Board of Directors.

ARTICLE 12 AMENDMENTS

12.1 Amendments. It is the intention and desire of the Association that these Bylaws reflect the rights, duties, and obligations of the Association, the Board of Directors, and the Members in accordance with applicable law, including but not limited to the *Davis-Stirling Common Interest Development Act* (California *Civil Code* §1350 and following). Accordingly and to that end, these Bylaws may be amended by the Board of Directors after consultation with the Association's legal counsel to conform with changes in applicable statutes and case law. Except as provided in the preceding sentence, these Bylaws may be amended by the affirmative vote or written consent of a majority of the Members voting on such amendment, provided that the number of Members voting thereon shall be sufficient to constitute a quorum.

ARTICLE 13 MISCELLANEOUS

13.1 Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

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**CERTIFICATE OF AMENDMENT OF
BYLAWS OF
WEST ALMANOR COMMUNITY CLUB**


I, the undersigned, hereby certify that:

I am the Secretary of WEST ALMANOR COMMUNITY CLUB.

The foregoing Amended Bylaws of WEST ALMANOR COMMUNITY CLUB were duly approved by the Board of Directors on the 3rd day of August, 1998.

The foregoing Amended Bylaws of WEST ALMANOR COMMUNITY CLUB were duly approved by the requisite vote on the 22 day of July, 1998.

Executed this 14th day of August, 1998.



Secretary



West Almanor Community Club

146 Lake Almanor West Drive • PO Box 1040

Chester, CA 96020

(530) 259-4646 • FAX (530) 259-4665

Email: wacc@citlink.net www.lakealmanorwest.net

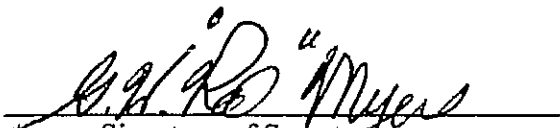
CERTIFICATE OF AMENDMENT OF BYLAWS OF WEST ALMANOR COMMUNITY CLUB

I, Gale "Red" Myers, hereby certify that:

I am the Secretary of West Almanor Community Club (the "Association").

The attached Amendment to Bylaws of West Almanor Community Club was duly approved by the requisite vote or written consent of the Members of the Association on June 29, 2006.

Executed this 3rd day of July, 2006.


Signature of Secretary

**AMENDMENTS TO BYLAWS
OF
WEST ALMANOR COMMUNITY CLUB**

Notwithstanding any provision in the bylaws of West Almanor Community Club (“the Association”), the following shall apply:

1. Proxies. “Proxy” shall mean a written authorization signed by a member or a Member’s attorney in fact giving another person or persons power to vote for such member, as defined in *Corporations Code* Section 5069. Use of proxies in connection with membership meetings and membership votes is expressly prohibited.
2. Voting by Members; Voting pursuant to Corporations Code 7513. All membership votes shall be by “secret ballot” pursuant to Civil Code Section 1363.03. Voting by the method described in *Corporations Code* Section 7513 shall not be permitted.
3. Quorum for Member Votes. The quorum for any vote or election by the members shall be one-third (1/3) of the total voting power of the association. If, after a voting deadline extension, not to exceed a maximum of 45 days, the number of votes cast equals less than one-third (1/3) of the total voting power of the association, then twenty-five percent (25%) of the total voting power of the association shall constitute a quorum, unless a higher number or percentage is expressly required by law, such as in Civil Code Section 1366, which requires a quorum of more than fifty percent (50%) of the members for certain votes concerning assessments.
4. Annual Meeting. The Annual Meeting of the members shall be for the purpose of opening, counting, and tabulating the ballots for the annual election of directors and any other matters being voted on by the members. No business other than tabulation of the ballots by the inspector(s) of election shall be conducted and there shall be no quorum requirement for any such meeting of the members.
5. Nomination of Candidates for Election to the Board of Directors.
 - 5.1 Nomination Procedures. Nominations of candidates for election to the Board of Directors may be made by a Nominating Committee or by self nomination. The Board shall appoint a Nominating Committee prior to any election of directors. On or before the deadline for nominations, the Nominating Committee shall nominate as many candidates for election to the Board as it shall in its discretion determine, but not less than the number of positions on the Board that are to be filled in the election. All nominations shall be made from among members who satisfy the qualifications set forth in the Voting and Election Rules. Any member who satisfies the qualifications set forth in the Voting

and Election Rules may place his or her name in nomination for election to the Board by giving written notice to the President or Secretary of the Association. Notice of self nomination must be received prior to the deadline for nominations.

5.2 Deadline for Nominations. The deadline for nominations shall be set by the Board and shall be not less than thirty-five (35) and not more than forty-five (45) days prior to the date for mailing ballots for the election of directors.

5.3 Publication of Deadline for Nominations. The date and time of the deadline for nominations shall be published at least thirty (30) days in advance of the deadline in an association newsletter, or if there is no such newsletter, notice shall be given in one or more of the following manners: (i) by posting a notice in one or more prominent places within the development, (ii) by mailing or delivering a notice to each Lot, or (iii) by other means reasonably designed to provide actual notice to the members.

5.4 Notice of Known Candidate Names. The names of all individuals known by the Board to be qualified candidates for election to the Board as of the published deadline for nominations shall be set forth on the ballot for election of directors.

5.5 Election by Acclamation. If, as of the published deadline for nominations, the number of qualified candidates nominated is not more than the number of directors to be elected, then the individuals nominated and qualified to be elected shall be declared elected and written notice of the election shall be given to the members.