

**RESTATED BYLAWS  
OF  
PINE MOUNTAIN CLUB COMMERCIAL  
PROPERTY OWNERS ASSOCIATION  
A CALIFORNIA CORPORATION**

**ARTICLE I. OFFICES  
Principal Office**

The principal office of PINE MOUNTAIN CLUB COMMERCIAL PROPERTY OWNERS ASSOCIATION shall be located at the Commercial Area, Pine Mountain Club, Pine Mountain Club, California 93222. The Board of Directors shall have full power and authority to change said principal office from this location to another within the Development (as hereinafter defined).

**ARTICLE II. RECITALS AND DEFINITIONS**

As used in these Bylaws, the following words and terms shall have the following meanings:

**Section 2.01. Association.** The term "Association" shall mean Pine Mountain Club Commercial Property Owners Association, a California nonprofit mutual benefit corporation. The Association is an association within the meaning of Section 6528 of the California Civil Code created for the purpose of managing a commercial common interest development.

**Section 2.02. Association Property.** The term "Association Property" shall mean and include collectively, all real and personal property, including roads owned, maintained, or controlled by the Association for the common use, benefit and enjoyment of the Owners of the real property within the Development.

**Section 2.03. Board of Directors.** The term "Board of Directors" or "Board" shall mean the duly elected and acting Board of Directors of the Association.

**Section 2.04. Bylaws.** The term "Bylaws" shall mean these Restated Bylaws of the Association, as such Bylaws may be amended from time to time.

**Section 2.05. Commercial and Industrial Common Interest Development Act.** The term "Commercial and Industrial Common Interest Development Act" or "Act" shall mean Sections 6500 through 6876 of the California Civil Code, as amended from time to time.

**Section 2.06. Declaration of Covenants, Conditions and Restrictions.** The term "Declaration of Covenants, Conditions and Restrictions," or "Declaration of CC&Rs," or "Declaration," or "Covenants, Conditions and Restrictions," or "Restrictions," or "CC&Rs" shall mean all limitations, restrictions, covenants, terms and conditions set forth in that certain Declaration of Covenants and Restrictions with respect to the Development recorded on July 13, 1973 in Book 4799, Pages 479 through 490, as amended by that certain Amendment of Declaration of Covenants, Conditions and Restrictions of Pine Mountain Club Commercial Property Owners Association recorded on November 21, 2000 as Document No. 200149021 in the Office of the Recorder of the County of Kern, as such Declaration of CC&Rs may from time to time. be amended, supplemented or modified by a subsequent Declaration so recorded.

**Section 2.07. Development.** The term "Development" shall mean all of that certain real property in Kern County, California described as Parcel Map No. 527 as per Map thereof recorded on August 9, 1973 in Book 6 of Parcel Maps, Pages 130 and 131, in the Official Records of Kern County, California, commonly known and referred to as the "Pine Mountain Club Commercial Area," and any additional property which is annexed thereto pursuant to the provisions of the Covenants, Conditions and Restrictions recorded in the Office of the Recorder of the County of Kern, State of California, in connection with the Development. The Development is a commercial common interest development as defined in Section 6531 of the California Civil Code.

**Section 2.08. Good Standing.** The term "Good Standing" is a term used to identify those Members who constitute part of the voting power of the Association and are therefore eligible to vote in the election of Directors or with respect to any other matter or action that requires the consent or approval of the Members. To be in Good Standing, a Member must be (i) current in the payment of all assessments levied against the Member's Lot and (ii) 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 procedures set forth in these Bylaws and the Declaration of CC&Rs. 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.

**Section 2.09. Lot.** The term "Lot" shall mean any lot or parcel designated on a duly recorded Subdivision Map intended to be used for commercial purposes upon which the construction of a building is allowed under the Declaration of CC&Rs or common areas appurtenant thereto.

**Section 2.10. Member.** The term "Member" shall mean a member of this Association in Good Standing whose rights are not suspended.

**Section 2.11. Office of Recorder.** The term "Office of Recorder" shall mean the Office of the Recorder, County of Kern, State of California.

**Section 2.12. Owner.** The term "Owner" shall mean the person(s) or entity(s) holding the fee ownership of a Lot.

**Section 2.13. Person.** The term "Person" shall mean and include any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.

**Section 2.14. Road.** The term "Road" shall mean any vehicular way designated on a Subdivision Map by street name and as "Not a Dedicated Street." The term "Not a Dedicated Street" shall refer to a parcel of land or non-exclusive easement not owned by the County, a city or the state or federal governments, and which is not offered for dedication to public use and shall be used for access to the Lots within the Development itself, or parcels adjacent thereto.

**Section 2.15. Subdivision Map.** The term "Subdivision Map" shall mean (1) any final subdivision map or parcel map within the meaning of the provisions of Title 7, Division 2, Chapters 1 and 2, of the Government Code of the State of California, including Parcel Map No. 527 recorded on August 9, 1973 in Book 6 of Parcel Maps, Pages 130 and 131, in the Official Records of Kern County, California, and (2) any final record or survey map within the meaning of the provisions of Division 3, Chapter 15, Article 5, of the Business and Professions Code of the State of California, as such provisions may from time to time be amended.

**Section 2.16. Other Definitions Incorporated by Reference.** The terms defined in the Declaration of CC&Rs shall have the same meaning when used in these Bylaws unless the context clearly indicates a contrary intention.

**Section 2.17. Construction.** As used in these Bylaws:

- (a) The present tense includes the past and the future tenses, and the future tense includes the present.
- (b) The masculine gender includes the feminine and neuter.
- (c) The singular number includes the plural, and the plural number includes the singular.
- (d) The word "shall" is mandatory and the word "may" is permissive.

### **ARTICLE III. THE ASSOCIATION**

**Section 3.01. Association.** The Association is a California nonprofit mutual benefit corporation and an association as defined in Section 6528 of the California Civil Code. The rights, duties, responsibilities, authorities and powers of the Association and the Members are as set forth in the Act, the California Nonprofit Mutual Benefit Corporation Law and the Association's governing documents, including, but not necessarily limited to the Articles of Incorporation, these Bylaws, the Declaration of CC&Rs and the rules and regulations duly adopted by the Board of Directors from time to time.

**Section 3.02. Purposes.** The purposes of the Association are as set forth in the Act and the Association's Articles of Incorporation, these Bylaws and the Declaration of CC&Rs, as amended from time to time, and include the maintenance, management and administration of the Common Area within the Development to the extent and in the manner more particularly described in the Declaration of CC&Rs, to administer and enforce the rules and regulations adopted by the Board of Directors, from time to time, and the terms and conditions of the Declaration of CC&Rs and these Bylaws, and to otherwise enhance and promote the use and enjoyment of the Common Area for the beneficial use and enjoyment of all of the Owners.

### **ARTICLE IV. MEMBERS**

**Section 4.01.** The Association shall have one (1) class of Members only, and the property and other rights, interest, and privileges of each Member in Good Standing shall be equal.

**Section 4.02.** There shall be one membership in the Association appurtenant to the beneficial ownership (as distinguished from a security owner) of each commercial Lot situated in the Development. No membership may be severed or separated from such Lot ownership and any sale, transfer, or conveyance thereof shall operate to transfer the appurtenant membership without the requirement of express reference thereto. In the event that such membership is owned in joint tenancy or tenancy in common, the joint or common Owners thereof shall be considered as one Member of the Association. Such Owners may from time to time designate one of their number in writing to vote. All such Owners, however, shall be entitled to all the rights and benefits of membership in the Association, subject to these Bylaws, the Declaration of CC&Rs and the rules and regulations as may be promulgated from time to time by the Board of Directors. All such Owners shall be jointly and severally responsible for the dues, assessments, and charges levied against, incurred by, or attributed to the membership from which such Member derives the rights and benefits referred to in this Section.

**Section 4.03.** Membership in the Association shall automatically terminate upon the Member ceasing to be a beneficial Owner of the property within the Development.

**Section 4.04.** Membership in this Association shall not be transferable or assignable, except that any Member may assign the Member's membership rights to the tenant residing in or on the Member's property within the Development which properly qualifies said Member for membership, and such assignment shall become effective on the filing by the Member of a written notice of assignment with the Secretary of the Association. Provided, however, that when any Member sells, transfers, or otherwise disposes of the Member's property within the Development which property qualifies the Member for membership, the Member shall require, as a condition to said transfer, that the purchaser, transferee, or subsequent holder in interest thereof, undertake to be bound by the Articles of Incorporation of this Association, these Bylaws, the Declaration of CC&Rs, and the rules and regulations at any time adopted by the Association in accordance with these Bylaws, all as the same may be amended from time to time.

**Section 4.05.** Neither application fees nor transfer fees shall be imposed or required.

**Section 4.06. Assessments.**

(a) Membership shall be subject to the annual assessment provided, however, that annual assessment upon each membership shall not exceed the total aggregate sum computed as follows: The amount of the budget adopted by the Board pursuant to Section 6.07(g) hereof for the fiscal year for which the assessment is levied, divided by the number of memberships outstanding. The amount of each annual assessment shall be fixed by resolution of the Board. The annual assessment shall be payable in advance on the fifteenth day of July in each year and shall become delinquent sixty (60) days thereafter or on such later date as determined by the Board and shall upon delinquency be made enforceable by court action, in which this Association shall be entitled to recover its reasonable expenses and attorneys' fees incurred therein, and shall constitute a lien on the Member's property within the Development enforceable as provided for in the Declaration of CC&Rs and Sections 6820, et seq. of the California Civil Code.

(b) Every resolution of the Board levying an assessment shall specify the amount thereof; to whom and where payable; and the day on which the assessment becomes payable.

(c) Notwithstanding the provision of Paragraphs (a) and (b) of this section, assessments shall be levied only to pay the expenses of the Association for the following purposes:

- (i) To maintain and improve the Roads and Common Area within the Development;
- (ii) To maintain and improve any areas held or used in common by the Owners of Lots within the Development;
- (iii) To erect, improve, and maintain gateways and ornamental features within the Development;
- (iv) To pay taxes and assessments, if any, which may be levied by any governmental authority on any of the areas or ornamental features held or used in common within the Development;
- (v) To do any and all lawful things and acts which the Board, in its discretion, deems to be in the best interests of the Development and of the Owners of Lots therein, and to pay all costs and expenses in connection therewith;

- (vi) To enforce any restrictions, conditions, covenants, charges, and agreements at any time created for the benefit of any property Owner by a Member, and for the collection of assessments as provided for in these Bylaws;
- (vii) To pay all license fees and other governmental charges, if any, levied or imposed on or against the Association or its properties; or
- (viii) To conduct the business of the Association.

(d) Any Member who fails to pay the Member's assessment for a period of sixty (60) days from the date on which such assessment becomes payable, shall, for the purposes of voting, utilizing the facilities of the Association, and participating in activities sponsored by the Association, be considered a Member not in Good Standing. Such Member shall not be reinstated to Good Standing in the Association until such Member has paid all assessments in full plus interest thereon at the rate of 10% per annum from the date on which such assessments became delinquent. All Members other than those described in this paragraph are Members in Good Standing of the Association.

(e) In the event that any Member whose assessment is paid should terminate the Member's membership as provided in Section 4.04 of these Bylaws, the Member's successor in title shall acquire the benefit of such paid up assessment by becoming a Member of the Association.

(f) On adoption of the resolution levying the assessment, the Treasurer of the Association shall give notice thereof in writing to all Members. The notice shall set forth the name of the Association, the location of its principal office, the date of the Board meeting at which the resolution levying the assessment was adopted, the fact of adoption, the amount of the assessment, to whom the assessment is payable and where, the date on which the assessment, if unpaid, shall become delinquent, the fact that if not paid the assessment shall become a lien on the Member's real property within the Development, and that the assessment shall be collectable either by an action at law to recover the amount thereof or by an action to foreclose the lien. The Notice shall further state that in the event of collection action, whether by an action at law or by foreclosure, the Association shall be entitled to recover reasonable attorney's fees and expenses in addition to the amount of the assessment and interest thereon.

(g) The notice of assessment shall be sent by mail to each Member not less than thirty (30) days prior to the delinquency date addressed to each Member at the Member's address as it appears on the books of the Association.

(h) If the assessments are not paid on or before the delinquency date, the Board of Directors may, within thirty (30) days thereafter, cause a notice of lien to be recorded in the Office of the Recorder of Kern County, and such lien may be enforced as provided in paragraphs (a) and (g) of this section. Pursuant to Section 6812 of the California Civil Code, at least thirty (30) days prior to recording a lien upon the property of the Owner to collect a delinquent assessment, the Association shall notify the Owner in writing by certified mail of the following: (i) a general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount, a statement that the Owner has the right to inspect the Association records pursuant to Section 8333 of the California Corporations Code, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed: **"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION,"** (b) an itemized statement of the charges owed by the Owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any, and (c) a statement that the owner shall not be liable to pay the

charges, interest, and costs of collection, if it is determined the assessment was paid on time to the Association.

(i) The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with Section 6808 of the California Civil Code, shall be a lien on the Owner's property in the Development from and after the time the Association causes to be recorded with the County Recorder, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with Section 6808 of the California Civil Code, a legal description of the Owner's property in the Development against which the assessment and other sums are levied, and the name of the record Owner of the property in the Development against which the lien is imposed. The itemized statement of the charges owed by the Owner described in Section 6812(b) of the California Civil Code shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in Sections 6820 and 6822 of the California Civil Code, the notice of delinquent assessment shall state the name and address of the trustee authorized by the Association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the Declaration of CC&Rs or by the Association for that purpose, or if no one is designated, by the president of the Association. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an Owner of the subject property in the Association's records, and the notice shall be mailed no later than 10 calendar days after recordation.

(j) Notwithstanding any other provision in these Bylaws, Sections 4.06 and 6.07(g) hereof may be amended or repealed only by the vote or written assent of two-thirds (2/3) or more of the Members in Good Standing of this Association.

**Section 4.07. Certificates of Membership.** The Board of Directors may, but shall not be required to, provide for the issuance of certificates evidencing membership in the Association. If issued, each such certificate shall state the year for which it is valid and shall have printed on its face in clear type that the Association is nonprofit. The form, size, and contents of the certificate in all other respects shall be as fixed from time to time by resolution of the Board.

**Section 4.08. Members in Good Standing.** Only members of the Association in Good Standing shall be entitled to vote, utilize the facilities of the Association, or participate in activities sponsored by the Association.

**Section 4.09. Exercise of Voting Rights.** Except as otherwise provided in these Bylaws, the voting right of a membership may be exercised either (a) in person at a meeting of the Members held in accordance with these Bylaws, or (b) by mail by written ballot in the form approved by the Board of Directors and furnished by the Association to the Members. Where a membership is owned by more than one person, designation of one of such persons to vote on behalf of such membership shall be signed by all such persons, and any such designation shall continue to be effective until revoked by a notice in writing delivered to the Secretary of the Association and signed by any one of such persons. Such designation shall be deemed to be revoked when the Secretary of the Association shall receive actual notice of the death or judicially declared incompetence of any of the persons holding such joint or common interest in such membership or upon the disqualification of such membership to exercise the rights of membership pursuant to the terms of these Bylaws. Any and all persons holding such joint or common interest may attend meetings but they shall only be entitled to exercise the one vote attributable to such membership in accordance with the terms of this Section 4.09.

## ARTICLE V. MEETINGS OF MEMBERS

**Section 5.01. Annual Meetings of Members.** The Members shall meet annually during the month of June of each year at such time and place as shall be fixed by the Board of Directors for the purpose

of electing Directors and transacting such other business of the Association as may properly come before the meeting.

**Section 5.02. Special Meetings of Members.** Special meetings of Members to consider any reasonable business of the Association may be called and held at such times and places as may be ordered by the Board of Directors. Special meetings of the Members shall be called by the President or by the Board of Directors within thirty (30) days after receiving a written request for such meeting signed by the holders in Good Standing of not less than twenty percent (20%) of the voting power of the Association setting forth the specific matter or matters to be considered at such meeting.

**Section 5.03. Giving Notices of Meeting.** Written, typed, or printed notice of meetings of Members shall be mailed by first-class mail to each Member in Good Standing addressed to the Member at the Member's address as it appears on the books of the Association, not less than twenty (20) nor more than ninety (90) days prior to the date of such meeting, by or at the direction of the Secretary of the Association.

**Section 5.04. Content of Notices.** Notices of meetings of Members shall specify the place, the day, and the hour of the meeting and the general nature of the matter or matters to be considered at such meeting.

**Section 5.05. Member Requests for Meeting Business Items.** Any Member who desires to (a) have any matter considered or (b) nominate any person for the office of Director at the annual meeting of the Members, shall prior to the 10th day of May immediately preceding the scheduled date of said meeting notify the Secretary of the Association in writing (a) that certain matter or matters will be presented (with a description of such matter or matters) and (b) the name of the person to be nominated (any Member may nominate himself or herself) and shall submit with such notice a short statement (not to exceed one face of one 8-1/2" x 11" sheet) of reasons in support of the matter or matters to be presented and a biographical sketch (not to exceed one face of one 8-1/2" x 11" sheet) of such person to be nominated so that the Secretary may include such matter or matters of nomination on the agenda for the meeting and mail ballots to be submitted to the Members pursuant to Sections 5.10 and 5.11 hereof. No matter or nominations not so presented to the Secretary shall be considered at the meeting.

**Section 5.06. Quorum of Members.** There shall be no quorum requirement for any meetings of the Members.

**Section 5.07. Notice of Adjourned Meeting.** Meetings of Members may be adjourned for any reason by the simple majority vote of the Members appearing at the meeting in person or by written ballot. If a meeting of Members is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than thirty (30) days, it is not necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat other than by announcement at the meeting at which the adjournment is taken.

**Section 5.08. Conduct of Business.** The Members present at a duly called or held meeting of Members may transact such business the general nature of which is provided in the notice of meeting.

**Section 5.09. Membership Voting.**

(a) Each Member in Good Standing shall be entitled to vote on each matter submitted to a vote of the Members subject to the following rules:

- (i) Each Member beneficially owning one (1) or more Lots within the Development shall be entitled to the number of votes equal to the total number of such Lots so owned by the Member. Cumulative voting shall not be permitted for the election of Directors or any other business considered by the Members.
- (ii) If two or more Members own a single Lot within the Development they shall be entitled to one vote only for such Lot. Such joint owners shall designate and register with the Secretary of the Association the name of the Member who shall be entitled to cast the single vote.

(b) No single vote shall be split into fractional votes.

(c) Voting at meetings of Members shall be by voice vote, or by show of hands or by secret written ballot at the election of the Chairman of the meeting, unless ten percent (10%) of the votes present in person at such meeting request that such vote be by secret written ballot, in which event such vote shall be conducted by secret written ballot. Prior to any vote at a meeting of Members by the membership entitled to vote present in person at such meeting, the Chairman of the meeting shall read the report of the Election Committee with respect to the matters voted upon by the membership by mail ballots in the possession of the Secretary.

#### **Section 5.10. Meeting Agenda and Ballot.**

(a) In connection with each meeting of Members the Secretary shall prepare and mail to each Member along with notice of the meeting (a) an agenda for the meeting, and (b) a form of mail ballot.

(b) The agenda shall include each matter which (i) the Secretary is directed by the Board to include on the agenda or (ii) which any Member has requested be included pursuant to Sections 5.02 or 5.05 of these Bylaws. Each agenda item shall include all written statements not exceeding one face of one 8-1/2" x 11" sheet, if any, submitted by proponents or opponents of any matter to be considered.

(c) The mail ballot shall be on a form approved by the Board. The name of each candidate for Director of which the Secretary has been advised pursuant to Section 5.05 of these Bylaws shall be included; the ballot shall state the number of Directorships to be filled and direct the voter to vote for no more than that number. The names of candidates shall be listed in the order in which the Secretary received notice of their candidacies. Each matter to be considered shall be drafted in the form of a motion calling for an affirmative or negative vote by the voter. Each mail ballot shall have a place for the voter to sign his or her ballot and enter the Lot number of his or her property within the Development.

**Section 5.11. Voting.** Members in Good Standing may vote in person or by the official mail ballot deposited with the Election Committee prior to the time the vote is recorded by the Election Committee.

**Section 5.12. Conduct of Meeting.** Meetings of Members shall be presided over by the President of the Association or, in his or her absence, by the Vice President or, in the absence of both, by a chairman chosen by a majority of the holders of a majority of the voting power in Good Standing present in person at the meeting. The Secretary of the Association shall act as Secretary of all meetings of Members, provided that in his or her absence the presiding officer shall appoint another person to act as Secretary of the meeting. Unless otherwise provided in these Bylaws, a vote of a simple majority of those votes of the



membership entitled to vote represented at a meeting in person and by ballots by mail in the possession of the Election Committee shall prevail with respect to the matters to be voted upon at the meeting.

## ARTICLE VI. DIRECTORS

**Section 6.01. Authorized Number of Directors.** The Association shall have not less than five nor more than seven authorized Directors. The exact number of Directors shall be fixed from time to time, within the limits specified in this Bylaw, by resolution of the Board of Directors as provided for in section 7151 of the Corporations Code. Collectively the Directors shall be known as the Board of Directors. (Amended 2023)

**Section 6.02. Authority and Power.** The Directors shall, subject to the limitations set forth in the Articles of Incorporation, exercise the powers of the Association, control its property, and conduct its affairs.

**Section 6.03. Qualifications.** Each Director shall be a Member in Good Standing of the Association at the time of nomination and election and throughout his or her term of office. Directors shall be eligible for reelection without limitation on the number of terms they may serve, provided they continue to meet the qualifications therefor.

### **Section 6.04. Election.**

(a) Directors shall be elected at the annual meeting as set forth in Article V of these Bylaws.

(b) A candidate for the office of Director shall be considered nominated upon notification of the Secretary of his or her candidacy in accordance with Section 5.05. Any Member may nominate any other Member or himself or herself.

(c) The five candidates receiving the highest number of votes up to the number of Directors to be elected are elected as Directors.

(d) At the annual meeting of Members next following the adoption of these Bylaws, five (5) Directorships shall be filled. The five candidates receiving the highest number of votes shall be elected Directors. Of the five (5) Directors elected, each of the three persons receiving the highest number of votes shall hold office for a two year term or until his or her successor is elected, or until his or her death, resignation, removal, or termination of membership in the Association. Each of the remaining Directors elected shall hold office for a one year term or until his or her successor is elected or his or her death, or resignation, removal, or termination of membership in the Association. Commencing with the second annual meeting of Members following the adoption of these Bylaws, each Director elected shall hold office for a two year term or until his or her successor is elected or until his or her death, resignation, removal or termination of membership in the Association.

**Section 6.05. Resignation.** Any Director shall have the right, at any time, to resign by delivering his or her signed resignation to the President or Secretary of the Association. Any Director may be removed at a special meeting of Members by a vote of more than fifty percent (50%) of the total membership entitled to vote.

**Section 6.06. Filling Vacancies.** Any vacancy occurring in the Board and any vacancy created by reason of an increase in the number of Directors shall be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director. A Director elected to fill a vacancy shall serve the unexpired term of his or her predecessor.

### **Section 6.07. Meetings of the Board of Directors.**

(a) Meetings of Directors shall be held at the principal office of the Association unless otherwise ordered by the Board or at such place within the Counties of Kern or Los Angeles in the State of California which has been designated from time to time by resolution of the Board. In the absence of such designation, meetings shall be held at the principal office of the Association, provided that any such meeting held elsewhere shall be valid if held on the written consent of all Directors given either before or after the meeting and filed with the Secretary of the Association.

(b) The Board shall meet regularly on the third Monday of each month at 5:00 P.M. or such other time as set by the Board of Directors and specified in a notice of regular meeting given in the manner prescribed in Section 6.07(e).

(c) Special meetings of the Board may be called by or at the request of the President or any two (2) Directors.

(d) The Board may act without a meeting by unanimous written consent of all Directors.

(e) Notice of the time and place of special meetings or the cancellation of regular meetings shall be given by, or at the direction of, the Secretary to each Director personally or by United States mail addressed to him or her at his address as it appears on the books of the Association at least ten (10) days prior to the date of the meeting. Except as otherwise provided in Section 6.07(b), no notice of regular meetings shall be required.

(f) **A majority of the authorized number of** Directors shall constitute a quorum for the transaction of business. **(Amended 2023)**

(g) Prior to May 1, of each year, the Board shall cause the Treasurer to mail to every Member at the Member's address then appearing on the records of the Association the financial statement of the Association as of March 31st in such year and an operating statement of income and expense for the nine (9) months ended March 31st in such year together with a comparison showing each item of income and expense budgeted by the Board for the fiscal year ending June 30th in such year. The Board shall also include in such mailing a proposed budget for the ensuing fiscal year and the allocation thereof as a proposed assessment against each Member and a notice that said proposed budget will constitute the first order of business at the regular Board meeting to be held in June of that year. The Board shall not adopt a budget or make any assessment against the Members based thereon until the regular meeting of the Board for the month of June in each year.

(h) The regular meeting of the Board in July of each year shall be the organizational meeting. The first order of business at the organizational meeting shall be the adoption of Rules of Procedure for the conduct of meetings of the Board. The second order of business shall be the election of officers. The third order of business shall be the appointment of the standing committees described in Article VIII hereof.

(i) The Board shall consider no business at any meeting at which a quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn, provided, however, that a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

(j) Meetings of Directors shall be governed by the Rules of Procedure adopted by the Board if applicable as such rules may be revised from time to time, insofar as such rules are not inconsistent or in conflict with these Bylaws, with the Articles of Incorporation, or with law.

(k) Meetings of Directors shall be presided over by the President of the Association or in his or her absence by the Vice President or, in the absence of both, by a chairman chosen by a majority of the Directors present. The Secretary of the Association shall act as Secretary of the Board meeting, provided, however, that in the absence of the Secretary the presiding officer shall appoint a person to act as Secretary for the meeting.

**Section 6.08. Decisions.** Every act or decision done or made by a majority of the Directors present at any meeting duly held at which a quorum is present is the act of the Board, unless the law, the Articles of Incorporation, or these Bylaws require a greater number.

**Section 6.09. Authority and Responsibility.** The Board shall have the exclusive right and responsibility to perform diligently all of the obligations and functions of the Association as set forth in the Articles of Incorporation, these Bylaws, and the Declaration of CC&Rs, or by law and to manage the business and affairs of the Association. In furtherance and not in limitation of the foregoing rights and responsibilities the Board shall:

(a) cause to be maintained 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;

(b) cause to be maintained a complete record of the minutes of Board meetings and Board actions and of the minutes of meetings and proceedings of Members. Such records and documents shall be kept and maintained in a manner consistent with reasonably prudent practice which would be applicable to a business for profit;

(c) enforce all applicable provisions of the Declaration of CC&Rs, these Bylaws, and all other rules and regulations relating to the control, management, and use of private property within the Development and Association Property, and to take such steps as it deems necessary for the enforcement of such rules and regulations;

(d) establish and levy assessments on the Members and collect the same all in accordance with the Articles of Incorporation, these Bylaws, and the Declaration of CC&Rs, and establish and collect reasonable use charges for the use of any or all of the Association Property as the Board may deem necessary or desirable from time to time for the purpose of equitable allocation among the users of the cost of operation thereof.

**Section 6.10. Limitation on Board Authority.** The Board shall not without the prior approval of Members voting at any meetings enter into any lease, concession or contract of employment or service of more than one (1) year or purchase or sell any real property of the Association.

**Section 6.11. Conflict of Interest.** Pursuant to Section 6758 of the California Civil Code, the Directors of the Association are subject to the following conflict of interest rules:

(a) The provisions of Sections 7233 and 7234 of the California Corporations Code shall apply to any contract or other transaction authorized, approved, or ratified by the Board or a committee of the Board.  
matters

(b) A Director or member of a committee shall not vote on any of the following matters:

- (1) Discipline of the Director or committee member.
- (2) An assessment against the Director or committee member for damage to the common area or facilities.
- (3) A request, by the Director or committee member, for a payment plan for overdue assessments.
- (4) A decision whether to foreclose on a lien on the property of the Director or committee member.
- (5) Review of a proposed physical change to the property of the Director or committee member.
- (6) A grant of exclusive use common area to the Director or committee member.

## **ARTICLE VII. OFFICERS**

**Section 7.01. Officers.** The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer.

**Section 7.02. Qualifications.** Officers shall be Members in Good Standing of the Association and elected annually by the Board at the first regular meeting of the Board following the annual election of Directors, and each officer shall hold office until he or she resigns, or is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected, whichever occurs first. The President and Vice-President shall be Directors.

**Section 7.03. Removal and Resignation.** Any officer may be removed as such with or without cause by a majority of the Directors at any time, and such officer shall be removed as such if he or she should cease to be qualified for the office as in these Bylaws provided. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall become effective on the date of receipt of such notice or at such later time as may be specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be required to make it effective.

**Section 7.04. Filling Vacancies.** A vacancy in any office caused by the death, resignation, removal, disqualification, or otherwise, shall be filled by vote of the Board of Directors for the unexpired portion of the term.

**Section 7.05. President.** The President shall exercise general supervision of the affairs and activities of the Association, shall preside at all meetings of the Members and Board at which he or she is present and shall serve as an ex officio member of all standing committees.

**Section 7.06. Vice President.** The Vice President shall assume the duties of the President whenever the latter is absent or is unable or refuses to act.

**Section 7.07. Secretary.** The Secretary shall keep the minutes of all meetings of the Members and of the Board and shall be the custodian of all Association records. He or she shall also keep at the principal

office of the Association a membership book containing the name and address of each Member, and, in any case where membership has been terminated, record such fact in the book together with the date on which the membership ceased.

**Section 7.08. Treasurer.** The Treasurer shall receive all funds of the Association, shall deposit such funds as provided in Section 9.03 of these Bylaws, and shall pay out funds only on such basis as the President may from time to time direct in writing. The Treasurer shall be an ex officio member of the Finance Committee. Not later than July 15 in each year the Treasurer shall mail to each Member the budget for the following fiscal year adopted by the Board and the allocation thereof as an assessment against each Member.

**Section 7.09. No Compensation.** Officers of the Association shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses incurred in conducting the affairs of the Association.

## ARTICLE VIII. COMMITTEES

**Section 8.01. Standing Committees.** The Association shall have the following Standing Committees:

- (a) Environmental Control Committee.
- (b) Election Committee.

**Section 8.02. Environmental Control Committee.**

(a) The Environmental Control Committee shall consist of such members as the President shall appoint and a member of the Board appointed by the Board as Liaison officer.

(b) The Environmental Control Committee shall have all the power and authority to (i) approve or disapprove plans and specifications as defined in the Declaration of CC&Rs and exercise all other functions delegated to it pursuant to the provisions of the Pine Mountain Commercial Environmental Control Code as adopted or amended by the Board and maintained by the Secretary. (ii) manage and supervise the maintenance, repair and cleanup of Association Common Areas, landscaping and snow plowing throughout the Development. (iii) manage and supervise the maintenance of building exteriors and landscaping by Lot Owners, and (iv) communicate with Lot Owners regarding the Owners' maintenance of their Lots and buildings, including remedies for non-compliance with Association's governing documents. (amended 2023)

(c) The right to appeal a decision of the Environmental Control Committee to the Board may be granted a property Owner upon receipt of a written appeal request by the Committee. A hearing will be held at the next regular or special meeting of the Board at which time the matter will be submitted to the Board for decision.

(d) When a decision must be rendered by the committee and extenuating circumstances render it impossible for a quorum to assemble, a decision may be made by a body composed of, (a) Chairman, (b) Environmental Engineer, and (c) a member appointed by the Chairman. After hearing the facts as presented, the Chairman shall inform all interested parties of the final decision.

**Section 8.03. Election Committee.**

(a) The Election Committee shall consist of the Secretary of the Association and one person elected by each of the remaining standing committees.

(b) The Election Committee shall receive and tally all membership votes (including all mail ballots) at all membership meetings and certify the results thereof to the Board. Information received by the Election Committee, and the deliberations of the Committee, shall be maintained in confidence except as required to resolve an election contest.

**Section 8.04. Ad Hoc Committees.** Ad Hoc Committees for specific purposes or activities may be designated from time to time by resolution of the Board.

**Section 8.05. Term of Office.** Members of Standing Committees shall serve until the next annual election of Directors and until their successors are appointed unless they are removed earlier by the Board.

**Section 8.06. Filling Vacancies.** Any vacancy on any Committee may be filled in the same manner as provided in the case of the original appointment and any such appointee shall serve the unexpired portion of his or her predecessor's term.

## **ARTICLE IX. INSTRUMENTS, DEPOSITS, AND FUNDS**

**Section 9.01. Contracts.** The Board may authorize any officer, agent, or employee of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Association, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority except as expressly provided in these Bylaws to bind the Association by any contract or engagement or to pledge its credit or to render it liable pecuniary for any purpose or in any amount whatsoever.

**Section 9.02. Check Signing.** All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by the Treasurer.

**Section 9.03. Deposits.** All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositaries as the Board may select.

**Section 9.04. Contributions and Gifts.** The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

## **ARTICLE X. BYLAWS**

**Section 10.01. Bylaws.** These Bylaws shall become effective immediately on their adoption. Amendments to these By-Laws shall become effective immediately on their adoption unless the Board, or Members, in adopting them, provide that they are to become effective at a later date.

**Section 10.02. Amendment.** Except as otherwise expressly provided herein, new Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written assent of Members entitled to exercise a majority of the voting power of the Association, or by the vote of a majority of Members at a meeting duly called and noticed for the purpose, and subject to the power of the Members to change or repeal them, and subject to the Articles of Incorporation and to law, by the vote of a majority of the Directors; provided, however, that any Bylaw change adopted by the Directors shall automatically be placed on the agenda for the next scheduled meeting of the Members for ratification by the vote or written assent of a majority of Members at said meeting, and, such change, if not so ratified, shall be deemed rescinded.

**Section 10.03. Keeping and Inspection of Bylaws.** The original, or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary of the Association, shall be recorded and

kept in a book which shall be kept in the principal office of the Association and such book shall be open to inspection by the Members at all reasonable times during office hours.

## **ARTICLE XI. INDEMNIFICATION AND INSURANCE**

### **Section 11.01. Indemnification.**

(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 California 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 statute 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. As used in this Section, the term "expenses" has the same meaning as in California 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 under California 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 California 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 in person or by proxy shall authorize indemnification.

(c) **Advancement of Expenses.** To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under subparagraphs (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.

**Section 11.02. Insurance.** The Association shall have the power to purchase and maintain insurance on behalf of its Directors, officers, employees, and other agents against 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.

## **ARTICLE XII. MISCELLANEOUS PROVISIONS**

**Section 12.01 Corporate Seal.** The Board may, but shall not be required to, provide a corporate seal. Failure to affix a corporate seal to Association instruments shall not affect the validity of any such instruments.

**Section 12.02. Fiscal Year of Association.** The fiscal year of the corporation shall be from July 1, to June 30, inclusive.

**Section 12.03. Construction and Definitions.** Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California

Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, a singular number includes the plural, and a 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.

**Section 12.04. Reference to State Statutes.** Any references in these Bylaws to state statutes shall be to the referenced statute as in effect on the date that these Bylaws are adopted. In the event that any referenced statute is subsequently amended or superseded, all such references shall thereupon mean and refer to the referenced statute as so amended, modified, or superseded, so long as the amended statute continues to regulate or pertain to the same subject matter.

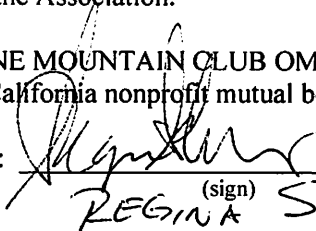
**Section 12.05. Conflicts.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration of CC&Rs and these Bylaws or the Articles, the Declaration of CC&Rs shall control. In case any of these Bylaws conflict with the provisions of any applicable California state statute, the provisions of said statute shall control.

**CERTIFICATE OF SECRETARY**

The undersigned, Secretary of the corporation known as Pine Mountain Club Commercial Property Owners Association, hereby certifies that the above and foregoing Restated Bylaws, consisting of sixteen (16) pages including this page, were duly adopted by written ballot of the Members of the Association on August 4, 2014, and that they now constitute the Bylaws of the Association.

PINE MOUNTAIN CLUB COMMERCIAL PROPERTY OWNERS ASSOCIATION,  
a California nonprofit mutual benefit corporation

By: \_\_\_\_\_

  
(sign)  
REGINA Schultz.  
(type/print name)

Title: Secretary