

# **BY-LAWS OF ARROWHEAD LAKE ASSOCIATION**

**A California Non-Profit Corporation**

**January 16, 1999**

- Amended June 15, 2002
- Amended September 21, 2002
- Amended July 19, 2003
- Amended October 23, 2004
- Amended July 16, 2005
- Amended June 24, 2006
- Amended May 26, 2007
- Amended June 28, 2008
- Amended July 26, 2008
- Amended June \_\_\_\_ 2009

## **PREFACE**

The ARROWHEAD LAKE ASSOCIATION, a California Non-Profit Corporation, is the owner of Lake Arrowhead, the Burnt Mill Beach Clubs, the Tavern Bay Beach Club, Grass Valley Lake and Recreation Area, the property and facilities at the North Shore Marina and the reserve strip and the Reserve Strip Addition around the lake and numerous easements, which provide access to these facilities.

The property owners of ARROWHEAD WOODS are eligible to become members of ALA, and membership is entitled to cast a vote on those matters requiring membership approval as well as the election of its directors. Members are also invited and welcome to attend any regular meeting of the Board of Directors (Board).

These By-Laws 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 Corporation, and commonly known and referred to as ALA.

### **SECTION B. Object**

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

## **ARTICLE II MEMBERS**

### **SECTION A. Qualifications**

All owners of residential real property in Arrowhead Woods, except Lakewood tracts A & B, shall be eligible for 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 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. Any special use privileges available to a member shall be limited to the same extent as the membership. Each membership shall be subject to the payment of dues.

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

The legal owner or owners of a lot or lots in Arrowhead Woods shall be entitled to one vote in all matters concerning the Corporation on which Members are entitled to vote. Each membership shall be carried on the records of the Corporation in the name of the legal owner or owners of the lot or lots from which such membership arises.

If the ownership of a legal lot in Arrowhead Woods is held by a corporate entity or a combination of natural persons or a combination of natural persons and other legal entities, the owner or owners shall designate in writing a natural person who shall be the representative of such owner and shall thereby be qualified to vote. Said written designation shall be on the form and submitted in the manner prescribed by the Board of Directors. It may be

revoked only in writing and shall be automatically revoked upon any transfer of title to the lot from which such membership arises. Written designation is not required for spouses who are co-owners, but only one spouse or co-owner may vote. For purposes of these Bylaws, "spouse" is defined to mean "husband and wife" and any two persons recognized in the state of California as "registered domestic partners" as well as any two persons of the same sex who are legally married in a state which recognizes same sex marriage. **NUMBER 1**

## **SECTION B. Membership**

The members of the Corporation shall be owners of residential property in Arrowhead Woods who apply for Membership in accordance with the regulations prescribed by the Board. 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. Membership shall not be granted to owners of non-residential lots (such as commercial, institutional or industrial properties) except for those non-residential lots who had existing memberships as of June 1, 2008.

For purposes of this section, only the record owners of residential lots within Arrowhead Woods as vested in the County Recorders office in San Bernardino County, California, shall be entitled to ALA membership and the special use privileges related thereto, including, but not limited to, slips, slip rights, pier site easements, licenses and any other rights of possession or use of ALA property.

Accordingly, all rights, 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 residential lot to which the license, easement or right is attached.

No Slip Right may be attached to more than one lot.

Members 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 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 Corporation.

Those docks that have four or more dock slips must form and have a multi-dock association in place, consistent with the Corporation's guidelines, no later than April 1, 2009. 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 Corporation.

## **SECTION C. Admission to Membership**

Application for membership, if any, shall be in such form as shall be prescribed by the Board. The Board is authorized to fix and to change from time to time the amount of any application fee charged to new members.

## **SECTION D. Dues, Fees and Late Charges**

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 privilege use holders pursuant to 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 privilege use holder status on reasonable notice, 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 Corporation, 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. **Late Charges.** The Board is authorized to establish late charges for non-payment of any dues and fees including, but not limited to, charging a late charge/administrative fee on a monthly basis for the months of June, July, August and September for non-payment of slip right fees.
4. **Interest.** Interest may be imposed on delinquent dues and fees at a rate of one and one-half percent (1 ½%) per month.

### **SECTION E. Transferability of Membership**

Membership in this Corporation is not transferable. Special Use Privileges may be transferred only to members and then only in strict accordance with the requirements of the rules and regulations pertaining to that Privilege, as set by the Board from time to time.

### **SECTION F. Enforcement of By-Laws 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 By-Law or rule of the Corporation, or for conduct determined by the Board to be generally detrimental to the Corporation or to its objectives as set forth in Section B of Article I hereinabove.
2. No members may be expelled or suspended, and no 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.
3. Any 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 Corporation 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 Corporation without holding the hearing identified in Section F.2. above. Violations which may subject the member to possible suspension or termination of his/her membership will still require the disciplinary hearing referenced in Section F.2. above prior to the suspension or termination of same.
5. The Corporation 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 Corporation may facilitate such removal without the hearing identified in Section F.2. above.
6. If there is any inconsistency related to enforcement and sanctions between this Section F. and any rule or regulation of the Corporation (including, but not limited to, any Committee rule and/or regulation) then the provisions of this Section F. of the Bylaws shall control and supersede any such inconsistent rule or regulation. **NUMBER 2**

## **SECTION G. Membership Certificates**

The Board may issue certificates or cards evidencing membership in the Corporation. Each such certificate or card shall have printed on its face in clear type that the Corporation is Non-Profit. 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 Membership certificate or card shall expire on the records of the Corporation 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 Corporation or designee on said records that the dues of the Membership represented by the certificate or cards have been paid for that fiscal year.

The name and address of each member and the date of admission shall be maintained in the records of the Corporation. 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.

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

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

## **SECTION I. Meetings of Members**

1. **Place of Meetings.** All meetings of the membership shall be held within the Lake Arrowhead vicinity.
2. **Annual Meetings.** The annual meeting of 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 Members regarding matters of common interest or concern to the Corporation, 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 posting on the ALA website and publication in a newspaper of general circulation in the Lake Arrowhead area, shall specify the place, day and hour of such meeting.
4. **Informational Meetings.** The Corporation may conduct informational meetings for the 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 Corporation in the same manner as for annual meetings of members.
5. **Quorum.** There shall be no quorum requirement for conducting the annual meeting or for the election of Directors. All other membership action including, but not limited to, any amendment of these Bylaws or Articles of Incorporation requiring membership approval, shall require approval by a majority of a quorum of the members with a quorum being five percent (5%) of the members of the Corporation in good standing on the record date that the ballot materials are submitted to the membership.
6. **Voting by Written Ballot.** Because of the large number of members of the Corporation, it is neither equitable nor logistically feasible to decide at an open meeting of the members any matters that are duly submitted to the membership, therefore, voting by members on such matters shall be done by written ballot and not at an annual or special meeting of the members. Except as otherwise provided in these Bylaws, the general quorum requirement for voting by written ballot shall be five percent (5%) of the members of the Corporation in good standing. Any

matter or issue requiring the vote of the members, including the election of Directors, shall be by written ballot so long as the procedures and requirements for action by written 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 membership's voting rights to be facilitated by written ballot sent to all members in good standing, proxy voting is not permitted. The record date for determining which members are entitled to vote shall be fixed by the Board at not more than sixty (60) days before the date of the meeting.

## **ARTICLE III DIRECTORS**

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

1. The Corporation shall have seven (7) directors and the term of office shall be for three (3) years commencing at the regular meeting of the Board following the election. One 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 property within that particular district consistent with the eligibility requirements of Article III, Section C. of these Bylaws. Two directors shall be elected At Large; all owners of property within Arrowhead Woods may vote for Directors At Large consistent with the voter eligibility requirements of Article III, Section C. below.

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. With respect to term limits commencing after adoption of this provision (June 2009), director's terms of office are limited to two (2) consecutive full terms ("Termed Out"); provided, however, that if there is an at large or district division which there is no member in good standing that has filed for that at large or district division, then the Board has the right, but not the obligation, to appoint the incumbent and such appointment under those circumstances will not be a violation of the term limits provisions in this paragraph. A member who has been Termed Out must wait at least nine (9) months before being eligible (assuming all other qualifications have been met) to run again for the Board of Directors. **NUMBER 3**

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.

2. The Corporation shall have the following 5 Districts:
  - a) East District as further identified in Exhibit A attached hereto and made a part hereof by this reference.
  - b) South District as further identified in Exhibit B attached hereto and made a part hereof by this reference.
  - c) North District as further identified in Exhibit C attached hereto and made a part hereof by this reference.
  - d) West District as further identified in Exhibit D attached hereto and made a part hereof by this reference.
  - e) 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 B. Qualifications and Election of Directors**

The Directors of the Corporation shall be elected in the manner prescribed by the Directors of this Corporation from time to time and in accordance with the Articles of Incorporation and By-Laws. There is no quorum requirement for an election of Directors.

To be qualified to be nominated, elected, appointed and/or remain a director of Arrowhead Lake Association, the Owner 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 a lot or condominium 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 member in good standing or the designated representative of a member in good standing. In order to be in good standing, a member must be current in the payment of all dues, fees and fines levied against the member's lot and not be subject to any suspension of membership or Special Use Privileges as a result of any disciplinary proceeding conducted in accordance with the ALA's governing documents;
4. As of the date of his/her election and during his/her term of office on the Board of Directors, a Board member, either as an individual or through a company in which the member owns any interest (excluding any publicly traded entity), may not have any oral, or written contract(s) for monetary consideration with the ALA to supply a product or service; and
5. Must be the only Member of the lot or condominium 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 Section. 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.
6. ~~A person seeking to become a candidate must have attended at least two (2) Arrowhead Lake Association Board meetings in the twelve (12) months prior to the deadline to file nomination papers ("Attendance Requirement"). As a transitional provision for the 2008 election only, any candidate can meet the Attendance Requirement by attending both the August and September 2008 Board of Directors meetings.~~ **NUMBER 4**

## **SECTION C. 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 ten (10) members in good standing and who have elected to vote 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 ten (10) signatures from members in good standing.

### **2. Election Schedule**

(a) The board of directors shall appoint one (1) or three (3) inspector(s) of election on or before July 31. Absent the appointment of inspector(s) of election by the Board of Directors, the General Manager shall be the default Inspector of Election and shall have the right to consult with legal counsel regarding his/her duties and the election. NUMBER 5

(b) August ~~15<sup>th</sup>~~ 1<sup>st</sup> through August ~~31<sup>st</sup>~~ 15<sup>th</sup>: **NUMBER 6** Nomination papers are available at the ALA Office. The prospective candidate must pick up the nomination papers in person. A representative of the prospective candidate may pick up the nomination papers, but only with a signed letter of authorization from the prospective candidate. Nomination papers will be given out only when the prospective candidate's name is declared and nomination papers are signed out. No prospective candidate substitutions may be made.

(c) Deadline for filing nomination papers at ALA office shall be August ~~31<sup>st</sup>~~ 15<sup>th</sup> **NUMBER 7** at 5:00 p.m.

(d) A candidate's forum will be held between August 16 and August 31 as noticed by ALA. NUMBER 8

(e) Campaigning may begin on ~~September 1<sup>st</sup>~~ August 16 and will terminate on September 30 at 5:00 p.m. ALA will mail the candidates' statements with the ballots at ALA's expense, provided, however, that candidate's statements shall not be disparaging, libelous or constitute negative content material as it relates to individual board members (as distinguished from the board in its entirety), individual members, staff/personnel members and/or nominees running for the board. If the member wishes to communicate with the membership using ALA's mailing list, a member shall provide such material along with a payment for all copying/printing and mailing costs and ALA shall mail all campaign material provided it does not contain any disparaging or libelous material. Candidates/nominees shall have no communication on election issues with any ALA staff other than the General Manager. NUMBER 9

(f) September 15<sup>th</sup>, 5:00 p.m.: Deadline for mailing of ballots by ALA to members in good standing.

(g) Deadline for return of ballots to ALA office is September 30<sup>th</sup> at 5:00 p.m. If the ALA office is closed on September 30<sup>th</sup>, then the ballots must be returned no later than 5:00 p.m. of the next business day. When more than one ballot is received from one membership, the first ballot received at the ALA office is the ballot that shall be counted; no subsequent or duplicate ballots will be counted. NUMBER 10

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

### **3. Eligibility of Voter**

A voter must be a member in good standing as of September 1 at 5:00 p.m. to vote.

- (a) Co-owners of property are entitled to one vote only and must appoint a representative for the purpose of voting. When more than one ballot is received from one membership, the first ballot received at the ALA office is the ballot that shall be counted; no subsequent or duplicate ballots will be counted. **NUMBER 11**
- (b) The property must be situated within the district in which the member or representative is voting.
- (c) An owner of property situated anywhere in Arrowhead Woods may vote for directors at-large.
- (d) Owners of multiple properties must select one district wherein property is owned for the purpose of casting a ballot.
- (e) Multiple property owners in different districts may vote in only one district to be selected by the voter.

## **SECTION D. Meetings**

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 December meeting will be held on the second Saturday of December (the 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.

**1. Notice to Directors.** Except for Regular Board Meetings held in accordance with the above schedule, notice of any Board meetings, except emergency meetings, shall be communicated to the Directors not less than forty-eight (48) hours 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.

**2. Notice to Members.** Except for 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 Corporation's website and on the community board outside the Corporation's administrative building at least four (4) days in advance of the meeting.

~~All meetings shall be governed by an agenda, which shall be prepared by the presiding officer or designee. Any member of the Board desiring to have matters placed on the agenda must communicate the same in writing not less than ten (10) days prior to the commencement of the meeting to the presiding officer, 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 By-Laws or any of the rules and regulations of the Corporation 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 meeting of the Board. Each agenda shall have a classification of new business, and items may be considered if, in the opinion of the presiding officer, there is time for such new business to be considered prior to the adjournment of the specific meeting. The Board, by majority vote, 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.~~ **NUMBER 12**

(a) An emergency meeting of the board may be called by the president of the association, or by any two members of the governing body other than the president, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the board, and which of necessity make it impracticable to provide notice as required by this section. **NUMBER 13**

(b) The board of directors shall permit any member of ALA to speak at any meeting of the board of directors during the member comment portion of the Board meeting (and at any other time during the Board meeting as approved by the Board), except for meetings of the board held in executive session. The Board may adjourn to executive session to consider, discuss, deliberate and take action on any pending or threatened litigation, any legal matters, matters related to the formation of contracts with third parties, member discipline and personnel matters. A reasonable time limit for members to speak at any Board meeting shall be established by the board of directors. **NUMBER 14**

Except as described in Article III, Section D2 (c) and (d) below, the board of directors of the ALA may not discuss or take on any item at a nonemergency meeting unless the item was placed on the agenda included in the notice that was posted pursuant to this section. A resident who is not a member of the board may speak on issues not on the agenda during the member comment portion of the Board meeting. **NUMBER 15**

(c) Notwithstanding Article III, Section D2(b), a member of the board of directors, the General Manager and/or a member of the staff of the board of directors, may do any of the following: **NUMBER 16**

(i) Briefly respond to statements made or questions posed by a person speaking at a meeting.

(ii) Ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities, whether in response to questions posed by a member of the association or based upon his or her own initiative.

(iii) Provide a reference to, or provide other resources for factual information to the General Manager, or other agents or staff.

(iv) Request the General Manager or other agents or staff to report back to the board of directors at a subsequent meeting concerning any matter, or take action to direct its General Manager or other agents or staff to place a matter of business on a future agenda.

(v) Direct its General Manager or other agents or staff to perform administrative tasks that are necessary to carry out this subdivision.

(d) Notwithstanding Article III, Section D.2.(b), the board of directors may take action on any item of business not appearing on the posted agenda under any of the following conditions: **NUMBER 17**

(i) Upon a determination made by a majority of the board of directors present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the board, that require immediate attention and possible action by the board, and that, of necessity, make it impracticable to provide notice.

(ii) Upon a determination made by the board by a vote of two-thirds of the board members present at the meeting, or, if less than two-thirds of total membership of the board is present at the meeting, by a unanimous vote of the members present, that there is a need to take immediate action and that the need for action came to the attention of the board after the agenda was posted.

(iii) The item appeared on an agenda that was posted for a prior meeting of the board of directors that occurred not more than 60 calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken.

Before discussing any item pursuant to this paragraph, the board of directors shall openly identify the item to the members in attendance at the meeting. **NUMBER 18**

**3. 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 Corporation or any of its member, or which purports to amend the By-Laws or any rules or procedures of the Corporation, the presiding officer 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 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.

**4. Voting at Meetings of the Board.** 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, Item 5 shall take precedence over this method of voting when voting upon the selection of a director.

#### **SECTION E. Vacancies**

1. Upon the affirmative vote of at least 2/3rds of all 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; or
  - (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.
  - (e) The director fails to meet the eligibility requirements set forth in Article III, Section B. of these By-laws. 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. Any vacancy in the Board, except for a vacancy occurring under Article III, Section L.3. of these By-Laws, 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 thirteen months or more, the Board shall have the right but not the obligation to fill the vacancy until the next annual Board election whereupon the members shall elect the succeeding director who shall serve the remaining balance of the vacated director's term.

3. The Board of Directors shall use the following procedure when filling a vacancy:
- (a) The Board shall cause its secretary to place at least two (2) notices in the local newspaper with the then highest paid circulation in Arrowhead Woods, as paid legal advertising. The second such notice shall appear within fifteen (15) days from the date the first notice is published. Said notice to state whether the position vacant is a particular district or an at-large position and said notice to state the deadline by which applications must be received in the office of the Corporation to be eligible for an interview.
  - (b) When the vacancy is for a district seat, applications will be accepted only from members in that particular district that are otherwise qualified as defined within Article III, Section B herein. Following the prescribed posting/advertising period identified above, if no application is received from a qualified member from the vacant district, the Board may take either of the following actions:
    - (i) Applications from any qualified member, irrespective of district residency, 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.
  - (c) When the vacancy is for an at-large seat, applications will be accepted from any qualified member, as that term is defined in Article III, Section B above.
  - (d) Candidates shall be interviewed by a majority of the Board at a closed session of the Board. The General Manager of the Corporation, in consultation with the presiding officer, shall then 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.
  - (e) The General Manager is authorized to prepare an application form for candidates desiring to be interviewed.
  - (f) 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 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 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. Quorum**

A majority of the authorized number of 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 G. 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 H. 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 I. Authority of the Board of Directors**

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

The Board shall transact any business relating to the Corporation 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 J. 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 Corporation 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 Corporation and to its members. This fiduciary relationship imposes obligations of trust and confidence in favor of the Corporation and its members, requiring each director to act in good faith and in the best interests of the Corporation and its 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.
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 Corporation 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 Corporation, its assets or financial condition of the Corporation 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 Corporation, 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 Corporation 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.

#### **SECTION K. Dealings Between Directors and Corporation**

1. No contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any corporation, firm, or association in which one or more of the directors of this Corporation has a material financial interest, is either void or voidable because such director or directors are or such other corporation, firm, or association are parties or because such director or directors are present at the meeting of the Board or Board committee which authorizes, approves, or ratifies the contract or transaction, if:
  - (a) The material facts as to the transaction and as to the director's interest are fully disclosed or known to the members and such contract or transaction is approved by the members, as that term is defined in the California Corporations Code, in good faith, with the interested director or directors not being entitled to vote thereon; or
  - (b) The material facts as to the transaction and as to such director's interest are fully disclosed or known to the Board or Board committee, and the Board or Board committee authorized, approves, or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the interested director or directors and the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified; or
  - (c) As to contracts or transactions not approved as provided in clauses (a) and (b), above, of this paragraph 1, the person asserting the validity of the contract or transaction sustains the burden of proving that the contract or transaction was just and reasonable as to the Corporation at the time it was authorized, approved or ratified.
  - (d) A mere common directorship does not constitute a material financial interest within the meaning of the above provision. Nor is a director interested within the meaning of the above provisions in a resolution fixing the compensation of another director, officer, or employee of the Corporation, notwithstanding the fact that the first director is also receiving compensation from the Corporation.
  - (e) No director shall enter into a contract with ALA in excess of \$500 without prior approval by the independent members of the Board and after put out for competitive bid.
2. No contract or other transaction between the Corporation and any Corporation or association of which one or more of the directors of this Corporation are directors is either void or voidable

because such director or directors are present at the Board or Board committee meeting which authorizes, approves or ratifies the contract, if:

- (a) The material facts as to the transaction and as to such director's other directorship are fully disclosed or known to the Board or Board committee, and the Board or Board committee authorizes, approves, or ratifies the contract or transaction, in good faith by a vote sufficient without counting the vote of the common director or directors or the contract or transactions approved by the members, as that term is defined in the California Corporations Code, in good faith; or
- (b) As to the contracts or transaction not approved as provided in paragraph 2 of this section, the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified.

This provision does not apply to contracts or transactions covered by paragraph 1 of Section K.

3. Interested or common directors may be counted in determining the presence of a quorum at a meeting of the Board or Board committee, which authorizes, approves, ratifies a contract or transaction.

#### **SECTION L. 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 rights:

1. The Board shall have the right to take action against any director who violates these bylaws. The procedure to be followed in such circumstances shall be as follows:
  - (a) A director may bring a motion in closed session to initiate the censure process against the offending director. Said motion must be seconded and passed by majority vote of the directors present at a duly called session meeting of the Board.
  - (b) Upon the passing of a motion by the Board to initiate the censure process, the Board shall give notice of the violation to the offending director which notice shall briefly describe the violation and indicate the date for hearing before the Board.
  - (c) Such hearings shall be held at the next regularly scheduled monthly Board meeting; to the extent the motion for censure was a result of alleged conduct which involves any ALA employee, directly or indirectly, such hearings shall be conducted in closed session.
    - (i) A hearing as described in Section L, paragraph 1 shall be conducted according to such reasonable rules and procedures as the Board shall adopt 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 to present oral and written evidence, to confront and cross examine any person offering at such hearing evidence adverse to such director.
    - (ii) At the conclusion of the hearing, the President shall call for a vote to determine whether the motion for censure has been sustained as a result of the hearing. The voting shall be by secret ballot and shall require a two-third (2/3) vote of all directors. The Recording Secretary shall tabulate the votes and the President shall declare whether the motion for censure has been carried or not carried.

- (d) Upon any motion to censure being carried by the Board as required above, the Board by majority vote shall impose one or both of the following penalties:
- (i) Publish to all members the results of the motion to censure, and the reason for the censure (with due regards to the protection of any ALA employee's right to privacy to the extent the reason for censure involves any ALA employee either directly or indirectly).
  - (ii) Recommend and solicit representatives of the district from which the director resides, to pursue and support the recall of said director. If the director being censured was elected at-large, then the Corporation shall contact all members of ALA for purposes of a recall vote against said director. Any such recall shall be made by means of written ballot sent to each member of ALA entitled to vote for said director, in accordance with the membership rolls maintained by ALA. The ballots shall be sent to the last known address of each member for which ALA has an address.
2. In the event of censure by the Board and the publication thereof, the eligible members who are duly registered to vote in the particular district or if the director is elected at-large, the members as a whole may recall such censured director within sixty (60) days of said censure.
3. Recall of an elected director may also begin when the proponents circulate a notice and petition containing the name of the director to be recalled, the grounds for the recall and the name or names of the proponent.
- (a) This notice and petition must include the date of signature and address of members as defined by Article III, Section C, paragraph 3 of the ALA Bylaws. This notice and petition must be signed by at least twenty-five percent (25%) of eligible voters who voted in the last election in that particular district or if it is a recall of an at large director, twenty-five (25%) of the eligible voters who voted in the last at large director election.
  - (b) The signed notice and petition must be submitted to the Secretary of the Board who must examine it to determine whether it qualifies pursuant to this section. If the Secretary of the Board certifies that the notice and petition for recall is sufficient, the Board shall mail written ballots to the eligible voters within forty-five (45) days.
  - (c) The ballots shall provide that the member has a period of time to vote that will have a deadline of at least fifteen (15) days from the date the ballot is mailed. The result of the ballot will be announced at the next regularly scheduled meeting of the Board following the deadline for voting.
  - (d) The recall ballot will ask two basic questions: 1) Whether the director is to be recalled; and 2) If the recall prevails, who should be elected to fill the vacancy. If half or more of those voting on the recall question vote NO, the recall fails and the incumbent continues in office. If the majority votes YES, the recall has succeeded and the person receiving the highest number of votes on the ballot shall be elected to serve the balance of the term of Director.

## **SECTION M. 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 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."

## **ARTICLE IV OFFICERS**

### **SECTION A. Officers**

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

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

The Corporation 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 two-third (2/3) 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 be the executive officer of the Corporation and, subject to the control of the Board, shall have general supervision, direction and control of the affairs of the Corporation. The President shall preside at all meetings of members and meetings of the Board.

### **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 Corporation a book of minutes of all meetings of directors and 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 members present or represented at member's meeting, and the proceeding thereof.

The Secretary/Treasurer shall keep at the principal office of the association a register showing the names and addresses of the members.

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 Corporation, and an account of its cash and other assets, if any. Such books of account shall at reasonable time be open to inspection by any member or director.

The Secretary/Treasurer shall cause to be deposited all monies and other valuables of the Corporation with such depositories as are designated by the Board, and shall disburse the funds of the Corporation 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 Corporation.

The Secretary/Treasurer shall also serve as ~~chairman~~chairperson of the ~~Business Finance~~ Committee. **NUMBER 19**

### **SECTION G. Executive Committee**

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. **NUMBER 20**

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 and staff as such direction may be required from time to time.

## **ARTICLE V 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 Corporation 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 Corporation 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 By-Laws**

The Corporation shall keep in its principal office the original or a copy of these By-Laws as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the 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 By-Laws.

## **SECTION D. ~~Rules of Order~~ Parliamentary Procedure**

Meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Board may adopt by resolution. Board meetings shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Board may adopt by resolution. As of the date of this Bylaws amendment (June 2009), the board has adopted Robert's Rules of Order, 1915 version. **NUMBER 21**

~~The rules contained in "Robert's Rules of Order, Newly Revised" shall govern all members' meetings and directors' meetings of the Corporation, except in instances of conflict between said rules of order and the Articles or By-Laws of the Corporation or provisions of law, which shall prevail.~~ **NUMBER 22**

~~In any instance of conflict between "Robert's Rules of Order, Newly Revised" and the Articles or By-Laws or any other rules and regulations or provisions of the Corporation, such provisions of ALA shall control.~~ **NUMBER 23**

A parliamentarian ~~to~~ will render parliamentary advice at any and all meeting 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 Corporation shall terminate on March 31 of each year.

## **SECTION F. Committees**

1. The Corporation shall have the following standing committees: Executive, Finance, Lake Activities and Safety, Lake Operations and Maintenance, Shoreline Improvements and Forest ~~and Property~~ Planning.
2. ~~The President shall designate all committees, except as designated by the Board from time to time, appointing the chairpersons thereof~~ recommend, for Board approval, all committee chairpersons. All other 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 member of a particular committee, such disagreement shall be resolved by Board action. The President shall be an ex officio member of all committees Committee members shall be members in good standing as such term is defined in Article III, Section B., subsection 3. of these Bylaws. A member who is not a Director may be the chairperson of a committee; however, any director shall have the right of first refusal prior to the naming of a non-Director as a chairperson. Following consultation / concurrence with committee chairperson, the President may remove and replace any shall appoint or remove the 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. **NUMBER 24**
3. No more than three (3) Directors may serve on a Committee unless approved by the Board. **NUMBER 25**
4. The President shall be an ex officio member of all committees, shall have the right to attend, participate and vote as a committee member at all committee meetings, provided, however, if the President's spouse is on a committee, then the President shall only have the right to vote if his/her spouse is not present at a meeting (i.e., such that there is only one vote per membership on any committee). Similarly, there may not be more than one member from a household on the same committee. **NUMBER 26**
5. Non-members of the Association may be non-voting advisors to committees. **NUMBER 27**

6. The charters for the respective committees referred to in paragraph 1. of this Section F 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 a quorum of the Board of Directors and, thereafter, the General Manager is authorized to attach the amended charter as an exhibit to these Bylaws and delete the superseded charter. **NUMBER 28**

### **SECTION G. Books and Records**

The books, records and papers of this Corporation shall be kept at the principal place of business of the Corporation, and shall at all times, during reasonable business hours for reasonable cause, be subject to inspection by any member.

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

The Arrowhead Lake Association shall not cause or order that any existing pier be relocated or changed in size without the owner's permission. 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 Arrowhead Lake Association members. The provisions of this paragraph may be only amended or changed by a vote of the members of the Association.

## **ARTICE VI AMENDMENTS**

By-Laws may be adopted, amended or repealed, or these By-Laws may be amended or repealed, by the written consent of the members entitled to exercise a majority of the voting power or by a majority of a quorum at a meeting duly called for the purpose of amending the Articles or By-Laws, or by the Board subject to the power of the members to change or repeal the By-Laws. Members shall be provided with at least fifteen (15) days notice of any proposed Bylaw 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 members shall be provided by posting the proposed Bylaws changes on the Corporation's website as well as posting a notice (on the community board outside the Corporations' administrative building) that a copy of the proposed Bylaws changes are available (at no cost to the member) at the Corporation's administrative building. **NUMBER 29** A 2/3 vote of all Directors is required to adopt, amend, repeal or change these By-Laws. A simple majority of Directors may change the Regular Board meeting date.

Any and all rules and regulations of the Corporation, 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**

### **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 By-Laws, 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 By-Laws.
5. Review all legal fees submitted to the ALA.
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 if the existing ALA Appeals Policy does not apply.
8. Review and make recommendations regarding any Special Project as directed by the Board of Directors.
9. Review General Manager 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 By-Laws shall chair the Finance Committee.

### RESPONSIBILITIES

1. Review and recommend the annual budget for approval at the January Board meeting. 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 ACTIVITIES & SAFETY COMMITTEE CHARTER**

### PURPOSE

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

### CHAIRPERSON

The President of the Association shall appoint the Lake Activities & 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 make recommendations regarding fines associated with non-compliance of Boat Membership Rules, Boating & Swimming Rules, Fishing Rules and any Lake Activities & Safety Policy or Procedure.
6. Conduct hearings of violations cited by Lake Safety Personnel, or as provided for in the Association membership rules.

### ACCOUNTABILITY

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

# **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.

### 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).

#### 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. Serve as a hearing board for member's appeals of staff decisions related to member improvements on ALA property relating to this committee.

#### ACCOUNTABILITY

The Shoreline 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 FOREST PLANNING COMMITTEE CHARTER**

### Purpose

The Forest Planning Committee is responsible for the review and recommendation to the Board of Directors policies on those issues that relate to ALA Forest Planning and Management.

### Chair Person

The President of the Association shall appoint the Forest Planning Committee Chair 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 landscaping, including member thinning of trees and shrubs on ALA properties.
2. Review and recommend policies regarding, reforestation, educational programs, nursery operations, forest festivals, seed collection and forest management planning.
3. Prepare and maintain a list of plant materials acceptable for planting on ALA property.
4. Process applications for member reforestation and/or landscaping on ALA property submitted by members or approved contractors and sent to committee by ALA staff.
5. Serve as a hearing board for member's appeals of staff and/or committee decisions related to improvements on ALA property relating to this committee.
6. Planning for the future use of the ALA forest and park grounds.

### Accountability

The Forest Planning Committee shall be accountable to the Arrowhead Lake Association Board of Directors.