



# **PROPOSED BYLAWS AMENDMENT**

**Regular Meeting of the Board of Directors**

**Saturday, November 21, 2020**

**Zoom Video Conference**

- **New Bylaw Amendment – ARTICLE II, MEMBERS,  
Section C. Short Term Rentals Fine Schedule**
- **New Bylaw Amendment - ARTICLE II, MEMBERS,  
Section G. Committee Enforcement Procedures, #4 Hearings, C.**
- **New Bylaw Amendment - ARTICLE III, DIRECTORS,  
Section L. Duties and Rules of Conduct of Directors, #10 (new)**

Copies of the proposed revisions are available in the ALA office and are posted on the ALA Website and Community Bulletin Board.

Per Article VIII of the Bylaws, these postings serve as the required 15 day notice to the Members of the proposed revisions to the Bylaws.

**Posting Date: October 24, 2020**

## **SECTION C. Short Term Rentals**

The clients of ALA members who rent their homes in Arrowhead Woods for less than a 30-day period ("Short Term Renters") cannot access Lake Arrowhead, the ALA Beach Clubs, the ALA trails, any other ALA facility and/or any dock on Lake Arrowhead owned by any ALA member renting a home in Arrowhead Woods to the Short Term Renter.

The clients of ALA members who rent their homes in Arrowhead Woods for less than a 30-day period ("Short Term Renters") cannot drive or use any boat, kayak, canoe, paddleboard or any other watercraft in Lake Arrowhead or Grass Valley Lake.

As this Bylaw was created by a vote of the ALA members, it can only be changed by a vote of the ALA members.

### **FINE SCHEDULE FOR VIOLATION OF ALA BYLAW**

The fine schedule for ALA members who allow a Short Term Renter or Short Term Renters to access Lake Arrowhead, the ALA Beach Clubs, the ALA trails and any other ALA facility and/or any dock on Lake Arrowhead owned by any ALA member renting a home in Arrowhead Woods to the Short Term Renter is as follows:

1. **First Violation.** Any ALA member who provides a Short Term renter with access to or a means to access Lake Arrowhead, the ALA Beach Clubs, the ALA trails and any other ALA facility and/or any dock on Lake Arrowhead owned by any ALA member renting a home in Arrowhead Woods to the Short Term Renter shall be fined a maximum of \$1,000.00.
2. **Second Violation.** Any ALA member who provides a Short Term renter with access to or a means to access Lake Arrowhead, the ALA Beach Clubs, the ALA trails and any other ALA facility and/or any dock on Lake Arrowhead owned by any ALA member renting a home in Arrowhead Woods to the Short Term Renter shall be fined a maximum of \$2,500.00.
3. **Third Violation.** Any ALA member who provides a Short Term renter with access to or a means to access Lake Arrowhead, the ALA Beach Clubs, the ALA trails and any other ALA facility and/or any dock on Lake Arrowhead owned by any ALA member renting a home in Arrowhead Woods to the Short Term Renter shall be fined a maximum of \$5,000.00.
4. In addition to the maximum fines listed above, any ALA member who is found to have violated this section three or more times may be called to a hearing pursuant to ALA Bylaws Article II, SECTION H. Rules and Procedures for Suspension or Expulsion of Members from the Arrowhead Lake Association.

Evidence that an ALA member advertises, or has advertised, that Short Term Renters are allowed to access Lake Arrowhead, the ALA Beach Clubs, the ALA trails and any other ALA facility and/or any dock on Lake Arrowhead owned by any ALA member may be used against the advertising member as proof that the member is in violation of Article II, Members, Section C of the ALA Bylaws.

## **SECTION D. 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 E. 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.

## SECTION G. 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; will be sent a Notice of Hearing within 30 days of receiving a citation. The Notice of Hearing will be sent **not less than 10 days before the date of hearing.**~~
  - c.
  - 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.
  - 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

confidentiality rights (such as medical records and/or other confidential information as determined from time to time by the Association's consulting human resources firm or if none is such available, its corporate counsel). For purposes of these Bylaws and in order to protect the privacy rights of all Residential Members, the term "books and records" expressly excludes the mailing list, email addresses and phone numbers of Residential Members that are in the possession of the Association. Consistent with Article III, Section C., subsection 7., in order to be qualified to be nominated, appointed or remain a director of the Association, such persons must agree to the definition of "books and records" as set forth in these Bylaws and expressly waives any expanded definition of "books and records" as that term may be interpreted or defined by statute or in a court of law pursuant to Corporations Code §8334 (or any successor statute). However, any director or Residential Member who wishes to communicate with the Residential Membership shall be provided the reasonable alternative of having the Association mail the materials the director or Residential Member wishes to send to the Residential Membership provided that said materials do not include libelous content ("Mailing"). Any such Mailing shall be at the sole cost and expense of the Residential Member or director.

10. All ALA Directors shall communicate with ALA members through their ALA email addresses only, provide ALA with their cell phone number and have their picture taken and posted in the lobby of the Ralph Wagner Building.

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

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

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

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

1. The Board shall have the right to censure any director who violates the Association's governing documents including these Bylaws and/or any Association rules and regulations. The procedure to be followed in such circumstances shall be as follows:
  - (a) Any three (3) directors may call for censure ("Censure Request").
  - (b) The Board shall give at least 15 days' notice to the director subject to censure of a closed session hearing before the Board to address the censure request.
  - (c) A hearing as described in Article III, Section M., paragraph 1 shall be conducted according to such reasonable rules and procedures as the Board shall adopt from time to time which shall provide that the director subject to the proposed censure shall have the right