

## ARTICLE II, MEMBERS

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.

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### SECTION F. COMMITTEE ENFORCEMENT PROCEDURES

1. The Arrowhead Lake Association maintains various committees that serve at the discretion of the Board of Directors. Many of these Committees are charged with implementing and/or enforcing rules and regulations which have been put into effect by the Arrowhead Lake Association.
2. **Report of Violations.** Any alleged violations of an applicable rule shall be directed to the appropriate committee charged with enforcing that rule. If an alleged violation is reported directly to the Board of Directors, the Board of Directors may direct the appropriate committee to review the alleged violation.
3. **Preliminary Decision to Proceed.** After a committee receives a report of an alleged violation, that committee shall make a preliminary decision, in its sole discretion, whether or not to proceed to the hearing process in connection with the alleged violation. The committee may choose to proceed to the hearing process, send a warning to the alleged offender, or to not proceed any further with the matter.
4. **Hearings.** Should the respective committee choose to proceed with the hearing process for an alleged violation, the following procedures shall take place:
  - a. The committee shall send a notice of hearing to the ALA member alleged to be responsible for the violation, and may, at its discretion, send a copy of the notice of hearing to the violator, if different from the ALA member.
  - b. The notice shall contain a copy of the violation, date, time, location of hearing and maximum fine.
  - c. Alleged violators are to be given not less than fifteen (15) nor more than thirty (30) days written notice of hearing.
  - d. The member noticed to attend such hearing may be personally present or represented and may bring such witnesses to the alleged violation as such member deems desirable. The member shall be given the opportunity to examine any witnesses present at the hearing.
  - e. Where the allegations against the member are made by any member of the ALA other than an ALA employee or agent (such as a member witnessed incident), the reporting member must be present at the hearing. Where the allegations against the member are made by an ALA employee or agent, a written report, at the discretion of the committee, shall be sufficient, and an ALA employee with appropriate knowledge may represent the ALA employee or agent that made the allegation(s).
  - f. The ALA member has the option of paying the maximum fine prior to the hearing. However, it is important to note that the violation will be discussed at the noticed hearing and the committee may consider additional sanctions.



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g. Following the completion of the hearing, the committee shall issue a "Ruling Notice." The Ruling Notice shall set forth the committee's ruling and any penalties or sanctions imposed by the committee.

5. **Postponement of Hearing.** In the event the ALA member cannot attend the hearing because of unavailability, the member must request a postponement in writing at least 2 days before the hearing stating the reason for the postponement. The request may be granted or denied at the sole discretion of the chairperson of the committee or designee. A check in the amount of the maximum fine shall accompany the request for postponement. ALA shall hold the check until the hearing.

6. **Penalties and Sanctions.** Pursuant to Article II, Section E of the Bylaws, the committees shall have the ability to impose disciplinary fines not greater than \$15,000. Any hearing where a fine of greater than \$15,000 may be imposed shall only be heard before the Board. If a violation is found to have been committed, the committee may recommend penalties or sanctions as set forth in the respective committee's Rules and which from time to time may be modified by the ALA Board of Directors.

a. **Fines.** Any monetary fine not exceeding \$15,000 may be imposed by the committee in an amount that shall from time to time be set by the Board of Directors of the Association. The committee may, at their discretion, suspend all or a portion of the fine.

b. **Sanctions.** Any sanction(s) set forth in the respective committee's Rules may be imposed by the committee. The committee may, at their discretion, suspend all or a portion of the sanction(s).

c. **Review by Board.** Pursuant to Article II, Section E, Paragraph 2 of the Bylaws, the Board 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.

d. **Unpaid Fine.** In the event any fine imposed by a committee is not paid within thirty (30) days from the date of the committee's Ruling Notice, the fine shall be increased to the maximum allowable under the committee's rules for the violation(s) found to have occurred.

7. **Ruling Notice.** The committee shall provide written notice, or its Ruling Notice, of its determination to the member(s) within ten (10) days of the hearing. The Ruling Notice shall also be accompanied by the appeal procedures.

8. **Violations Appeal Procedure.** Violation appeals will go before the full ALA Board of Directors during a *special closed session hearing, other than a regular board meeting* and an advocate from the relevant committee will be present.

a. An alleged violator must notify the ALA Board of Directors and the relevant committee of the alleged violator's decision to appeal the committee's determination within thirty

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(30) days of the Notice of Ruling. The Board of Directors shall then provide the member written notice containing the date, time and location of the special hearing for the member's appeal.

b. If an alleged violator wishes to appeal the decision of the committee before the full Board during a special hearing, the alleged violator must post the maximum amount of the fine prior to the hearing of the Board. (Example: If the committee imposes a \$1,500 fine and waives \$500 of the fine, making a total applicable fine of \$1,000, the maximum fine of \$1,500 must be posted).

c. Any Member who fails to appear at a hearing or provide a written response to the applicable committee prior to the hearing, or 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.

d. The decision of the Board of Directors on the member's appeal shall be made in closed session following the hearing. Written notice of the Board of Directors' decision shall be provided to the member within ten (10) days of the Board's decision.

9. Inconsistent Provisions. If there is any inconsistency related to enforcement and sanctions between this Section F. 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 F. of the Bylaws shall control and supersede any such inconsistent rule or regulation. If there is any inconsistency between this Section F and Article II, Section E. of the Bylaws, then Article II, Section E. of the Bylaws shall control and supersede any such inconsistency.

### **SECTION F.G. 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");



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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:

East District as further identified in Exhibit A attached hereto and made a part hereof by this reference.

South District as further identified in Exhibit B attached hereto and made a part hereof by this reference.

North District as further identified in Exhibit C attached hereto and made a part hereof by this reference.

West District as further identified in Exhibit D attached hereto and made a part hereof by this reference.

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 2020, 4 Districts (the At Large B, the Grass Valley, the North and the West Districts) will be up for election and every four years thereafter.

In September 2022, 3 Districts (the South, the East, and the At Large A) will be up for election and every four 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 a~~ 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;

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~~(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) Current Directors are not permitted to be listed as an endorser on a candidate's statement.

(f) ~~(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 (g) ~~(f)~~ below.

(g) ~~(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.

(h) ~~(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.

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