

# **BYLAWS OF ARROWHEAD LAKE ASSOCIATION**

**A California Non-Profit Corporation**

**As Amended:  
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## **PREFACE**

The ARROWHEAD LAKE ASSOCIATION, a California Non-Profit Corporation, is the owner of Lake Arrowhead, the Burnt Mill Beach Club, the Tavern Bay Beach Club, Grass Valley Lake, Grass Valley Park, Peninsula Park, the property and facilities at the North Shore Marina and the reserve strip, reserve strip additions and buffer zones around the lake and numerous easements, which provide access to these private facilities.

The property owners of ARROWHEAD WOODS are eligible to become Residential Members of ALA. Residential Members are also invited and welcome to attend any open session meeting of the Board of Directors ("Board").

These Bylaws have been adopted to identify the corporate governance of ALA and to regulate the manner in which ALA discharges its responsibility to maintain the Lake and its related facilities.

## **ARTICLE I NAME AND OBJECT OF CORPORATION**

### **SECTION A. Name**

This corporation shall be known as Arrowhead Lake Association, hereinafter called the Association, and commonly known and referred to as ALA.

### **SECTION B. Object**

This Association exists to operate and maintain Lake Arrowhead, Grass Valley Lake, the reserve strips, reserve strip additions, buffer zones, Peninsula Park, Burnt Mill and Tavern Bay Beach Clubs, Grass Valley Park and certain other properties within Arrowhead Woods for the social and recreational benefit and use of its Residential Members.

## **ARTICLE II MEMBERS**

### **SECTION A. Qualifications**

1. **Residential Property.** All owners of residential real property in Arrowhead Woods, except Lakewood tracts A & B<sup>1</sup>, shall be eligible for Residential Membership and said owners may be an individual, individuals, or other legal entity or combination thereof. However, when the deed to such real property discloses a limitation on the right to use and occupy that real property, such as a timeshare estate, then such Residential Membership shall be limited to only such time as an owner of said real property has the exclusive right and easement to occupy that, or similar, Arrowhead Woods real property (Timeshare Estates shall have no voting rights). Any Special Use Privileges available to a Residential Member shall be limited to the same extent as the Residential Membership. Each Residential Membership shall be subject to the payment of dues.

2. **Commercial Property.** The following are deemed commercial properties - Lake Arrowhead Village, Lake Arrowhead Resort and Spa, UCLA Lake Arrowhead Conference Center and the Lakeside Resort. A commercial property shall also include any real property in Arrowhead Woods that is subject to a new subdivision created by the recordation of a final map in the County Recorder's office of the County of San Bernardino, California, from and after August 1, 2015 ("New Subdivision"); provided, however, that once any of the legal lots created by said New Subdivision has been sold to a retail purchaser, said retail purchaser can become a Residential Member as defined in this Article II. The above referenced commercial properties shall collectively be referred to as "Commercial Properties". Commercial Properties are eligible for one commercial membership. Commercial memberships have the same responsibilities and obligations as Residential

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<sup>1</sup> Lakewood tracts A & B have been assigned the numbers 1903 and 1996 respectively by San Bernardino County.

Members (as identified in these Bylaws, rules, regulations or other governing documents of the Association) but their respective rights and privileges shall be as identified in written agreements with the Association as approved by the Board of Directors from time to time. Commercial Memberships shall have no voting rights, inspection rights and/or rights to communicate to the Residential Members (which rights are solely granted to Residential Members) and, furthermore, shall have no right to notice of and/or attend Residential Membership and/or Board of Directors meetings.

### **3. Members in Good Standing.**

A "member in good standing" shall mean a member who is current in the payment of all dues and fees (including late charges and interest) and fines levied against the member and/or membership and not be subject to any suspension of membership privileges or Special Use Privileges (as defined below) as a result of any disciplinary proceeding conducted in accordance with these Bylaws or any rule, regulation or other governing document of the Association.

Only members in good standing, the members of their households and their invited guests shall be eligible to use the private facilities of the Association for which they qualify.

The legal owner or owners of a residential lot/unit or residential lots/units in Arrowhead Woods who are "Members in Good Standing" shall be entitled to one vote for each Residential Membership (with co-owners of a residential lot/unit deemed to be one member for voting purposes) in all matters concerning the Association on which such members are entitled to vote. Each Residential Membership shall be carried on the records of the Association in the name of the legal owner or owners of the residential lot/unit or residential lots/units from which such Residential Membership arises ("Residential Member" or "Residential Membership").

## **SECTION B. Membership**

The members of the Association shall be owners of residential property in Arrowhead Woods who apply for Residential Membership in accordance with the regulations prescribed by the Board. Residential Members in good standing may apply for and receive Special Use Privileges in categories as may be determined from time to time by the Board. Except for the Commercial Properties, membership shall not be granted to owners of non-residential lots within Arrowhead Woods.

Only the record owners of residential lots/units within Arrowhead Woods as vested in the County Records office in San Bernardino County, California, shall be entitled to ALA Residential Membership and the Special Use Privileges related thereto. The term "Special Use Privileges" shall mean and include, but not be limited to slips, slip rights, pier site easements, licenses, boating privileges, lake privileges and any other rights of possession or use of ALA property. Commercial Properties are entitled to Special Use Privileges but only pursuant to written agreements with the Association as approved by the Board of Directors from time to time.

All Special Use Privileges including slip rights, pier site easements, licenses and any other rights of possession or use of ALA property, shall be vested identical to the ownership of the lot/unit to which the license, easement or right is attached.

Except for the Commercial Properties, no Slip Right may be attached to more than one lot.

All members (including commercial memberships) are also subject to all other policies, rules and guidelines governing and regulating ALA property (such as slips, docks, dock rights, the lake, boating, reserve strip, buffer zones and the reserve strip addition) including, but not limited to, the Regulations for Shoreline Improvements, as adopted and/or amended from time to time by the Board of Directors or applicable committee of the Association.

Those docks that have four or more dock slips must form and have a multi-dock association in place, consistent with the Association's guidelines, no later than April 1, 2009. Residential Members of the multi-dock association must abide by any multi-dock association rules as may be adopted and/or amended from time to time by the Board of Directors or applicable committee of the Association.

### **SECTION C. Transferability of Membership**

Membership in this Association is not transferable. Special Use Privileges may be transferred only to Residential Members in good standing and then only in strict accordance with the requirements of the rules and regulations pertaining to such transfers, as set by the Board from time to time.

### **SECTION D. Dues, Fees and Interest**

1. **Dues.** All members shall be subject to the payment of dues as determined by the Board from time to time in accordance with the laws of the State of California and these bylaws. To remain in good standing, all members shall pay the dues as so determined.
2. **Fees.** The Board is also authorized to fix the fees for members who are also Special Use Privileges holders pursuant to Article II, Section B and make them payable at such time and in such amounts as the Board of Directors may prescribe.

The fees shall be enforceable by the suspension or forfeiture of the Special Use Privileges status on reasonable notice as determined by the Board of Directors, or by appropriate legal process, or by any other lawful means.

Any notice required hereunder shall be deemed given when deposited in the United States Mail, postage prepaid mailed to the member at the address shown for the member on the records of the Association, or when personally delivered to the member or as otherwise provided at Section 5015 of the California Corporations Code as same may be amended from time to time.

3. **Interest.** Interest will be imposed on delinquent dues and fees thirty (30) days past the due date at a rate of ten percent (10%) per annum.

### **SECTION E. Enforcement of Bylaws and Rules**

1. The Board shall have the power to reprimand, fine, suspend or expel any member for any conduct of the member, his family, or a guest thereof resulting in a violation of any Bylaws or rule of the Association, or for conduct determined by the Board to be generally detrimental to the Association or to its objectives as set forth in Section B of Article I hereinabove.
2. No Residential Members may be expelled or suspended, and no Residential Membership may be terminated or suspended, except only after a hearing before the Board or a committee appointed by it for such purpose, which hearing shall be conducted in accordance with Section 7341 of the California Corporations Code, as same may be amended from time to time. The Board may, from time to time, establish additional rules and procedures for the conduct of any such disciplinary hearing. Any hearing where a potential fine of greater than \$15,000.00 may be imposed shall only be heard before the Board. The Board also has the authority to review any committee decision and after a hearing, modify any ruling in the Board's discretion, provided, however, that it gives notice of such hearing to the Member and the applicable committee within thirty (30) days of the committee's date of its Ruling Notice. Additionally, any Member who fails to appear at a hearing or provide a written response to the applicable committee prior to the hearing, hasn't requested the Board appeal in writing within thirty (30) days from the date of the Committee's Ruling Notice and hasn't paid in full any fine imposed within said thirty (30) days of the date of the Committee's Ruling Notice, will lose the right to appeal to the Board any disciplinary action imposed by any committee.

3. Any Residential Member who has been suspended or expelled from membership and whose membership has been suspended or terminated may be reinstated by the Board upon such terms and conditions as determined from time to time.
4. Notwithstanding anything contained in these Bylaws to the contrary, the Association shall have the right to take immediate action, such as chain up dock slips, not issue boat registrations, impound boats, or tow vehicles, for non-payment of slip fees, dues or any other monies due the Association without holding the hearing identified in Article II, Section E.2. above. Violations which may subject the Residential Member to possible suspension or termination of his/her Residential Membership will still require the disciplinary hearing referenced in Article II, Section E.2. above prior to the suspension or termination of same.
5. The Association shall also have the right to remove, at the sole cost of the offending member, any improvements (including landscaping) placed within ALA property without prior ALA approval, consent or permission; the Association may facilitate such removal without the hearing identified in Article II, Section E.2. above.
6. The Board shall be the sole hearing tribunal for any hearings related to harassment of staff. Except for a Campaign Guidelines violation (which the Election Committee has sole jurisdiction per Article III, Section D.5(g)), the Board shall also have the authority and right to hear any violation of the Association's governing documents which the Board deems to be of such a serious nature, that the Board (and not the applicable committee) shall take original jurisdiction and be the sole hearing tribunal for the alleged violation.
7. If there is any inconsistency related to enforcement and sanctions between this Section E. and any rule or regulation of the Association (including, but not limited to, any Committee rule and/or regulation) then the provisions of this Article II, Section E. of the Bylaws shall control and supersede any such inconsistent rule or regulation.
8. In the event of a conflict between the ALA Bylaws and the language of the 1964 Agreement, the language of the 1964 Agreement shall control.
9. Any dispute between ALA or ALA Members regarding any pier site, dock, or fixture on the reserve strip or reserve strip additions or any property owned by ALA or pertaining to any membership in ALA shall be resolved by binding arbitration.

The arbitration shall take place in San Bernardino County before one arbitrator who shall be agreed upon by all parties to the dispute. In the event the parties are unable to agree upon an arbitrator, the dispute shall be resolved by a panel of three arbitrators. If there are two parties to the dispute, each party shall choose one arbitrator and the two arbitrators chosen shall choose the third arbitrator. If ALA is a party to the dispute and more than one member is involved in the dispute, ALA shall choose one arbitrator and the members shall collectively choose one arbitrator and the two arbitrators chosen shall choose the third arbitrator.

The cost of the arbitration shall be split equally by the parties to the arbitration. If allowed by California law, contract or the ALA Bylaws, the Arbitrator shall award the prevailing party attorney fees and costs. The award of the arbitrator shall not be appealable.

10. If any ALA member takes any action to circumvent any ALA Bylaw, Rule or Policy, the ALA has the right to void the action taken and may expel the member from ALA after a hearing before the Board of Directors.

## **SECTION F. Rules and Procedures for Suspension or Expulsion of Members From the Arrowhead Lake Association**

- 1) Pursuant to Article II Section E of the Bylaws of Arrowhead Lake Association ("Bylaws") the Arrowhead Lake Association's ("ALA" or "Association") Board of Directors ("Board") has, among other things, the power to suspend or expel any ALA Member for any conduct of the Member or any conduct of the Member's family or any guest of the Member resulting in any violation of any ALA Bylaw or Rule or for conduct determined by ALA's Board to be generally detrimental to ALA or its objectives as set forth in Bylaws Article I Section B. The terms "Member" or "Membership" (collectively "Member") as used in these Rules and Procedures for Suspension or Expulsion from Arrowhead Lake Association ("Disciplinary Rules") are defined in Bylaws Article II Section B.
- 2) The decision of the Board to suspend or expel ("Discipline") any Member shall be made by a vote of the majority of the Directors of the Board, excluding any Director who the majority of the Board finds by a preponderance of the evidence has a conflict of interest such that the Director should be recused ("Presiding Board").
- 3) A Member shall receive at least 30 days written notice prior to the date of the Hearing on the Discipline before the Presiding Board ("Notice"). The Notice shall state:
  - 1) The date, time and location of the Hearing ("Hearing Date");
  - 2) The reason(s) for the Discipline; and
  - 3) All written evidence ALA intends to offer at the Hearing and the names of the witnesses ALA may call at the Hearing.
- 4) ALA shall send the Notice to the Member's most recent address in ALA's records by next day delivery.
- 5) A Member must attend the Hearing to contest the Discipline. If the Member fails to attend the Hearing the Presiding Board shall review all evidence offered by ALA and render a decision.
- 6) If the Member chooses to attend the Hearing to contest the Discipline the Member shall send ALA's General Manager a written statement containing all written evidence the Member intends to offer at the Hearing, the names of any witnesses the Member may call to testify at the Hearing and state whether the Member will be represented by counsel at the Hearing. If the Member chooses to be represented by counsel it will be at the Member's sole cost and expense. In addition, if the Member is represented by counsel the Member must provide the name, address and telephone number of the Member's Counsel in the written statement to the General Manager. The written statement shall be sent by next day delivery to the General Manager or personally served upon the General Manager at the ALA office not less than 15 days before the Hearing Date. Any written evidence not presented as required by these Disciplinary Rules shall be admitted for the Presiding Board to consider with an explanation by the party offering the evidence as to why the evidence was not presented as required by these Disciplinary Rules. The Presiding Board will give all evidence presented at the Hearing the weight it believes the evidence deserves.
- 7) The chair of the Hearing will be the President of the Board of Directors unless the President is unable or unwilling to serve. In the event the President is unable or unwilling to serve, the chair of the Hearing shall be the Vice President of the Board. In the event the Vice President is unable or unwilling to serve, the chair of the Hearing shall be the Secretary of the Board. In the event the Secretary is unable or unwilling to serve, the chair of the Hearing shall be appointed by vote of the Presiding Board.



- 8) The Hearing shall proceed as follows: First, ALA's representative or counsel ("ALA's Representative") shall make an opening statement to the Presiding Board. Thereafter the Member or Member's counsel ("Member's Representative") shall make an opening statement to the Presiding Board. After opening statement ALA's Representative shall present ALA's case to the Presiding Board. If either party submits a written witness statement the statement must be signed under penalty of perjury. If witnesses are called they shall be sworn and testify under penalty of perjury. Witnesses who testify at the Hearing shall be subject to cross examination by the Member's Representative. When ALA's case closes the Member's representative will present the Member's case to the Presiding Board. If witnesses are called they shall be sworn and testify under penalty of perjury. Witnesses who testify at the Hearing shall be subject to cross examination by ALA's representative. Thereafter, ALA's representative will present its closing argument. Next, the Member or Member's representative will present the Member's closing argument. Finally, ALA's Representative will present a rebuttal closing argument. When closing arguments are completed, the Presiding Board shall retire to a private place to decide whether Discipline of the Member is warranted by a preponderance of the evidence. If the majority of the Presiding Board finds Discipline is warranted the Presiding Board must then decide whether to suspend, expel or impose some lesser sanction on the Member.
- 9) A Notice of Decision of the Presiding Board shall be personally delivered to the Member and sent to the Member at the Member's most recent address in ALA's records by next day delivery within 15 days of the date of the Hearing.
- 10) Judicial review of any decision made by the Presiding Board after a Hearing shall be by binding arbitration pursuant to Bylaw Article II Section E(9). Any petition for judicial review shall be made within one year of the date of the imposition of Discipline.
- 11) Any Member Disciplined shall remain liable to ALA for any charges incurred, services or benefits actually rendered, dues, assessments or fees incurred before the date of the imposition of the Discipline whether arising from contract or otherwise.

## **SECTION G. Membership Certificates**

The Board may issue certificates or cards evidencing Residential Membership in the Association. Each such certificate or card shall have printed on its face in clear type that the Association is a Non-Profit Corporation. The form, size and contents of the certificates or cards shall in all other respects be as fixed from time to time by resolution of the Board.

Each Residential Membership certificate or card shall expire on the records of the Association at the end of each fiscal year and shall be reinstated for each successive fiscal year only after validation by the Chief Financial Officer/Treasurer of the Association or designee on said records that the dues of the Residential Membership represented by the certificate or cards have been paid for that fiscal year.

The name and address of each Residential Member and the date of admission shall be maintained in the records of the Association. If any certificate or card shall become lost, mutilated or destroyed, a new certificate or card may be issued therefore on such terms and conditions as the Board may determine.

The Board may but is not obligated to issue certificates or cards for commercial memberships consistent with policies adopted from time to time by the Board of Directors.

## **SECTION H. Non-Liability of Members**

No member of this Association shall be personally liable for the debts, liabilities or obligations of the Association.

## **SECTION I. Meetings of Members and Voting by Written, Electronic or Telephonic Ballot**

1. **Place of Meetings.** All meetings of the Residential Membership shall be held within the Lake Arrowhead vicinity.
2. **Annual Meetings.** The annual meeting of Residential Members shall be held in July at a date, time and place to be determined by the Board. The purpose of the annual meeting shall be solely for reports from officers, committees, the General Manager and staff, and for questions and comments from Residential Members regarding matters of common interest or concern to the Association, its members and the ALA community in general. No other business shall be transacted at the annual meeting.
3. **Notice of Annual Meeting.** Notice of the annual meeting shall be given at least twenty (20) days but no more than ninety (90) days before the date of the meeting. All such notices, which shall be given via email blast, posting on the Association website and publication in a newspaper serving Arrowhead Woods, shall specify the place, day and hour of such meeting.
4. **Informational Meetings.** The Association may conduct informational meetings for the Residential Members from time to time. Notice of such informational meetings shall be given and the date thereof shall be set by the Secretary of the Association in the same manner as for annual meetings of Residential Members.
5. **Quorum.** There shall be no quorum requirement for conducting the annual meeting or for the election of Directors. All other Residential Membership action including, but not limited to, any amendment of these Bylaws or Articles of Incorporation requiring Residential Membership approval, shall require approval by a majority of a quorum of the Residential Members with a quorum being five percent (5%) of the Residential Members of the Association in good standing on the record date that the ballot materials are submitted to the Residential Membership.
6. **Voting by Written, Electronic or Telephonic Ballot.** Because of the large number of Residential Members of the Association, it is neither equitable nor logistically feasible to decide at an open meeting of the Residential Members any matters that are duly submitted to the Residential Membership, therefore, voting by Residential Members on such matters shall be done by written, electronic or telephonic ballot and not at an annual or special meeting of the Residential Members. Except as otherwise provided in these Bylaws, the general quorum requirement for voting by written, electronic or telephonic ballot shall be five percent (5%) of the Residential Members of the Association in good standing. Any matter or issue requiring the vote of the Residential Members, including the election of Directors, shall be by written, electronic or telephonic ballot so long as the procedures and requirements for action by written, electronic or telephonic ballot set forth herein are satisfied, as well as election rules, if any, adopted by the Board of Directors from time to time. In light of the Residential Membership's voting rights to be facilitated by written, electronic or telephonic ballot sent to all Residential Members in Good Standing, proxy voting is not permitted.
7. **Record Date.** The record date for determining which Residential Members are eligible to vote in the annual election of Directors shall be August 1 of each year. As to any other type of election or vote by written, electronic or telephonic ballot, the Board of Directors shall establish the record date in accordance with Corporations Code §7611.

## **ARTICLE III DIRECTORS**

### **SECTION A. Number and Term**

The Association shall have seven (7) directors and the term of office shall be for three (3) years commencing at the October meeting of the Board following the election. One Residential Member shall be elected from each of the five districts identified below in this Article III; a candidate running for a particular district shall only be elected by the owners of a lot/unit within that particular district (that have a Residential Membership assigned to such lot/unit) consistent with the voting rights set forth in these Bylaws. Two directors shall be elected At Large; all members may vote for Directors At Large consistent with the voting rights set forth in these Bylaws.

Directors shall serve until their resignation or until their successors are duly seated. Newly elected Directors shall be seated/installed as the last item of business at the open meeting of the Board in October of the year of expiration of the term of office.

Except for a personal injury and/or property damage claim, any Director who files or joins a lawsuit or administrative claim against the Association ("Adversarial Proceeding") shall be deemed to have vacated his/her Director seat and automatically resigned from the Board of Directors ("Automatic Resignation"). Said resigned Director shall not qualify or be eligible to run for the Board of Directors until such time as the Adversarial Proceeding has been dismissed or otherwise resolved. To avoid an Automatic Resignation and in furtherance of the duties of a Director, all Directors are encouraged to communicate and, thereafter, meet and confer with the entire Board of Directors to discuss facts and issues that such Director believes can lead to an Adversarial Proceeding.

For any District in which there is no election because there is no candidate, the District shall be declared to have a vacancy as of the Board meeting in October at which other Directors are duly seated.

### **SECTION B. Districts and Election Rotation**

The Association shall have the following 5 Districts:

- 1) East District as further identified in Exhibit A attached hereto and made a part hereof by this reference.
- 2) South District as further identified in Exhibit B attached hereto and made a part hereof by this reference.
- 3) North District as further identified in Exhibit C attached hereto and made a part hereof by this reference.
- 4) West District as further identified in Exhibit D attached hereto and made a part hereof by this reference.
- 5) Grass Valley District as further identified in Exhibit E attached hereto and made a part hereof by this reference.

The rotation of election of directors for districts and At Large A and B seats will be as follows:

In September 2006, the East District and South District seats will be up for election and every three years thereafter.

In September 2007, the West District and At Large Office A seats will be up for election and every three years thereafter.

In September 2008, the North District, the Grass Valley District and the At Large Office B seats will be up for election and every three years thereafter.

### **SECTION C. Qualifications**

The Directors of the Association shall be elected/appointed in accordance with these Bylaws. There is no quorum requirement for an election of Directors.

To be qualified to be nominated, elected, appointed and/or remain a director of the Association, the Residential Member must qualify and remain qualified as follows:

1. Have attained an age of legal majority under the laws of the State of California;
2. Be the owner of a minimum twenty-five percent (25%) fee simple interest of an improved residential lot or unit (if ownership is in the form of a trust or business entity, a minimum 25% beneficial interest in the trust or business entity) in the district to which office election is sought or, anywhere in Arrowhead Woods if the office sought is an "at-large" position;
3. Be a Residential Member in good standing as that term is defined under Article II, Section A;
4. Must be the only Residential Member of the improved residential lot or unit running for election to the Board of Directors and/or serving on the Board of Directors. The Board of Directors shall establish a procedure to verify that all candidates meet the eligibility standards set forth in this Article III, Section C. Any candidate determined by such process to not meet the eligibility standards may appeal that decision to the Board of Directors, but must do so in writing and no later than seven (7) days after the decision is mailed;
5. Must not be a Director in another District or At Large Office. If a Director wishes to run for a seat in a different District or an At Large Office (and upon confirmation that he/she is otherwise qualified to run for that seat) then he/she must first immediately resign their current seat before he/she is eligible to run for a different District or an At Large Office (provided they are a Residential Member in good standing). This limitation does not apply to a Director whose term is expiring at the end of the election cycle at issue;
6. Must not have a pending Adversarial Proceeding against the Association;
7. Must agree to protect the privacy rights of the individual Residential Members and, as such, agrees that the definition of "books and records" as that term is defined within these Bylaws does not include any and all email addresses, phone numbers and/or mailing addresses that are in the possession of the Association; and
8. Must sign the nomination application (those existing directors as of June 1, 2015, must also sign a document to reflect his/her agreement to Article III, Section C.7., in order to remain a director of the Association).
9. Must sign and return the executed Board Member Conflict of Interest form, Board Member Non-Disclosure of Confidential Information form and the Code of Conduct form. The abovementioned forms have been approved by the Board of Directors and will be presented to the Director for signature by the General Manager.

## **SECTION D. Election Procedures/Campaign Materials**

### **1. Nomination of Candidate**

Each person seeking to become a qualified candidate for election as director to a specific district must obtain the signatures of seven (7) members in good standing in that district, and such candidate may not be a candidate in any other district or at-large in the same election.

A person seeking to become a candidate for Director At-Large shall obtain seven (7) signatures from Residential Members in good standing.

The candidates themselves, individually, must obtain the seven (7) signatures of Residential Members in good standing and may not delegate the securing of said signatures to any other person ("Signature Requirement"). The candidate shall also attest to compliance with this Signature Requirement as part of his/her nomination application. No prospective candidate substitutions may be made by the candidate, another Residential Member and/or the Association.

As part of the nomination application, candidates must agree to comply with the Campaign Guidelines and agree to pay in a timely manner any fines imposed by the Election Committee if the Election Committee determines that a violation of the Campaign Guidelines (identified in Article III, Section D.5. below) has occurred.

The candidate must sign and return the Board Member Conflict of Interest form, the Board Member Non-Disclosure of Confidential Information form and the Code of Conduct form. The abovementioned forms have been approved by the Board of Directors and will be presented to the candidate for signature with the nomination application.

### **2. Election Committee**

For any Board of Directors election, the Board shall appoint an Election Committee consisting of no less than three (3) nor more than five (5) Residential Members inclusive of the Chair. The Election Committee should be appointed on or before July 31 for any annual Board of Directors election and for any other Director election (recalls or special elections); the Election Committee shall be appointed as soon as possible and prior to the commencement of the election cycle at issue. Election Committee members shall be Residential Members. Election Committee members shall not endorse and agree not to endorse any candidate and shall not be a member of the Board of Directors, a candidate for the Board of Directors, and/or related to or reside in the same household as a member of or a candidate to the Board of Directors (the qualifications in this sentence shall collectively be referred to as "Additional Qualifications"). The Election Committee shall verify that all candidates meet the qualifications set forth in Article III, Section C. of these Bylaws and have signed and returned the nomination application that verifies that the candidate has agreed to the items set forth in Article III, Section C, subsections 7. and 8. above. Although the Association's staff confirms the Signatures Requirement, any questions or issues related to compliance with the Signature Requirement can be forwarded by staff to the Election Committee for determination of compliance. Any candidate determined by the Election Committee to not meet the eligibility qualifications identified above may appeal the Election Committee's decision to the Board of Directors but must do so in writing no later than seventy-two (72) hours after the Election Committee has delivered its ruling to the candidate at issue.

Any alleged violation brought to the attention of the Election Committee shall be investigated forthwith by the Election Committee. Should the Election Committee decide that it reasonably appears that there may have been a violation, it shall, as soon as possible following such decision, give at least 48-hours written notice of the alleged violation to the candidate to cease and desist, as well as notice of the date,

time and location of the hearing set to afford the candidate the opportunity to appear before the Election Committee. The hearing on the alleged violation shall be set no later than five (5) days after the giving of the notice. At the hearing, the candidate or his/her representative shall be given the opportunity to rebut the allegation of a violation. The Election Committee shall make a written finding as to whether a violation occurred and, if so, any extenuating circumstances. If a violation is found to have occurred, the Committee may impose a fine against the candidate up to an amount of \$1,000.00 per violation. Notice of the ruling and any sanction imposed shall be given in writing to the candidate within forty eight (48) hours of the hearing. Fines imposed by the Election Committee shall be due and payable within 30 days of the ruling notice unless the Election Committee identifies a longer period of time.

### **3. Inspector(s) of Election**

The Board of Directors shall appoint the Inspector(s) of Election consistent with Article III, Section D. 4. below. The Inspector(s) of Election must comply with both (a) the Additional Qualifications and (b) either be an independent third party under a written contract approved by the Board of Directors or be a Residential Member. The Inspector(s) of Election shall have all of the powers contained within Corporations Code Section 7614. The Inspector(s) of Election shall also determine the number of Residential Members entitled to vote and the voting power of each Residential Membership, shall facilitate the receipt of the written, electronic or telephonic ballots, hear and determine all challenges and questions in any way arising out of or in connection with the right to vote, count and tabulate the written, electronic or telephonic ballots, determine and announce the results of the election and shall further perform any acts which may be proper to conduct the election with fairness to all Residential Members in accordance with Corporations Code Section 7614 and these Bylaws.

- (a) **Voting by Written Ballot.** The Inspector(s) of Election may also appoint and oversee additional persons to verify signatures and to count and tabulate written ballot votes ("Inspector Designees") as the Inspector(s) of Election deems appropriate. All written ballot votes shall be counted by the Inspector(s) of Election (and Inspector Designees) in an open setting allowing Residential Members and nominees to witness the counting and tabulation of written ballot votes. Anyone who is not an Inspector of Election and/or an Inspector Designee must remain at least fifteen feet (15') away from the counting table. No person may interfere with, harass or otherwise communicate with the Inspector(s) of Election and/or Inspector Designees while the opening of written ballots and tabulation are taking place (other than when the Inspector(s) of Election requests to communicate with a person such as corporate counsel or management related to the election process). The Inspector(s) of Election can cause the removal of any observer who causes interference with or disrupts the counting or tabulation process. Once the Inspector(s) of Election have finished counting, the Inspector(s) of Election will thereafter announce the results of the election, including any electronic or telephonic ballot voting results. No person, including any Residential Member and/or employee of the Association, shall open or otherwise review any written ballot prior to the time and place at which the written ballots are counted and tabulated by the Inspector(s) of Election (Inspector Designees such as staff, can review written ballot envelopes to assist the Inspector(s) of Election but cannot open such written ballot envelope to review the written ballot until the written ballot counting commences by the Inspector(s) of Election).

### **4. Election Schedule**

- (a) The board of directors shall appoint one (1) or three (3) inspector(s) of election on or before July 31.
- (b) August 1 through August 15: Nomination applications are available at the Association Office. The prospective candidate must pick up the nomination application in person.
- (c) Deadline for filing nomination papers at the Association office shall be August 15 at 5:00 p.m.



(d) In the event of a contested election (whether it is a District and/or at large seat), two events shall be held - one candidates' forum and one candidates' meet and greet ("Candidates' Events") - both Candidates' Events will be held on two different dates between August 16 and the first Saturday of September as noticed by the Association; the Association shall publicize the Candidates' Events by posting a notice on the Association's website, posting a notice on the community board outside the Association's administrative building as well as by publication in a local newspaper serving Arrowhead Woods. The candidates' forum shall be moderated by a neutral third party and candidates shall not assert influence over the selection of the forum moderator. For purposes of this section, a "neutral third party" cannot be: a) a board member or a candidate running for the board of directors, b) a person related to a board member or to a candidate running for the board of directors, or c) a person who has endorsed a candidate(s). There shall be no moderator for the candidates' meet and greet. Candidate participation in the Candidates' Events shall be optional.

(e) September 1, 5:00 p.m.: Deadline for distribution of written, electronic or telephonic ballots to Residential Members in good standing.

(f) Deadline for return of ballots is September 22 at 5:00 p.m. If September 22 falls on a Sunday, then any written ballots must be returned no later than 5:00 p.m. of the next business day.

(g) Second Saturday in October: Deadline for announcement of election results.

(h) Fourth Saturday in October: Seating of newly elected Directors.

(i) Recount: There shall only be one recount (which shall be performed by the Inspector of Elections) provided it is requested within ten (10) days from the date that the Inspector of Elections announces the election results. Any Residential Member asking for the recount must remit to the Association a deposit to pay for the cost of the recount by the Inspector of Elections. If the recount changes the outcome of the election, then the deposit shall be refunded to the Residential Member requesting the recount. If the recount does not change the outcome of the election, the deposit shall be retained by the Association to pay the Inspector of Elections for the cost of the recount.

## **5. Campaign Guidelines**

(a) Campaign Period - the campaigning period shall commence on August 1 and shall end September 22 ("Campaign Period").

(b) Quiet Period – In order to ensure fairness during the election cycle, there shall be a quiet period for Board members who are running for re-election to the Board of Directors. Accordingly, other than the President's Report or other official business by the Board of Directors, a quiet period will be implemented for Board member candidates ("Incumbents") from July 1 to August 1 ("Quiet Period"), and no written communication to the Residential Membership regarding the Association, its operations or what the Incumbent has done for the Association can be conveyed or disseminated in any form by Incumbents to the Residential Membership until the Campaign Period commences.

(c) There shall be no campaigning before the Campaign Period commences.

(d) Candidates/nominees shall have no communication on election issues with any Association staff other than the General Manager or Assistant General Manager.

(e) The use of any campaign materials (including, but not limited to, leaflets, flyers, banners, newspaper/circular ads, signs, signs/printing on cars, golf carts, any other vehicle, boats and any other water vessel, etc.) is prohibited except as set forth in subsection (f) below.

(f) Campaigning - The candidate may communicate with the Residential Membership via the candidate's statement which will be included in the election materials mailed and/or emailed by the Association to the membership. In addition, the Association will hold two Candidates' Events for any contested election as set forth in Section D.4. of this Article III. Any candidate who wishes to mail a statement or mailer ("Campaign Mailer") to the Residential Membership may do so provided the Association facilitates the mailing consistent with the Association's policies, the candidate pays for the mailing at his/her sole cost and expense and the Campaign Mailer does not include any libelous content.

(g) These Campaign Guidelines shall apply to any Association elections including, but not limited to, annual, special and recall elections. Association's Election Committee shall have jurisdiction over the candidates (or any proponents of an election such as a director recall) in any election and shall hear any alleged violations of the Campaign Guidelines. The penalty for violation of the Association's Campaign Guidelines shall be as determined by the Election Committee and may include a fine of up to an amount of \$1,000.00 per violation.

(h) The sole remedies for violations of Campaign Guidelines are as set forth in Article III, Section D.5(g) above and any violation of the Campaign Guidelines shall not invalidate or impact the validity of any election.

## **6. Eligibility of Voter**

A voter must be a Residential Member in good standing as of the record date to vote ("Eligible Voter"). Residential lot/unit co-owners who are Eligible Voters are deemed to be one Member for voting purposes. A vote cast by an Eligible Voter of a multi-owner Residential lot/unit will be deemed to have the approval of the other owners of that residential lot/unit. Only one ballot may be cast for each residential lot/unit. In the case of written ballots, if more than one ballot is received, then the first ballot received will be counted. No subsequent or duplicate ballots will be counted. "First ballot received" is determined by the time/date stamp (on the return envelope whether mailed to the Inspector of Elections or deposited at the ballot box at the Association office). The Inspector of Elections shall time/date stamp return envelopes upon receipt at the Inspector of Elections' office; ballots deposited in the ballot box at the Association office will also be time/date stamped with the time/date clock next to the ballot box.

## **7. Attorney's Fees Regarding Election Challenges**

In the event litigation is commenced related to any election challenge and/or any challenge related to any election or recall process, the prevailing party shall be entitled to its reasonable attorneys' fees and costs provided, however, that there shall be no attorneys' fees award in excess of ten thousand dollars (\$10,000.00).

## **SECTION E. Vacancies**

1. Upon the vote of the directors, the Board may declare vacant the office of a director on the occurrence of any of the following events:
  - (a) The director is declared of unsound mind by a final order of Court;
  - (b) The director is convicted of a felony;
  - (c) The director has failed to attend three (3) regular meetings of the Board in any twelve-month period;
  - (d) The director has become delinquent in the payment of any dues or fees for a period in excess of forty-five (45) days. In this regard, the director who is delinquent for over forty-five (45) days shall be given a minimum of fifteen (15) days' written notice to pay any such



delinquency, and only upon the failure of such director to pay such delinquency shall the Board declare vacant the office of such director; or

- (e) The director fails to meet the eligibility requirements set forth in Article III, Section C. of these Bylaws. The Board shall provide at least fifteen (15) days' written notice and an opportunity for the challenged director to be heard before the Board of Directors in closed session prior to making a determination to declare the director's seat vacant.
2. Filling Vacancies Declared by the Board of Directors. Any vacancy on the Board, except for a vacancy occurring under Article III, Section F. of these Bylaws, shall be filled as follows:
- (a) When a vacancy occurs and the remaining term is twelve months or less, then a majority of the remaining directors shall have the right but not the obligation to fill the vacancy;
  - (b) When a vacancy occurs and the remaining term is more than twelve months, the Board shall have the right but not the obligation to fill the vacancy until the next annual Board election whereupon the Residential Members shall elect the succeeding director who shall serve the remaining balance of the vacated director's term.
  - (c) The Board shall have staff place notice in a local newspaper serving Arrowhead Woods, as paid legal advertising. Said notice shall state whether the vacant position is a particular district or an at-large position and the deadline by which applications must be received in the office of the Association.
  - (d) When the vacancy is for a district seat, applications will be accepted only from Residential Members in that particular district that are otherwise qualified as defined within Article III, Section C. herein. Following the prescribed posting/advertising period identified above, if no application is received from a qualified Residential Member from the vacant district, the Board may take either of the following actions:
    - (i) Applications from any qualified Residential Member, from any district, may be considered for the vacant district seat; or
    - (ii) The Board may allow the seat to remain vacant until the next regularly scheduled director election.
  - (e) When the vacancy is for an at-large seat, applications will be accepted from any qualified Residential Member, as that term is defined in Article III, Section C. above.
  - (f) The General Manager is authorized to prepare an application form for candidates desiring to be interviewed which application shall include the necessary information for management to verify that such applicant is qualified and eligible to be a board member consistent with Article III, Section C. herein.
  - (g) Qualified and eligible Candidates shall be interviewed by a majority of the Board at a closed session of the Board. The General Manager of the Association, in consultation with the presiding officer, shall assign interview times to the prospective candidates and shall notify said candidates by telephone and mail, if possible, as the date, time and place of interview.
  - (h) After all candidates have been interviewed and the Board has had an opportunity to debate the qualifications of each candidate, voting shall commence as follows:
    - (i) If there are more than two (2) candidates, each member of the Board present shall write the name of the candidate he/she favors on a ballot, and the secretary shall

then tally the ballots reporting which two (2) candidates have received the highest number of votes.

- (ii) Thereafter, the presiding officer shall ask if there is any further comment, discussion or debate before a roll call vote is taken, and if so, debate shall be held. A secret ballot may be requested by any director in which case that is how the vote will be conducted.
- (iii) If there is no debate, the presiding officer shall instruct the secretary to call the roll and at that time the Board members shall announce the name of one of the two candidates for which such director is voting, and the candidate receiving a majority of the votes shall be declared elected.
- (iv) If a tie vote occurs, the presiding officer shall call for further debate and voting shall again be by roll call vote. If a tie vote results again, voting shall be adjourned to the next regular meeting of the Board and shall continue in this fashion until a new director is elected.

#### **SECTION F. Recall Petition and Filling Vacancies Created by Recall.**

Residential Members may request that the Association submit a written, electronic or telephonic ballot to the Residential Membership for the purpose of removing an individual director and the election of a new director in the event the recall is successful. The petition must be signed by at least 5% of Eligible Voters within the respective At-Large area (to recall a director who has an At-Large seat) or 15% of Eligible Voters within the respective district (to recall a director who has a District Seat). The properly signed petition shall be delivered to the Association c/o the General Manager or the Assistant General Manager. Once the signatures have been verified to be those of Eligible Voters, the Association shall proceed to notify the Residential Membership (of the appropriate District or At-Large area) of a recall election as follows:

1. Association shall, within 45 days from the receipt of the recall petition, appoint an Inspector of Elections and distribute written, electronic or telephonic ballots to the Eligible Voters in the district or At Large area (dependent on whether the director at issue was elected to a district or At Large seat).
2. Eligible Voters shall have at least fifteen (15) days from the date the ballots are distributed to cast their vote similar to a regular election.
3. The results of the recall election shall be announced at the next regularly scheduled meeting of the Board following the deadline for voting. A recall of the director shall occur if the affirmative vote of at least a majority of all votes has been cast in favor of said recall.
4. If the recall election result is YES that the director shall be recalled, then if the remaining term is twelve months or less, a majority of the remaining directors shall have the right but not the obligation to call a special election to fill the vacancy or leave the seat vacant until the next annual Board election at which time, the recalled director's seat would be up for election by the Residential Members consistent with the election cycle identified in Article III, Section B. above. If the Residential Members recall a director and the remaining term is more than twelve months, then the Board of Directors has the obligation to proceed with calling for a special election whereupon the Residential Members shall elect the succeeding director who shall serve the remaining balance of the vacated/recalled director's term.
5. Any special election to fill the vacancy of a recalled director shall be handled in a similar manner as provided for in the regular annual election under Article III, Section D. except that the

director so recalled shall not be qualified/eligible to run in any election (to fill such vacancy created by the Residential Membership's approval of the recall).

### **SECTION G. Quorum**

A majority of all directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present, shall be regarded as the act of the Board.

### **SECTION H. Action Without Meeting**

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

### **SECTION I. Fees and Compensation**

Directors shall receive no compensation for their services, but may receive such reimbursement for expenses as may be fixed by resolution of the Board.

### **SECTION J. Authority of the Board of Directors**

The Board of Directors of Arrowhead Lake Association shall manage the affairs of the Association, except that it shall not be authorized to modify any action taken by the Residential Members at a duly authorized meeting.

The Board shall transact any business relating to the Association as an incorporated body, shall fix the place of business and shall employ such persons as are required to carry on the work of the Association.

### **SECTION K. Duties and Rules of Conduct of Directors**

1. Each director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
2. Each director owes a fiduciary duty and responsibility to the Association and to its Residential Members. This fiduciary relationship imposes obligations of trust and confidence in favor of the Association and its Residential Members, requiring each director to act in good faith and in the best interests of the Association and its Residential Members. A duty is thus imposed upon each director to act with completely undivided loyalties and full honesty.
3. No director shall discuss confidential information considered by the Board in closed session, either orally or in writing, with any non-director without the prior written consent of the Board of Directors.
4. No director shall voluntarily undertake for compensation, either directly or indirectly, any action in support of or at the request of any person or organization presently having any matter pending before the Association for its review or approval. This shall include threatened and actual litigation, claims and assessments of any nature.
5. Each director is obligated to inform the Board or appropriate committee of the Board of all relevant information which impacts the Association, its assets or financial condition of the

Association of his or her knowledge and in his or her possession concerning any matters pending before the Board or a committee of the Board, and any litigation involving the Association, including the full disclosure in advance of any actions or discussions he intends to undertake concerning such matters involving any non-director.

6. In performing his or her duties, each director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:
  - (a) One or more officers or employees of the Association whom the director believes to be reliable and competent in the matters presented;
  - (b) Counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or
  - (c) A committee of the Board on which the director does not serve, as to matters within its designated authority.
  - (d) As otherwise provided by Section 7321 of the Corporations Code, as same may be amended from time to time.
7. No individual director shall direct staff other than by majority of the Board of Directors, except that the President or the Executive Committee may give direction to the General Manager or the Assistant General Manager.
8. No individual director may issue a public statement or policy position to the media on behalf of the Association. Only the majority of the Board of Directors shall have such authority and only the Board of Directors shall direct who may issue such statements/positions on behalf of the Association.
9. A director shall be entitled to review all books and records (as that term is defined below) of the Association except those portions of personnel records that are subject to privacy and/or confidentiality rights (such as medical records and/or other confidential information as determined from time to time by the Association's consulting human resources firm or if none is such available, its corporate counsel). For purposes of these Bylaws and in order to protect the privacy rights of all Residential Members, the term "books and records" expressly excludes the mailing list, email addresses and phone numbers of Residential Members that are in the possession of the Association. Consistent with Article III, Section C., subsection 7., in order to be qualified to be nominated, appointed or remain a director of the Association, such persons must agree to the definition of "books and records" as set forth in these Bylaws and expressly waives any expanded definition of "books and records" as that term may be interpreted or defined by statute or in a court of law pursuant to Corporations Code §8334 (or any successor statute). However, any director or Residential Member who wishes to communicate with the Residential Membership shall be provided the reasonable alternative of having the Association mail the materials the director or Residential Member wishes to send to the Residential Membership provided that said materials do not include libelous content ("Mailing"). Any such Mailing shall be at the sole cost and expense of the Residential Member or director.

#### **SECTION L. Dealings Between Association Leader and Association**

Except for sole source contracts approved by a vote of the Directors, staff, directors or officers and/or staff, directors or officers' immediate family members (collectively, all of the above "Association Leader") shall be prohibited from bidding on or receiving any oral or written contract (or receive an assignment of such contract) for any consideration whatsoever by and between the Association and the Association Leader. For purposes of

this provision, "immediate family members" shall mean and include spouse, domestic partner, parents, children and siblings. Similarly, except for publicly traded entities that provide a service to both the Association and residences within Arrowhead Woods, the Association is prohibited from entering into an oral or written contract for any consideration with any business entity (such as a limited liability company, corporation, limited partnership, general partnership, sole proprietorship, etc.) in which any Association Leader has any interest in said business entity. The term sole source contract as used herein means a contractor or vendor providing goods or services of such a unique nature or sole availability that the contractor/vendor is the only practical source to provide the goods or services to the Association. The provisions of this paragraph may be only amended or changed by a vote of the Residential Members of the Association. This Article III, Section L. shall not relate / apply to employment agreements between the Association and staff.

### **SECTION M. Enforcement of Duties of Directors**

In addition to the vacancies that can be declared by the Board as set forth under Section E. of this Article III, the Board shall have the following censure rights:

1. The Board shall have the right to censure any director who violates the Association's governing documents including these Bylaws and/or any Association rules and regulations. The procedure to be followed in such circumstances shall be as follows:
  - (a) Any three (3) directors may call for censure ("Censure Request").
  - (b) The Board shall give at least 15 days' notice to the director subject to censure of a closed session hearing before the Board to address the censure request.
  - (c) A hearing as described in Article III, Section M., paragraph 1 shall be conducted according to such reasonable rules and procedures as the Board shall adopt from time to time which shall provide that the director subject to the proposed censure shall have the right to be represented by counsel, at his/her sole cost and expense, and to present any oral and written information that such Director wishes the Board of Directors to consider prior to a determination of whether there was or was not a violation of the Association's governing documents. At the conclusion of the hearing, the Director subject to censure shall recuse himself/herself and shall leave the room (and, to the extent, that said Director was represented by counsel, said counsel must also leave the room). Thereafter, the chair of the hearing shall call for a vote to determine whether or not there was a violation of the governing documents and, if so, should a censure proceed. If the Board determines there was a violation of the governing documents and that censure is appropriate, the Board will have a second vote to determine which of the two possible censure processes should be followed:
    - (i) Private censure. Private censure shall be a private rebuke with a request that the offending director not violate the governing documents again.
    - (ii) Public censure. A public censure shall mean a letter mailed to the Residential Membership advising of the censure. Said letter shall also be placed on the Association's website for a period of time not to exceed 90 days.

### **SECTION N. Acceptance of Duties by Director Candidates**

The General Manager is directed to request any candidate who runs for the Board to execute the following statement as part of the nomination application:

"As a candidate for the Board of Directors of the Arrowhead Lake Association, I have read the Articles, Bylaws and Duties of Directors regarding conduct of members of the Board of Directors as set forth in the bylaws, and agree to be bound by the provisions contained therein. Furthermore, as a candidate for the Board of Directors I agree to abide by the Campaign Guidelines contained herein and agree that the Election Committee has jurisdiction over me to impose a fine if the Election Committee determines that I violated the Campaign Guidelines. I further agree to protect the privacy rights of the individual Residential Members and, as such, agree to the definition of "books and records" as set forth in Article III, Section K.9 of these Bylaws."

## **ARTICLE IV MEETINGS OF DIRECTORS**

### **SECTION A. Board Meetings**

An "open session" of the Board of Directors shall mean a regular or special Board of Directors meeting where Residential Members of the Association may attend.

A "closed session" of the Board of Directors shall mean a meeting where only directors, officers, corporate counsel, management and invited staff/guests may attend. A closed session of the Board of Directors can be held to discuss any and all legal matters, matters related to the formation of or in any relationship to any contract involving the Association, personnel matters, and member discipline. Except in the case of an emergency related to property damage, life safety issues and material financial interests, any closed session of the Board of Directors can be noticed to the Board members on two days' notice (which notice can be made by email, phone, facsimile, mail or other electronic means).

A closed session of the Board of Directors may be called by the President, General Manager, Assistant General Manager or any two Board members (identifying the agenda items for such closed session). A closed session can be called during an open session of the Board of Directors meeting or independent of an open session Board of Directors meeting. To the extent that the subject matter of a closed session involves a potential disciplinary matter involving an individual Board member (either by disclosure by the individual Board member or by determination of the vote of the Board of Directors), then the individual Board member must recuse himself/herself from the closed session and physically leave the building/room where the closed session is taking place until such time as that subject matter is no longer being deliberated.

Closed session minutes are confidential and shall be kept in a secure place in a separate minute book. Only members of the Board of Directors, corporate counsel and those management employees and other designated representatives of the Association shall be entitled to review closed session minutes. Closed session minutes shall not be considered a type of minutes or "accounting books and records" which are available to the Residential Membership under Corporations Code §8333.

Meetings of the Board shall be called and held as may be ordered by the Board.

Unless the Board provides notice of a different date and time, the regular meetings of the Board shall be held on the fourth Saturday of the months January, March, June, July, August, September and October. The May meeting will be held on the second or third Saturday of the month. The November meeting will be held on the third Saturday of November (the open session Board meetings scheduled above shall be collectively referred to as Regular Board Meetings). All meetings will be held in Lake Arrowhead at 9:00 AM.

All Regular Board Meetings shall be governed by an agenda. Items may be placed on the agenda by either the President, the General Manager, the Assistant General Manager or any two Board members. Agenda items must be communicated in writing (via email, facsimile or letter) to the General Manager and the presiding officer not less than ten (10) days prior to the commencement of the meeting, except that if expressly waived by the

presiding officer, such communication may be accepted orally or by telephone. Oral or telephonic communication on this subject is to be used only in the case of emergencies.

Any and all motions purporting to effect any change at all in the Bylaws or any of the rules and regulations of the Association adopted pursuant thereto, must be in writing with a copy provided to each member of the Board present at any meeting at which discussion of or action on such motion is sought.

Said items on the agenda will control the order of business at the Regular Board Meetings. Each Regular Board Meeting's agenda shall have a classification of consent agenda, old business, new business and any other action item. By the vote of the directors, the Board may instruct the presiding officer to place particular items of new business on the agenda for the next succeeding regular or special meeting of the Board. Special or emergency open session Board meetings as well as all closed sessions shall have an agenda limited to the item(s) that were at a minimum, generally identified in the notice for such emergency or special open session Board meeting as well as any closed session.

#### **SECTION B. Notice to Directors.**

Except for Regular Board Meetings held in accordance with the above schedule, notice of any other open session Board meetings (except emergency meetings), shall be communicated to the Directors not less than four (4) days prior to the meeting by any method permitted by California Corporations Code. However, prior to or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the timely giving of such notice. Attendance by a Director at any meeting of the Board shall also be deemed a waiver of notice by him/her.

#### **SECTION C. Notice to Residential Members.**

Except for a closed session, an emergency Board meeting and Regular Board Meetings, the notice of the date, time and place of any other Board meeting shall be posted on the Association's website and on the community board outside the Association's administrative building at least four (4) days in advance of the meeting.

The Association shall give notice of the date and time of any closed session (at least 48 hours prior to the closed session) by placing a notice of the closed session on the Association's website.

#### **SECTION D. Disposition of New Business.**

When business not on the agenda is brought before the Board which, in the opinion of any director, substantially affects the rights or obligations of the Association or any of its members, or which purports to amend the Bylaws or any rules or procedures of the Association, the presiding officer or by the vote of the directors shall, before any action is called for thereon, refer the same to the appropriate committee which is generally charged with the subject matter.

An item deemed by the presiding officer, Executive Committee, General Manager or Assistant General Manager to be of an emergency nature may be presented for Board action by conference call or any other lawful means as prescribed by California Corporations Code. Such action shall be set forth in minutes properly taken.

#### **SECTION E. Voting.**

A "2/3<sup>rd</sup> vote of all directors" shall mean a vote of all directors exclusive of any vacancy. For example, a 2/3<sup>rd</sup> vote of all directors where there is one vacancy shall mean an affirmative vote of 2/3<sup>rd</sup> of six directors or 4 directors. The term "the vote of the directors" shall mean an affirmative vote of a majority of a quorum of directors. Similarly, a term of "a majority of all directors" shall mean a majority of all directors such that for example if there are only five directors with two vacancies, a majority of all directors shall mean 3 directors.

When any motion or matter is put to a vote of the Board, the manner of voting shall be by voice vote.



If any member of the Board requests a roll call vote, no second shall be required, and the presiding officer shall instruct the recording secretary to call the roll and record the vote in this manner.

This method of voting shall apply to all voting, except that the procedure set forth in Article III, Section E. shall take precedence over this method of voting when voting upon the selection of a director.

## **ARTICLE V OFFICERS**

For purposes of these Bylaws and / or any other governing document of the Association, wherever the term "presiding officer" is used, it shall mean the President, or in the absence of the President, the Vice-President.

### **SECTION A. Officers**

The Officers of the Association shall be: President, Vice President and Secretary / Treasurer.

All of said officers shall be known as and comprise the executive committee of the Association.

The Association may also have such other officers as may be appointed by the Board. No person may hold more than one (1) office, except for Secretary/Treasurer.

### **SECTION B. Election**

As soon as the newly elected Directors are seated/installed at the end of the regularly scheduled Board meeting in October, the new Board shall meet to elect the officers of the Association. The officers shall serve for one (1) year or until their successors are elected, except as indicated herein. Each officer shall hold his or her office at the pleasure of the Board and the Board may remove an officer from office either with or without cause with a majority vote of all Directors. An officer may resign at any time by giving notice to the Board, the President or the Secretary/Treasurer. Any Director seeking the office of President shall have served as a Board Member for the previous six (6) months.

### **SECTION C. Vacancies in Office**

Vacancies in office shall be filled by appointment of the Board, or by the President until such appointment can be made by the Board.

### **SECTION D. President**

The President shall preside at all meetings of Residential Members and meetings of the Board, chair the Executive Committee and shall otherwise have the duties and responsibilities as set forth in these Bylaws.

### **SECTION E. Vice President**

The Vice President shall, in the absence or disability of the President, perform all of the duties of the President, and when so acting shall have the powers of, and be subject to the restrictions upon, the President.

### **SECTION F. Secretary/Treasurer**

The Secretary/Treasurer shall keep or cause to be kept at the principal office of the Association a book of minutes of all meetings of directors and Residential Members, with the time and place of holding, how called or



authorized, the notice thereof given, the name of those present at directors' meetings, the number of Residential Members present or represented at a Residential Member's meeting, and the proceeding thereof.

The Secretary/Treasurer, as the term is used herein, also includes any and all acts of a recording secretary, if any, whose activities shall be under the supervision of the Secretary/Treasurer.

The Secretary/Treasurer shall keep or cause to be kept and maintained adequate and correct books of account showing the receipts and disbursements of the Association, and an account of its cash and other assets, if any.

The Secretary/Treasurer shall cause to be deposited all monies and other valuables of the Association with such depositories as are designated by the Board, and shall disburse the funds of the Association as may be ordered by the Board, and shall render to the President or the Board, upon request, statements of the financial condition of the Association.

The Secretary/Treasurer shall also serve as chairperson of the Finance Committee.

**SECTION G. Executive Committee (Suspended by Board of Directors until further notice: Board Approved on: May 19, 2018)**

The Executive Committee of the Board shall be comprised of the President, Vice President, and Secretary/Treasurer. Any two (2) of them acting together constitutes a quorum. The President shall be the chairperson of the Executive Committee.

The Executive committee shall be empowered to meet with legal counsel, accountants and other technical advisers, and among themselves to discuss and formulate recommendations to the full Board.

The Executive committee shall be empowered to give guidance on such matters or to such advisers, but their opinions and actions shall be advisory only and not be in any way binding upon the Board.

The President and/or executive committee shall have the authority to answer questions and give direction to the General Manager as such direction may be required from time to time.

Executive Committee meetings are closed sessions. Except for when an individual Board member is the subject matter during a portion of the Executive Committee discussion (in which case, the Board member shall recuse himself/herself in a similar fashion as if it was a closed session), Board members may attend Executive Committee meetings but shall not participate in any discussions or any deliberations unless approved by a majority of the Executive Committee. An Executive Committee meeting may be called by the President, any two members of the Executive Committee or the General Manager. An Executive Committee meeting can be noticed on 24 hours' notice (via email, facsimile, letter or phone).

**ARTICLE VI  
COMMITTEES**

**SECTION A. Standing Committees**

The Association shall have the following standing committees: Executive, Finance, Lake Safety, Lake Operations and Maintenance, Fish and Shoreline Improvements. The purpose, responsibilities and authority of each committee shall be identified from time to time in the committee charters (see Article VI, Section C. herein).

**SECTION B. Chairpersons and Members**

1. The President shall recommend, for Board approval, all committee chairpersons. All other Residential Members of a committee shall be appointed by the President with the concurrence of the chairperson;

provided, however, if there is a disagreement between the President and the chairperson as it relates to any Residential Member of a particular committee, such disagreement shall be resolved by Board action. Committee members shall be Residential Members in good standing as such term is defined in Article II, Section A., subsection 3. of these Bylaws. Following consultation / concurrence with committee chairperson, the President may remove and replace any committee members other than the chairperson. As it relates to the chairperson, the President can recommend, for Board approval, any removal and replacement of the chairperson. Any committee chairperson may recommend to the President additions to and removals from any committee.

2. No more than three (3) Directors (excluding the President) may serve on a Committee unless approved by the Board.
3. The President shall be an ex officio member of all committees, shall have the right to attend, and participate at all committee meetings. The President shall have no voting rights on a committee unless a committee member is absent and, in such case, the President's attendance may count towards a quorum and the President may vote in the absence of said committee member. Except as indicated above, there may not be more than one Residential Member from the same Residential Membership on the same committee unless the board approves otherwise by a motion reflected in board minutes.
4. Non-members of the Association may be non-voting advisors to committees.

### **SECTION C. Charters**

The charters for the respective committees referred to in Article VI, Section A. are attached hereto and made a part hereof by this reference as Exhibits F, G, H, I, J and K. Said committee charters may be amended from time to time as necessary by a resolution approved by a majority of all directors and, thereafter, the General Manager is authorized to attach the amended charter as an exhibit to these Bylaws and delete the superseded charter.

## **ARTICLE VII MISCELLANEOUS**

### **SECTION A. Execution of Documents**

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instruments in the name of and on behalf of the Association and such authority may be general or confined to specific instances; and, unless so authorized by the Board, no officer, agent or other person shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

### **SECTION B. Inspection of Bylaws**

The Association shall keep in its principal office the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the Residential Members at all reasonable times during office hours.

### **SECTION C. Construction and Definition**

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California General Non-profit Corporation Law shall govern the construction of the Bylaws.

#### **SECTION D. Rules of Order**

The rules contained in "Robert's Rules of Order, Newly Revised" shall govern all Residential Members' meetings and open session directors' meetings of the Association, except in instances of conflict between said rules of order and the Articles or Bylaws of the Association or provisions of law, which shall prevail.

In any instance of conflict between "Robert's Rules of Order, Newly Revised" and the Articles or Bylaws or any other rules and regulations or provisions of the Association, such provisions of the Association shall control.

A parliamentarian will render parliamentary advice at any and all meetings upon the request of the President or any member of the Board or the President may act as parliamentarian.

#### **SECTION E. Fiscal Year**

The fiscal year of the Association shall terminate on December 31 of each year.

#### **SECTION F. Accounting Books and Records**

The accounting books and records of this Association shall be kept at the principal place of business of the Association, and shall be open to inspection upon the written demand on the Association by any Residential Member for a purpose related to the person's interest as a Residential Member. For purposes of this Section and Corporations Code §8333 (and any successor statute thereto) regarding a Residential Member's inspection rights, the term "accounting books and records" shall mean governing documents, monthly and annual financial statements including, but not limited to, the balance sheet, income and expense statement and budget comparison as well as agendas and minutes of meetings of the members and the Board (excluding, however, minutes and other information from closed sessions of the Board). Additionally, "accounting books and records" shall also include the minutes of committee meetings excluding any minutes or other information that relate to any legal matters, matters related to the formation of or in any relationship to any contract involving the Association, personnel matters and/or member discipline.

#### **SECTION G. Relocations, Adjustments, Sales, and Ownership by the Arrowhead Lake Association**

The Association may not sell any new dock site or dock slip or grant a new right or entitlement for a dock slip. The Association shall have no more than one hundred and eighteen (118) slips for the purpose of renting mooring to Residential Members.

ALA shall not require any single-use pier or dock to be substituted with a slip or slips in a multiple-slip dock or marina as described in Paragraph 8 of the 1964 Agreement.

Every owner of an improved lot in Arrowhead Woods who has a dock on the Lake and/or a pier on the strips may be required by ALA to alter or relocate their dock or pier when reasonably necessary for improvement of docking facilities or access to the Lake. Such right of alteration and/or relocation shall not be arbitrarily required. Any such alteration and/or relocation shall be made to a location or facility as close to existing dock location as is practicable.

Any owner of a lot in Arrowhead Woods whose pier or dock would be affected by any alteration and/or relocation shall have the right to arbitrate (as hereinafter provided) any or all of the following:

- (a) whether such alteration and/or relocation is reasonably necessary for improvement of docking facilities on or access to the Lake; and,
- (b) whether the substitution proposed is to a location or facility as close to the existing dock location as is practicable.

The decision of the arbitrators shall be final, and if such decision is in the negative as to any of the arbitrated questions, the proposed substitution shall not be made.

The right of a lot owner, or group of lot owners to have a dispute submitted to arbitration shall be exercised by the lot owner or group of lot owners requesting the same. The lot owner or group of lot owners shall choose one arbitrator. The ALA shall choose one arbitrator. The two arbitrators selected shall select a third arbitrator between them. In the event they are unable to do so the matter shall be presented to the American Arbitration Association who shall select a third arbitrator. The arbitration shall take place before the panel of three arbitrators. The vote of any two of the three arbitrators shall be sufficient for an award.

The provisions of this paragraph may be only amended or changed by a vote of the members of the Association.

#### **SECTION H. ALA Voluntary Dispute Resolution Procedures**

Although Arrowhead Lake Association ("ALA") hopes that disputes between its members will not occur, ALA believes that when these disputes do arise it is in the mutual interest of all concerned to handle them promptly and without cost to the members. Accordingly, to provide for an expeditious resolution of member disputes ALA has instituted a voluntary mediation and hearing procedure (the ALA Mediation and Hearing Procedure or the Procedure) which may be utilized by all ALA members.

Under the Procedure, disputes involving ownership of piers, docks, shoreline walk ways, stairways and personal property located on the ALA reserve strips, reserve strip additions or buffer zones may be submitted to the ALA for resolution by non-binding mediation and, if necessary, a binding hearing before ALA's Board of Directors. ALA will sponsor both mediation and the hearing at no cost to the members. The Procedure is voluntary and is not intended to limit the right of any ALA member to have their dispute resolved by the Superior Court of the State of California or other appropriate court instead of by utilizing the Procedure.

In the event any ALA member wishes to use the Procedure the following must occur:

1. All ALA members involved in the dispute must agree in writing to use the Procedure.
2. All members involved in the dispute must agree in writing to the rules of the Procedure.
3. All members involved in the dispute must agree in writing to attend non-binding mediation and, if the mediation is not successful, the members have the option to attend a hearing before the ALA Board of Directors, the results of which will be binding. Both the mediation and the hearing will take place at the ALA office at a time set by ALA.
4. The burden of proof at the hearing shall at all times be on the party seeking relief.
5. In reaching a decision, the members of ALA's Board of Directors shall review all evidence presented. The Board shall have the power to award all remedies that could be awarded by a court. The Board shall provide the members with a written decision within 14 days of the date of the hearing.

### **ARTICLE VIII AMENDMENTS**

Bylaws may be adopted, amended or repealed, or these Bylaws may be amended or repealed, by the written consent of the Residential Members representing a majority of a quorum via a ballot measure or at a meeting duly called for the purpose of amending the Articles or Bylaws, or by the Board subject to the power of the Residential Members to change or repeal the Bylaws. Residential Members shall be provided with at least fifteen (15) days' notice of any proposed Bylaws adoption, amendment or repeal being considered by the Board before the board may take such action to adopt, amend, repeal the Bylaws. The fifteen (15) day notice to the Residential Members shall be provided by posting the proposed Bylaws changes on the Association's website as well as posting a notice (on the community board outside the Association's administrative building) that a copy of

the proposed Bylaws changes are available (at no cost to the Residential Member) at the Association's administrative building. A 2/3<sup>rd</sup> vote of all Directors is required to adopt, amend, repeal or change these Bylaws. A simple majority of Directors may change the Regular Board meeting date.

Any and all rules and regulations of the Association, which shall from time to time be promulgated or adopted, may be amended in the same manner as set forth hereinabove.

# EXHIBIT A

## District Divisions

### EAST

Arrowhead Woods Tract No.      San Bernardino Co. Tract No.

97	N/A
400	N/A
583	N/A
687	N/A
722	N/A
753	N/A
882	N/A
N/A	1374
N/A	1377
R	2262
70	2272
71	2283
72	2285
2	2301
73	2434
11	2481
74	2487
15	2526
77	2542
N/A	3386
N/A	3970
N/A	4918
N/A	6262
N/A	6851
N/A	7184
107	7417
N/A	7618
N/A	9692
N/A	10503
N/A	10908
N/A	10944
Village Condos	11655
N/A	12126
Cedar Ridge	12783
Cedar Ridge	12783-1
Cedar Ridge	12783-2
N/A	14416
N/A	14760

# EXHIBIT B

## District Divisions

### SOUTH

Arrowhead Woods Tract No.	San Bernardino Co. Tract No.
50	N/A
51	N/A
53	N/A
55	N/A
56	N/A
58	N/A
59	N/A
63	2159
75	2486
76	2492
63A	2498
62	2500
109	7514
116	7933
N/A	8154
N/A	8460
Edgewater Shores	8650
Lake Arrowhead	
Chalets	8663
Village Cove	9790
N/A	11656
Village Condos	11657
N/A	15333

# EXHIBIT C

## District Divisions

### NORTH

Arrowhead Woods Tract	San Bernardino Co. Tract
No.	No.
6	N/A
7	N/A
96	N/A
294	N/A
582	N/A
5	2418
10	2497
12	2499
8	2766
9	2801
N/A	3275
N/A	5761
N/A	6050
N/A	6583
102	6782
N/A	6849
N/A	6850
N/A	6851
103	7074
N/A	7184
Forest Shores	7334
108	7513
Forest Shores	7658
111	7775
112	7776
114	7911
126	8490
N/A	9168
N/A	11604



# EXHIBIT D

## District Divisions

### WEST

Arrowhead Woods Tract No.	San Bernardino Co. Tract No.
N/A	3111
Hamiltair #1	6189
104	7201
105	7272
Country Club Villas	7710
113	7891
117	7982
Point Hamiltair	8173
124	8232
Meadow Bay Condos	8288
Meadow Bay Condos	8384
N/A	8385
N/A	8386
N/A	8439
N/A	8676
N/A	9972
N/A	9973
N/A	10198
N/A	10198-1
N/A	10746
N/A	10809
N/A	10836
N/A	11040
N/A	14008
N/A	14599

# EXHIBIT E

## District Divisions

### GRASS VALLEY

Arrowhead Woods Tract No.	San Bernardino Co. Tract No.
100	6397
101	6489
106	7415
N/A	7515
115	7915
118	7983
119	7985
121	8053
N/A	9785
N/A	9785-1
N/A	10139
N/A	10608
N/A	10608-1

## **EXHIBIT F EXECUTIVE COMMITTEE CHARTER**

**(Suspended by Board of Directors until further notice: Board Approved: May 19, 2018)**

### **MEMBERSHIP**

The Executive Committee of the Board of Directors shall be comprised of the President, Vice President, Secretary/Treasurer, or any two (2) of them together. The President shall chair this committee.

### **RESPONSIBILITIES**

1. Review and recommend changes and updates to the Employee Handbook as needed.
2. Review and recommend changes and updates to the Bylaws, Policies and Procedures of the Association as needed.
3. Review wage, bonus and staffing recommendations from the General Manager prior to budget review.
4. Review and make recommendations regarding legal matters in accordance with the Bylaws.
5. Review all legal fees submitted to the Association.
6. Review and negotiate any and all leases.
7. In conjunction with the General Manager, review individual member grievances and make recommendations to resolve the issues.
8. Review and make recommendations regarding any Special Project as directed by the Board of Directors.
9. Review General Manager's performance, salary and benefits on an annual basis.
10. Review and make recommendations regarding the Association's employee pension, profit sharing and medical plans.

### **ACCOUNTABILITY**

The Executive Committee shall be accountable to the Board of Directors. The recommendations of the Executive Committee to the full Board of Directors shall be considered by the Board and acted upon when placed upon the agenda.

The Executive Committee shall be empowered to meet with legal counsel and other technical advisors, and among themselves to discuss and formulate recommendations to the full Board of Directors.

## **EXHIBIT G FINANCE COMMITTEE CHARTER**

### **PURPOSE**

The Finance Committee is responsible for the review and recommendations to the Board of Directors of those issues that relate to financial matters of the Association.

### **CHAIRPERSON**

The Secretary/Treasurer of the Association as directed by the Bylaws shall chair the Finance Committee.

### **RESPONSIBILITIES**

1. Review and recommend the annual budget for approval at the December Board Meeting or sooner. The process utilizes input from committees and staff and Board Workshops.
2. Review and monitor the cash flow and budget performance throughout the fiscal year.
3. Review and recommend approval or disapproval for funding in excess of established budget in accordance with the Budget Management Policy. (See Attached)
4. Review and make recommendations regarding the Association's insurance plans and policies.
5. Review and make recommendations on the investment policy.
6. Monitor investments and financial statements on a monthly basis.
7. Review and recommend changes and updates to the Bidding Process and Purchasing Policy.
8. Review and recommend changes and updates to the Associations Reserve Study.
9. Review and recommend changes and updates to any other financial matters that may, from time to time, come before the Association.

### **ACCOUNTABILITY**

The Finance Committee shall be accountable to the Board of Directors. All policy recommendations shall come before the Board for approval.

## **EXHIBIT H LAKE SAFETY COMMITTEE CHARTER**

### **PURPOSE**

The Lake Safety Committee is responsible for the review and recommendations to the Board of Directors of those issues that relate to lake activity and safety.

### **CHAIRPERSON**

The President of the Association shall appoint the Lake Safety Committee chairperson upon approval of the Board. The Chairperson shall be a director unless no Director is willing to serve.

### **RESPONSIBILITIES**

1. Review and recommend rules and policies regarding lake activity and safety on ALA properties, including but not limited to: boating, swimming, towed devices and sailing.
2. Review and make recommendations regarding testing of boat operators and issuance of ALA boat operators license.
3. Review and make recommendations regarding allowable size and types of crafts, vessels and water sports equipment.
4. Review and recommend buoy placement and identification, including identification of lake hazards.
5. Review and recommend requests for all events that take place on the lake.
6. Review and make recommendations regarding fines associated with non-compliance of Boat Membership Rules, Boating & Swimming Rules, Fishing Rules and any Lake Safety Policy or Procedure.
7. Conduct hearings of violations cited by Lake Safety Personnel or as provided for in the Association membership rules.

### **ACCOUNTABILITY**

The Lake Safety Committee shall be accountable to the Board of Directors. All policy recommendations shall come before the Board for approval.

(Approved 9/22/18)

(Reviewed by Lake Safety Committee 1/2019)

# **EXHIBIT I LAKE OPERATIONS AND MAINTENANCE COMMITTEE CHARTER**

## **PURPOSE**

The Lake Operations & Maintenance Committee is responsible for review and recommendations of policy to the Board of Directors for those issues that relate to the operation, general maintenance and construction of facilities owned and operated by the Association.

## **CHAIRPERSON**

The President of the Association shall appoint the Lake Operations & Maintenance chairperson upon approval of the Board. The Chairperson shall be a director unless no Director is willing to serve.

## **RESPONSIBILITIES**

1. Review and recommend policies regarding lake management (including ecological health), fish management, silt removal, weed abatement, erosion control, the outlet system, and siltation basin management and development.
2. Review and recommend policies regarding ALA facilities and/or improvements and recommend repairs and improvements.
3. Review and recommend policies regarding the maintenance and improvement of all ALA trails and accesses.
4. Coordinate planning for the future use of the ALA facilities.
5. Review and recommend policies regarding member landscaping, including member thinning and removal of trees and shrubs on ALA properties.
6. Prepare and maintain a list of plant materials acceptable for membership planting on **ALA** property.
7. Process applications for member reforestation and/or landscaping on **ALA** property submitted by members or approved contractors and sent to committee by ALA staff.
8. Serving as a hearing tribunal for member appeals of committee decisions related to denied vegetation permits/requests on **ALA** property as well as member violations for unauthorized thinning and/or removing of branches, shrubs or trees on ALA Property. This committee shall have the authority to impose discipline, if necessary, if the decisions are related to violations of ALA rules and policies under its jurisdiction as set forth herein. Said discipline may include the imposition of fines (not to exceed \$15,000.00), reprimand or suspension of membership privileges. Any violation where there is a potential imposition of a fine of greater than \$15,000.00 shall be heard by the Board of Directors. Subject to the requirements of these Bylaws, a member may appeal the Committee's decision to the Board of Directors provided the member fulfills all of the following: a) requests the appeal in writing within thirty (30) days from the date of the committee's Ruling Notice, b) appeared at the hearing or provided his/her/ its defense in writing for the committee's consideration, and c) has paid in full any fine imposed within said thirty (30) days of the date of the committee's Ruling Notice. Any violation where there is a potential imposition of a fine of \$15,000.00 or larger shall be heard by the Board of Directors. The Board of Directors also has the authority to review any committee decision and after a hearing, modify any ruling in the Board's discretion provided, however, that it gives notice of such hearing to the

member and the committee within thirty (30) days of the committee's date of its Ruling Notice.

### **ACCOUNTABILITY**

The Lake Operations Committee shall be accountable to the Board of Directors. All policy recommendations shall come before the Board for approval.



## **EXHIBIT J**

### **SHORELINE IMPROVEMENTS COMMITTEE CHARTER**

#### **PURPOSE**

The Shoreline Improvements Committee is responsible for the review and recommendation to the Board of Directors policies addressing those issues that relate to member improvements on the lake or on ALA property (i.e., docks, piers, patios, stairs, walls, walkways dock houses and utilities) as well as to act as the hearing tribunal as set forth below.

#### **CHAIRPERSON**

The President of the Association shall appoint the Shoreline Improvements Committee chairperson upon approval of the Board. The Chairperson shall be a director unless no Director is willing to serve.

#### **RESPONSIBILITIES**

1. Review and recommend policies regarding member improvements to ALA Properties and dock placement.
2. Review and update the "Regulations for Member Improvements on ALA Properties".
3. Review and recommend policies regarding the Slip Membership Rules with respect to maintenance and repair of docks and other improvements.
4. Process Applications for Member Improvements not covered in the regulations (submitted by members or approved contractors) and sent to committee by **ALA** Staff.
5. Serving as a hearing tribunal for member's appeals of staff decisions related to member improvements on **ALA** property as well as member violations for unauthorized improvements on **ALA** Property This committee shall have the authority to impose discipline, if necessary, if the decisions are related to violations of ALA rules and policies under its jurisdiction as set forth herein. Said discipline may include the imposition of fines (not to exceed \$15,000.00), reprimand or suspension of membership privileges. Any violation where there is a potential imposition of a fine of greater than \$15,000.00 shall be heard by the Board of Directors. Subject to the requirements of these Bylaws, a member may appeal the Committee's decision to the Board of Directors provided the member fulfills all of the following: a) requests the appeal in writing within thirty (30) days from the date of the committee's Ruling Notice, b) appeared at the hearing or provided his/her/ its defense in writing for the committee's consideration, and c) has paid in full any fine imposed within said thirty (30) days of the date of the committee's Ruling Notice. Any violation where there is a potential imposition of a fine of \$15,000.00 or larger shall be heard by the Board of Directors. The Board of Directors also has the authority to review any committee decision and after a hearing, modify any ruling in the Board's discretion provided, however, that it gives notice of such hearing to the member and the committee within thirty (30) days of the committee's date of its Ruling Notice.

#### **ACCOUNTABILITY**

The Shoreline Improvements Committee shall be accountable to the Board of Directors and shall report all actions and decisions. All policy recommendations shall come before the Board for approval.

## **EXHIBIT K FISH COMMITTEE CHARTER**

### **PURPOSE**

The Fish Committee is responsible for the review and recommendation, to the Board of Directors, policies addressing fishing, fish habitat and the stocking of Lake Arrowhead and Grass Valley Lake.

### **CHAIRPERSON**

The President of the Association shall appoint the Fish Committee chairperson upon approval of the Board. The Chairperson shall be a director unless no Director is willing to serve.

### **RESPONSIBILITIES**

1. Review and recommend policies regarding fishing, fish management and any other fish issues.
2. Review and recommend the implementation of the annual Fishing Tournaments, Derbies and/or Fish Rodeos.
3. Review and recommend Fish Committee's budgetary needs.
4. Review and recommend fish habitat projects.
5. Review and recommend changes to the "Fishing Rules" and the "Boating and Swimming Rules" as they relate to fishing matters.

### **ACCOUNTABILITY**

The Fish Committee shall be accountable to the Board of Directors. All policy recommendations shall come before the Board for prior approval.

(Approved 03/23/2019)

