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<p style="text-align: center;">NEW (Proposed) BYLAWS OF PINE MOUNTAIN CLUB <u>PROPERTY OWNERS ASSOCIATION INCORPORATED</u></p> <p style="text-align: center;">ARTICLE I PRINCIPAL OFFICE</p> <p>1.01 The principal office for the PINE MOUNTAIN CLUB PROPERTY OWNERS ASSOCIATION INCORPORATED shall be located at 2524 Beechwood Way, Pine Mountain Club, California 93222. The Board of Directors shall have full power and authority to change said principal office from this location to another within the Development (as hereinafter defined).</p>	<p style="text-align: center;">OLD (Current) BYLAWS OF PINE MOUNTAIN CLUB <u>PROPERTY OWNERS ASSOCIATION INCORPORATED</u></p> <p style="text-align: center;">ARTICLE I OFFICES</p> <p style="text-align: center;">Principal Office</p> <p>The principal office for the PINE MOUNTAIN CLUB PROPERTY OWNERS ASSOCIATION INCORPORATED shall be located at 2524 Beechwood Way, Pine Mountain Club, California 93222. The Board of Directors shall have full power and authority to change said principal office from this location to another within the Development (as hereinafter defined).</p>
<p style="text-align: center;">ARTICLE II</p> <p style="text-align: center;">DEFINITIONS OF TERMS AS THEY ARE USED IN THIS DOCUMENT</p> <p>2.01 “Association” means Pine Mountain Club Property Owners Association, Inc., a California nonprofit mutual-benefit corporation which consists of all owners of lots in that certain real property planned development known as Pine Mountain Club and situated in Pine Mountain Club, California.</p>	<p style="text-align: center;">ARTICLE II RECITALS AND DEFINITIONS</p> <p>Section 2.01. Association. The term "Association" shall mean the Pine Mountain Club Property Owners Association Incorporated or its successor.</p>
<p>2.02 “Association property” means all real and personal property owned by the Association, including without limitation: greenbelts; entrance monuments; Association roads; a recreational center with a clubhouse, swimming pool, miscellaneous game areas, picnic barbecue areas, and parking areas; equestrian center with tack rooms, corrals, paddocks and parking areas; parks; campgrounds; equestrian trails; golf course; tennis courts; transfer site; storage areas; and any other facilities, recreational or otherwise, owned and maintained or controlled for the common use, benefit and enjoyment of the owners of real property within the development.</p>	<p>Section 2.03. Association Property. The term "Association Property" shall mean and include collectively, all real and personal property, including roads, owned, maintained, or controlled by the Association for the common use, benefit and enjoyment of the owners of the real property within the Development.</p>
<p>2.03 “Board” means the Board of Directors of the Association.</p>	<p>Section 2.11. Board. The term "Board" shall mean the duly elected and acting Board of Directors of the Association.</p>

2.04 “Bylaws” means these duly adopted Bylaws of the Association.	(No equivalent in old bylaws.)
2.05 “CC&Rs” means the Covenants, Conditions and Restrictions imposed on the development.	Section 2.08. Restrictions. The term "Restrictions" shall mean all limitations, restrictions, covenants, terms and conditions set forth in the Declaration of Covenants and Restrictions recorded in the Office of the Recorder of the County of Kern with respect to the Development, as such declaration may from time to time be amended, supplemented or modified by subsequent Declaration so recorded. (excluded from draft)
2.06 “Commercial lot” means Lot 526 of Tract 3402, as it was subdivided.	(No equivalent in old bylaws.)
2.07 “Development” means the planned development situated in Kern County, California, known as Pine Mountain Club.	Section 2.02. Development. The term "Development" shall mean all of the real property within the boundaries of that certain real estate development consisting of approximately 3,270 acres in Kern County, California and commonly known as "Pine Mountain Club" and any additional property which is annexed thereto pursuant to the Provisions of the Declaration of Covenants, Conditions and Restrictions recorded into the Office of the Recorder of the County of Kern, State of California, in connection with the Development.
2.08 “Greenbelt and recreational” as used in CC&R Section 4.6 and elsewhere within the governing documents of this development, “greenbelt” means undeveloped land intended to preserve open space and a natural environment and “recreational” means recreational activities that do not conflict with greenbelt as defined in CC&R Section 4.6.	(No equivalent in old bylaws.)
2.09 “Governing documents” in order of precedence mean the Articles of Incorporation, CC&Rs, Bylaws, Environmental Control Code, Rules, any amendments to these documents, and such other written documents, reports, maps, schedules and exhibits as are required by law to be recorded, filed or issued in connection with the development.	Section 2.17. Governing Documents. The term "Governing Documents" means the Declaration of Covenants and Restrictions, the Bylaws, Association Rules and any other documents such as operating rules of the Association and the Association's articles of incorporation which govern the operation of this common interest development, the Association or Association property.
2.10 “Guest” means an individual authorized to use Association property and facilities by a member in good standing.	(No equivalent in old bylaws.)

<p>2.11 “Improvements” mean all buildings, structures, roads, pools, courts, paddocks, corrals, driveways, parking areas, fences, retaining walls, stairs, decks, poles, signs, alterations to lots, structures of any type above or below ground and other facilities within the development.</p>	<p>(No equivalent in old bylaws.)</p>
<p>2.12 “Lot” means any real property designated as a “lot” or as a “parcel” in title documents bearing legal descriptions within this development subject to the CC&Rs.</p>	<p>Section 2.04. Lot. The term "Lot" shall mean any lot designated on a duly recorded Subdivision Map.</p>
<p>2.13 “Manufactured home” (mobile home) is defined in California Health and Safety Code Sections 18007 and 18008 or their replacement sections upon amendment or replacement.</p>	<p>(No equivalent in old bylaws.)</p>
<p>2.14 “Member” is defined in bylaw 3.01.</p>	<p>Section 2.10. Member. The term "Member" as used herein shall mean a Member of the Association in good standing whose rights are not suspended and who is an Owner within the Development.</p>
<p>2.15 “Membership” is defined in bylaw 3.01.</p>	<p>(No equivalent in old bylaws.)</p>
<p>2.16 “Member in good standing” means a member of the Association who has fully paid all assessments due on each and every Lot owned in whole or part by such person whose rights have not been suspended under bylaw 10.02 D.</p>	<p>Section 2.16. Member in Good Standing. "Member in Good Standing" as used herein shall mean a Member who has fully paid all assessments due on each and every Lot owned in whole or part by such person whose rights have not been suspended under Section 3.06 D hereof as to any one of such Lots for any reason.</p>
<p>2.17 “Owner” means any person who holds the recorded title ownership interest in real property subject to the CC&Rs, excluding any person having an interest in the property merely as security for the performance of an obligation.</p>	<p>Section 2.05. Owner. The term "Owner" shall mean the person(s) or entity(s) holding the fee ownership of a lot or unit ownership in multi-residential lot.</p>
<p>2.18 “Person” means a natural person, corporation, partnership, trust, association or other similar entity as defined by law.</p>	<p>Section 2.14. Person. The term "Person" shall mean and include any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.</p>

<p>2.19 “Association road” means any vehicular way designated on a subdivision map by street name and as “Not a Dedicated Street.” The term “Not a Dedicated Street” refers to a parcel of land or non-exclusive easement not owned by the County, a city or the state or federal governments and which is not offered for dedication to public use.</p>	<p>Section 2.12. Road. The term "Road" shall mean any vehicular way designated on a subdivision map by street name and as "Not a Dedicated Street." The term "Not a Dedicated Street" shall refer to a parcel of land or non-exclusive easement not owned by the County, a City or the State or Federal Governments, and which is not offered for dedication to public use and shall be used for access to the lots within the subdivision itself, or parcels adjacent thereto.</p>
<p>2.20 “Residence” means a building used for residential purposes, together with garage or carport, if any. “Residence” includes single-family residences, multi-residential buildings and manufactured homes.</p>	<p>(No equivalent in old bylaws.)</p>
<p>2.21 “Residential lot” means any lot or lots included in the tracts identified in CC&R Section 1.7 upon which the CC&Rs authorize construction of a single-family residence, a multi-unit residence, or a manufactured home.</p>	<p>Section 2.06. Residential Lot. The term "Residential Lot" shall mean any lot intended to be improved with a single family residence.</p>
<p>2.22 “Rules” mean any rules and regulations adopted by the Board to interpret and implement the CC&Rs or for the general welfare of members consistent with the CC&Rs.</p>	<p>((No equivalent in old bylaws.))</p>
<p>2.23 “Secretary” means the Corporate Secretary and officer of the Board.</p>	<p>(No equivalent in old bylaws.)</p>
<p>2.24 “Unit” means a single-family residential dwelling space located within a multi-residential building constructed on a lot in accordance with the CC&Rs.</p>	<p>(No equivalent in old bylaws.)</p>
<p>2.25 "Violation" Violation means a single act or omission of the governing documents occurring on a single day.</p>	<p>(No equivalent in old bylaws.)</p>
<p>2.26 “Water company” means the Mil Potrero Mutual Water Company, a California corporation.</p>	<p>(No equivalent in old bylaws.)</p>
<p>(Not required. Covered in CC&R’s.)</p>	<p>Section 2.07. Multi-Residential Lot. The term "Multi-Residential Lot" shall mean a parcel of land intended to be used for residential purposes upon which the construction of a residential building or buildings containing no more than four (4) residential units is allowed under the Restrictions.</p>

(Not required. Term not used.)	Section 2.09. Subdivision Map. The term "Subdivision Map" shall mean: (i) any final map within the meaning of the provisions of Division 4 Chapter 2 of the Business and Professions Code of the State of California and (ii) any final record of survey map within the meaning of the provisions of Division 3, Chapter 15, Article 5, of the Business and Professions Code of the State of California, as such provisions may from time to time be amended.
(Not required. Term not used.)	Section 2.13. Office of Recorder. The term "Office of Recorder" shall mean the Office of Recorder, County of Kern, State of California.
(Not required. Does not apply to definitions.)	Section 2.15. Construction. As used in these Bylaws: (i) The present tense includes the past and future tenses, and the future tense includes the present. (ii) The masculine gender includes the feminine and neuter. (iii) The singular number includes the plural, and the plural number includes the singular.
<p style="text-align: center;">ARTICLE III MEMBERSHIP AND MEMBERSHIP RIGHTS</p> <p>3.01 Member defined. The term “member” shall refer to all persons or entities having an ownership interest in a single family residential lot, or a multi-residential or commercial lot, except any such lots as are owned by the association. The collective members-owners of a lot constitute a membership. A membership is attached to the lot and may not be separated from that lot. Each person or entity shall automatically become a member of the Association upon obtaining an ownership interest in a lot, excluding Association property, and shall remain a member until he or she ceases to have an ownership interest in such lot. If title to a lot is held in the name of a trust, the trustee(s) shall be deemed the member for purposes of membership rights and privileges.</p> <p>The Association shall have one (1) class of Member only, and the property and other rights in interest and privileges of each Member in Good Standing shall be equal.</p>	<p style="text-align: center;">ARTICLE III MEMBERS</p> <p>From Section 3.02. There shall be one membership in the Association appurtenant (irrevocably joined) to the ownership, including beneficial ownership as distinguished from security ownership, of each single family residential lot, commercial lot, or unit ownership in a multi-family Residential Lot situated in the Development. No membership may be severed or separated from such Lot or unit ownership. Any sale, transfer, or conveyance thereof shall operate to transfer the appurtenant membership without the requirement of express reference thereto. In the event that such membership is owned in joint tenancy or tenancy in common, or other legally recognized form of multiple ownership, the multiple owners shall be considered as one Member of the Association. All multiple owners shall be entitled to all the rights and benefits of membership in the Association, subject to these Bylaws and to the rules and regulations as may be promulgated from time to time by the Board. All such Owners shall be jointly and severally responsible for the dues, assessments, and charges levied against, incurred by or attributed to the membership from which such Member derives the rights and benefits referred to in this Section.</p> <p>Section 3.01. The Association shall have one (1) class of Members only,</p>

	and the property and other rights in interest and privileges of each Member in Good Standing shall be equal.
(This is covered under member defined in these Bylaws.)	Section 3.03. Membership in the Association shall terminate on the Member's ceasing to be a beneficial Owner of property within the Development.
(This is covered under member defined in these Bylaws.)	From Section 3.04 a. Except as expressly provided in Section 3.04 (b) below, Membership in this Association shall not be transferable or assignable except by the sale, conveyance or other transfer of the Owner-Member's fee simple interest in a Lot to another person or persons by deed recorded in the Public Records of Kern County.
3.02 Communication or notice. Any communication or notice of any kind permitted or required may be delivered to the members in accordance with CC&R Section 7.9. It is the members' responsibility to provide a current and correct mailing address for all correspondence, notices, and mailings from the Association. The Association shall meet any notice burden if the communication or notice is mailed to the current address in the records of the association.	(No equivalent in old bylaws.)

3.03. Use of Association property. Subject to reasonable rules and regulations adopted by the Association including but not limited to controlling the number of members and guests who may use Association facilities at one time, the following persons and entities shall have the exclusive right to use Association property: (a) members in good standing; (b) member authorized guests; (c) the Association and its invitees. Only members in good standing may authorize guests. A guest may not be an owner of a lot in Pine Mountain Club who is either not a member in good standing or whose Association privileges are then under suspension for any reason. The authorizing member shall have full responsibility for any authorized guest while the guest is using Association Property. The right of any person, including but not limited to members and guests, invited associates, tenants and lessees of members, to use and enjoy Association property shall at all times be subject to the rules, limitations, and restrictions set forth in these Bylaws, in the CC&Rs, and in the Association's published Rules and Regulations. All members and guests of members are required to: (a) have a current membership card or a valid guest pass displayed on their person or in their possession when using an Association facility and (b) pay the membership or guest fee as applicable. The membership card or guest pass must be shown upon request to any PMCPOA employee or designee prior to using Association Property or facilities of the Association or obtaining service.

Section 3.08. Except as otherwise provided in Section 3.04 of these Bylaws, only Members in Good Standing shall be entitled to vote or use Association Property and the facilities of the Association, provided, however in accordance with the policies and rules established by the Board, a Member in Good Standing may sponsor persons as guests entitled to use Association Property and the facilities of the Association subject to the condition that the Member shall have full responsibility for such guest while the guest is using Association Property or facilities of the Association. Any such guest shall be subject to the same obligations imposed on the Member to observe the rules, restrictions, and regulations of the Association as set forth in the Governing Documents. All members and guests of members are required to: (i) have a current membership card or a valid guest pass displayed on their person or in their possession when using an Association facility and (ii) pay the membership or guest fee as applicable. The membership card or guest pass must be shown upon request to any PMCPOA employee or designee prior to using Association Property or facilities of the Association or obtaining service.

From Section 3.04 a Members in Good Standing may introduce guests to PMCPOA facilities, subject to Section 3.08. This provision shall not be construed or applied to allow such Member to bring as a guest another person who is (i) an Owner or a part Owner of a Lot in PMC and (ii) either not a Member in Good Standing or whose Association privileges are then under suspension for any reason.

Section 3.04 b Subject to all provisions of these Bylaws, each Member shall have the right to assign his or her rights as a Member to use and enjoy Association Property and common areas and facilities to a tenant or lessee residing within the Member's Residence. In no event shall a Member's right to vote or right to be elected to or serve as a Director, officer or member of a committee of the Association or to otherwise participate in the governing structure of the Association be transferable or assignable (this provision shall not apply to prohibit members from voting by proxy where otherwise lawful). Such assignment shall be effective only so long as said tenant or lessee is residing in said Residence and is in compliance with these Bylaws, the Declaration and the Association's Rules in effect at that time. At all times the Owner shall remain responsible for compliance by Owner's lessee or tenant with the provisions of the Governing Documents. Assignment of an owner's right to use Association Property and common facilities (other than roads) to a tenant

	<p>or lessee shall not be effective until such time as the Owner-Member has given the Secretary of the Association written notice thereof setting forth the name of the assignee and the members of his or her family who will be entitled to the use and enjoyment of the Association Property, common areas, common facilities, and roads within the Development by virtue of the assignment. During the period of any lease or rental of a Lot, any Owner not residing within the Properties shall not be entitled to use the recreational or common areas or common facilities (other than roads) except to the extent reasonably necessary to perform the usual responsibilities of a landlord or to ensure or gain compliance by the tenant with the requirements of these Bylaws and of the Declaration, unless the Owner-Lessor is contemporaneously residing on another Lot within the Development. The right of any person, including but not limited to Members and guests, invited associates, tenants and lessees of Members, to use and enjoy the Common Areas and Common Facilities shall at all times be subject to the rules, limitations, and restrictions set forth herein, in the Declaration, and in the Association's published Rules and Regulations as promulgated by the Board from time to time.</p>
<p>TO BE PLACED IN ASSOCIATION RULES</p>	<p>From Section 3.02 For the purpose of establishing the fee schedule for family members who are using Association property as guests, family members are defined as the immediate family related to the Association member (1) by marriage or by a domestic partner relationship, (2) children up to age 21, and (3) dependent parents. Each family member shall retain family member status until the Association member ceases to have an ownership interest in the lot, or the Association member is no longer a member in good standing, or when children reach the age of maturity (21 years old) or become independent. family members for the purpose of Association fees shall have the same fee schedule as members in good standing.</p>
<p>3.04 Membership card. The Board may provide for the issuance of cards evidencing membership in the Association. Each such card shall state the year for which it is valid. The form, size, and contents of the card in all other respects shall be fixed from time to time by resolution of the Board.</p>	<p>Section 3.07. The Board may provide for the issuance of certificates evidencing membership in the Association. Each such certificate shall state the year for which it is valid and shall have printed on its face in clear type that the Association is nonprofit. The form, size, and contents of the certificate in all other respects shall be fixed from time to time by resolution of the Board.</p>

<p>3.05 Transfer fee. A transfer fee shall be imposed on each transfer of title to a lot to a new owner. This fee shall be set or modified by the Board from time to time to pay for the cost of handling such transfer.</p> <p>Ownership interest of a lot is determined by the persons or entities listed on title and recorded with both Kern County and with the Pine Mountain Club Property Owners Association. The property owner(s) is/are responsible for recording title ownership with the Pine Mountain Club Property Owners Association and assuring that the property owner(s) listed on the Pine Mountain Club Property Owners Association is/are the same as recorded with the Kern County recordation.</p>	<p>Section 3.05. A transfer fee shall be imposed on each transfer of title to a lot to a new owner. This fee shall be set or modified by the Board from time to time to pay for the cost of handling such transfer.</p>
<p>3.06 Right to form clubs. Members of the Association may form clubs within the Association that use Association privileges and facilities. Clubs shall be approved annually by the Board of Directors and function primarily for the benefit, enjoyment or education of the Association and its members. A club shall relate to a specific activity or interest of members. A club may have its own rules so long as they do not conflict with the Rules of the Association. Membership in a club shall be open to all members in good standing of the Association desiring to join that club. Membership in clubs that use Association privileges and facilities shall not be open to individuals who are not members in good standing of the Association. No club may restrict or otherwise interfere with the right of a member of the Association to exercise their privileges, or their access to or their use of the facilities of the Association.</p>	<p>Section 3.10. Members of the Association may form clubs within the Association that use Association privileges and facilities. Clubs shall be approved annually by the Board of Directors and function primarily for the benefit, enjoyment or education of the Association and its members. A club shall relate to a specific activity or interest of members. A club may have its own rules so long as they do not conflict with the Rules of the Association. Membership in a club shall be open to all members in good standing of the Association desiring to join that club. Membership in clubs that use Association privileges and facilities shall not be open to individuals who are not members in good standing of the Association. No club may restrict or otherwise interfere with the right of a member of the Association to exercise their privileges, or their access to or their use of the facilities of the Association.</p>
<p style="text-align: center;">ARTICLE IV MEMBERSHIP VOTING</p>	

<p>4.01 Voting rights. Members in good standing shall have the right to vote on issues properly brought before the members. There shall be one vote for each lot. The owner of a multi-residential lot shall have one vote for each whole assessment paid by that owner. There shall be one vote for a commercial lot as such shall be defined by law or contract from time to time. Subject to the provisions of Corporations Code Section 7612, or its replacement section upon its amendment or replacement, if a membership stands of record in the names of two or more persons, or if two or more persons have the same fiduciary relationship respecting the same membership, if only one such person votes, such act binds all owners. If more than one such person votes, the act of the majority so voting binds all owners. No single vote shall be split in fractional votes.</p>	<p>From Section 3.08. Except as otherwise provided in Section 3.04 of these Bylaws, only Members in Good Standing shall be entitled to vote.</p> <p>Section 4.10 A. Each Member in Good Standing shall be entitled to vote on each matter submitted to a vote of the Members subject to the following rules:</p> <ol style="list-style-type: none"> 1. Each Member beneficially owning one (1) or more Lots or multiple dwelling units within the Development shall be entitled to the number of votes equal to the total number of such Lots so owned by him. 2. Subject to the provisions of Section 7612 of the Corporations Code, if a membership stands of record in the names of two or more persons, or if two or more persons have the same fiduciary relationship respecting the same membership, if only one such person votes, such act binds all owners. If more than one such person votes, the act of the majority so voting binds all owners. <p>Section 4.10 B. No single vote shall be split in fractional votes.</p>
<p>4.02 Exercised voting right. Except as otherwise provided in these Bylaws, the voting right of a membership may be exercised either (a) in person at a meeting of the members held in accordance with these Bylaws or (b) by mail on a written ballot in a form approved by the board and furnished by the Association to the members or (c) by electronic ballot in accordance with California Code.</p>	<p>Section 3.09. Except as otherwise provided in these Bylaws, the voting right of membership may be exercised either (i) in person at a Meeting of the Members held in accordance with these Bylaws or (ii) by mail on written ballot in the form approved by the Board and furnished by the Association to the Members.</p>
<p>ARTICLE V MEETINGS OF MEMBERS</p> <p>5.01 Annual meeting of the members. The annual meeting of the members shall be held annually on the third Saturday in June at a time and place that shall be fixed by the Board for the purpose of electing Directors and transacting such other business as may come before the meeting.</p>	<p>ARTICLE IV MEETINGS OF MEMBERS</p> <p>From Section 4.01. The regular meeting of the members shall be held annually on the third Saturday in June at a time and place that shall be fixed by the Board for the purpose of electing Directors and transacting such other business as may come before the meeting.</p>
<p>5.02 Special meetings of the members. Special meetings of the members for any lawful purpose may be called by the Board or Chairperson of the Board. In addition, special meetings of the members for any lawful purpose may be called by 5 percent or more of the memberships. This section restates Corporations Code, Section 7510(e), or its replacement section upon its amendment or replacement, and shall be deemed to conform to</p>	<p>Section 4.02. Special meetings of the members for any lawful purpose may be called by the Board or Chairperson of the Board. In addition, special meetings of the members for any lawful purpose may be called by 5 percent or more of the members. This section restates Corporations Code, Section 7510(e), and shall be deemed to conform to said section or its replacement section upon its amendment or replacement.</p>

<p>said section or its replacement section upon its amendment or replacement.</p>		
<p>5.03 Notice of annual or special meetings of the members. Notice of Regular Meetings or Special Meetings shall be given to each member not less than 10 days (20 days if given by mail other than first class mail or better) nor more than 90 days before the date of the meeting. The notice shall state the date, time, and place of the meeting, an agenda of the matters to be discussed and, when directors are to be elected, the names of those who have been nominated (if any) prior to the date the meeting notice is mailed.</p> <p>Upon receiving a request in writing to the chairperson, vice-chairperson or Secretary of the Association by a minimum of 5 percent of the memberships of the Association to call a special meeting of the members, that officer shall notify the members entitled to vote that a meeting will be held at a time fixed by the board not less than 35 nor more than 90 days after receipt of that request.</p> <p>This section restates Corporations Code, Section 7511, or its replacement section upon its amendment or replacement, and shall be deemed to conform to said section or its replacement section upon its amendment or replacement.</p>		<p>Section 4.03. The requirement of notice of members' meeting or report and the content of that notice are set forth in Corporations Code, Section 7511, as it is now stated or as it may be amended or replaced in the future. That section is hereby incorporated herein as though it were set forth in its entirety. For the benefit and information of the members but in no way to limit, expand, or modify it, the following partial summary of that section is included herein: Notice of any members meeting shall be given to each member not less than 10 days (20 days if given by mail but not by first class mail or better) nor more than 90 days before the date of the meeting. The notice shall state the date, time and place of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted or (2) in the case of a regular meeting, those matters which the board at the time the notice is given, intends to present for action by the members, but, if a quorum of one-third of the voting power of the corporation is represented in person or by proxy, any proper matter may be presented at the meeting for action. Upon request in writing to the chairperson, vice-chairperson or Secretary of the Association by the required 5 percent of the voting power of the Association to call a special meeting of the members, that officer forthwith shall cause notice to be given to members entitled to vote that a meeting will be held at a time fixed by the board not less than 35 nor more than 90 days after receipt of that request. Corporations Code, Section 7511 then provides for the giving of notice where the designated officer fails to do so within 20 days of the receipt of the request for a meeting. As previously stated, Corporations Code, Section 7511 contains a number of other provisions governing the giving of notice of a members' meeting all of which apply to this Association.</p>
<p>5.04 Quorum. A quorum is required for the transaction of business at any meeting of members. The quorum for such a meeting is set at twenty-five percent (25%) of the total memberships entitled to vote. The quorum can be met by the total number of valid ballots in the possession of the Inspector of Elections at the commencement of the meeting that vote on one or more of the matters or nominations submitted to a vote of the members by the noticed agenda for the meeting plus the number of memberships present at the meeting in person submitting their ballots to the Inspector of Elections before the ballot box is declared closed.</p> <p>In the event that a quorum is not met at a meeting of members the only</p>		<p>Section 4.06 A. A quorum is required for the transaction of business at any meeting of members. The quorum for such a meeting is set at twenty-five percent (25%) of the total memberships entitled to vote. The quorum can be met by the total number of valid mailed in written ballots in the possession of the Inspector of Elections at the commencement of the meeting that vote on one or more of the matters or nominations submitted to a vote of the members by the noticed agenda for the meeting plus the number of memberships present at the meeting in person or by proxy that have not mailed in written ballots.</p> <p>Section 4.06 B. In the event that a quorum is not met at a meeting of</p>

<p>business that can be transacted at that meeting is to adjourn to a later time. At that continued meeting, unless the quorum is met, the quorum shall be reduced to fifteen percent (15%) of the total memberships entitled to vote but the only business that can be transacted shall be the election of directors as shown in the original Notice of Meeting.</p>	<p>members the only business that can be transacted at that meeting is to adjourn to a later time. At that continued meeting, unless the quorum is met, the quorum shall be reduced to fifteen percent (15%) of the total memberships entitled to vote but the only business that can be transacted shall be the election of directors as shown in the original Notice of Meeting.</p> <p>Section 4.04. (Blank)</p>
<p>5.05 Annual meeting agenda and nominations.</p> <p>A. Agenda: Any member who desires to have any matter considered at the annual meeting of the members shall notify the Secretary in writing by the close of business of the PMCPOA business office at 5:00 p.m. on the 9th day of March preceding the meeting unless March 9 is a Saturday, Sunday or holiday in which event the deadline shall be 5:00 p.m. on the first business day thereafter.</p> <p>Any matter may be placed on a ballot if a written petition containing signatures of 5% of the memberships in good standing is submitted. Any matter requested for placement on the agenda only will not require a petition.</p> <p>The proposed matter shall be submitted to the Association's general council for consideration as to the legality of including the matter on the meeting agenda or ballot.</p> <p>The proposed matter will not be placed on the agenda or ballot if it is illegal. If the proposed matter is legal the Board of Directors may, in its discretion, choose not to place the proposed matter on the agenda or the ballot. If the proposed matter is not placed on the agenda or ballot, the petitioner has the right to discuss the matter during the Open Forum portion of the meeting.</p> <p>If the matter is to be included on the ballot a statement of pros and/or cons may be included with the notice of the meeting.</p>	<p>Section 4.05 A. Any Member who desires to (a) have any matter considered or (b) nominate any person for the office of director at the annual Meeting of the Members, shall notify the Corporate Secretary in writing by the close of business of the PMCPOA Business office at 5:00 p.m. on the 9th day of April preceding the meeting unless April 9 is a Saturday, Sunday or holiday in which event the deadline shall be 5:00 p.m. on the first business day thereafter (1) that certain matter or matters will be presented (with a description of such matter or matters) and (2) nominate her/himself designating one available term of office for which the nominee seeks election if more than one term is available. No person may seek election to more than one term at the same election. The Member shall submit with such notice a short statement (not to exceed one face of one 8 1/2" x 11" sheet) of such person to be nominated or of the matter to be considered. Upon timely receipt of the above, the Secretary shall include such matter or matters or nomination on the agenda for the meeting and on the ballots to be submitted to the Members pursuant to Section 4.11 and 4.12 hereof. Notwithstanding the above, only those matters which are properly submitted for member approval under the terms of California law or the Governing Documents may be placed on the member ballot. No matter or matter or nomination which is not so presented to the Secretary shall be considered at the meeting.</p>
<p>B. Nominations: Members may nominate themselves. A member nominating another member must first obtain the written permission of the nominee. No person may seek election to more</p>	<p>(See Section 4.05A above)</p>

<p>than one term at the same election.</p> <p>A member who is to be a candidate for office shall notify the Secretary in writing of his/her intent to run by 5:00 p.m. at the PMCPOA business office by April 9th. If April 9th falls on a Saturday, Sunday, or holiday the deadline shall be 5:00 p.m. on the first business day thereafter. The letter of intent must include the nominee's intent to seek office, the term of office, tract and lot numbers, and must be signed by the nominee. All the required information must be contained on one side of an 8 1/2" x 11" sheet of paper. The written intent to run must be accompanied by a completed Candidate Filing Form and biography/resume as described in the Election Procedures. A member who is to be a candidate for office shall abide by Business Policies & Procedures, Article 14, Election Rules and Article 15, Election Procedures.</p>	
<p>5.06 Bylaw amendments. Except bylaw amendments voted by a majority of the Board of Directors in accordance with bylaw 14.02, any proposed change of the bylaws must be accompanied by a written petition of not less than seventy-five (75) signatures of memberships in good standing. Once any proposed bylaw amendment is received by the Board of Directors, the Board shall cause the proposed changes to be considered by the Association's general counsel for general counsel's opinion as to the legality of the proposed amendment. In the event that the general counsel determines that the proposed amendment would be illegal, the Board of Directors will not place the proposed bylaw amendments on a ballot.</p>	<p>Section 4.05 B. Except Bylaw amendments voted by a majority of the Board of Directors in accordance with Section 10.02, any proposed change of the Bylaws must be accompanied by written petition of not less than seventy-five (75) signatures of Members in Good Standing.</p> <p>From Section 4.05 D. Once any proposed Bylaw amendment is received by the Board of Directors, the Board shall cause the proposed changes to be considered by the Association's General Counsel for General Counsel's opinion as to the legality of the proposed amendment. In the event that the General Counsel determines that the proposed amendment would be illegal, the Board of Directors may, in its discretion, choose not to place the proposed Bylaw amendments on a ballot for the vote of the membership.</p>
<p>(Not needed in bylaws.)</p>	<p>Section 4.05 C. The procedures of amendment of the C.C.& R.s are defined in that document and, as such, proposals for change(s) to the C.C.& R.s are not deemed proper business for consideration at the regular Meeting of the Membership.</p>
<p>5.07 Write-in votes. Write-in votes of members in good standing for directors shall be permitted.</p>	<p>From Section 4.05 D. Anything to the contrary in these Bylaws notwithstanding, write-in votes, of Members in Good Standing, for Directors shall be permitted. PMCPOA will not fund an individual candidate's proxy solicitation for any Board or office.</p> <p>Section 4.07. (Blank)</p>

<p>5.08 Meeting of members' adjournment. When a meeting of members is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than thirty (30) days, it is not necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted there, other than by announcement at the meeting at which the adjournment is taken. However, any action taken (other than adjournment) must be approved by a vote of at least a majority of the memberships required to constitute a quorum.</p>	<p>Section 4.08. When a Meeting of Members is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than thirty (30) days, it is not necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted there, other than by announcement at the meeting at which the adjournment is taken.</p> <p>Section 4.09. The Memberships represented at a duly noticed meeting at which a quorum is represented may continue to do any business specified in the Notice of Meeting until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum provided that any action taken (other than adjournment) is approved by the vote of at least a majority of the memberships required to constitute a quorum.</p>
<p>5.09 Voting at meetings of members. A vote of a majority of the memberships entitled to vote represented at a meeting by ballots shall prevail with respect to the matters to be voted upon at the meeting.</p> <p>Any election regarding assessments legally requiring a vote, election or removal of membership of the Board of Directors, amendments to the CC&Rs and bylaws, or the granting of exclusive use of common area property pursuant to Civil Code Section 1363.03, or its replacement section upon its amendment or replacement, shall be held by secret ballot as described herein.</p> <p>All members in good standing may vote by ballot. All such documents shall be treated as secret and confidential, and shall be submitted, handled, counted, and retained as prescribed in Civil Code Sections 1363.03(d) through (k), or their replacement sections upon amendment or replacement. A member may vote for a write-in candidate.</p> <p>To the extent authorized by California Code, electronic delivery and voting of ballots is permitted. Ballots submitted electronically to the Association are valid only if they are authenticated as provided in California code.</p> <p>A ballot box may be, but is not required to be, accessible in the lobby of the PMCPOA clubhouse during the voting period.</p> <p>If a member attends the meeting of members, the ballot may be delivered personally to the Inspector of Elections at any time after the meeting is</p>	<p>Section 4.10 C. Voting at meetings shall be by voice vote, or by show of hands or by secret ballot at the election of the Chairman of the meeting, unless ten percent (10%) of the voters present in person at such meeting request that such vote by secret ballot, in which event such vote shall be by a secret ballot. Prior to any vote at a Meeting of Members by the membership entitled to vote present in person at such meeting, the Chairman of the meeting shall read the report of the Election Committee with respect to the matters voted upon by the membership by mail ballots in the possession of the Secretary.</p> <p>Section 4.12. Members in Good Standing may vote in person or by the official mail ballot deposited with the Inspector of Elections prior to the time the Chair of the Board announces the closure of the ballot box.</p> <p>(No equivalent in old bylaws.)</p>

<p>called to order up until the time the voting is closed as announced by the board. No ballot shall be opened or reviewed prior to the time all votes are counted by the Inspector of Elections in public at a properly noticed open meeting of the board of directors or Annual Members' meeting. Any candidate or other member or employee of the Association may witness the counting and tabulation of the votes.</p>		
<p>5.10 Ballot and agenda.</p> <p>A. In connection with each Meeting of Members, the Secretary shall prepare and mail to each Member (a) a notice of the meeting, (b) an agenda for the meeting, (c) the resume/position statement (resume) of each nominee (as applicable) and (d) a mail ballot.</p>		<p>Section 4.11 A. In connection with each Meeting of Members, the Secretary shall prepare and mail to each Member (i) a notice of the meeting, (ii) an agenda for the meeting, (iii) the resume/position statement (resume) of each nominee (as applicable) and (iv) a mail ballot.</p>
<p>B. The agenda shall include each matter which (a) the Secretary is directed by the Board to include on the agenda and/or (b) any Member has requested be included pursuant to bylaw 5.05A. Each agenda item shall include all written statements not exceeding one side of one 8 1/2" x 11" sheet, if any, submitted by proponents or opponents of any matter to be considered.</p>		<p>Section 4.11 B. The agenda shall include each matter which (i) the Secretary is directed by the Board to include on the agenda and/or (ii) any Member has requested be included pursuant to Sections 4.02 or 4.05 of these Bylaws. Each agenda item shall include all written statements not exceeding one side of one 8 1/2" x 11" sheet, if any, submitted by proponents or opponents of any matter to be considered.</p>
<p>C. The resume/position statement of each candidate for Director shall not exceed one side of one 8 1/2" x 11" sheet.</p>		<p>Section 4.11 C. The resume/position statement of each candidate for Director shall not exceed one side of one 8 1/2" x 11" sheet.</p>
<p>D. The ballot shall be on a form approved by the Board. The name of each candidate for Director of which the Secretary has been advised pursuant to bylaw 5.05B shall be included; the ballot shall state the number of Directorships to be filled and direct voters to vote for no more than that number. The names of candidates shall be listed in the order in which the Secretary received notice of their candidacies. Each matter to be considered shall be drafted in the form of a motion calling for an affirmative or negative vote by the voter.</p>		<p>Section 4.11 D. The mail ballot shall be on a form approved by the Board. The name of each candidate for Director of which the Secretary has been advised pursuant to Section 4.05 of these Bylaws shall be included; the ballot shall state the number of Directorships to be filled and direct voters to vote for no more than that number. The names of candidates shall be listed in the order in which the Secretary received notice of their candidacies. Each matter to be considered shall be drafted in the form of a motion calling for an affirmative or negative vote by the voter. Each mail ballot shall have a place for: (i) the voter to sign his ballot and (ii) tract and lot number of his property within the Development.</p>
<p>E. Members in Good Standing may vote by the official ballot deposited with the Inspector of Elections prior to the time the Chair of the Board announces the closure of the ballot box. The three (3) candidates receiving the highest number of votes shall be deemed elected. The candidate(s) receiving the highest number of votes in</p>		<p>From Section 4.01. The three (3) candidates receiving the highest number of votes in an election for a one or two year term of office shall be deemed elected to fill such vacancy in the Board of Directors as provided for under Section 5.06 B of these Bylaws.</p>

<p>an election for a one or two year term of office shall be deemed elected to fill such vacancy in the Board of Directors as provided for under bylaw 6.10B.</p>	
<p>5.11 Chair presides. Meetings of members shall be presided over by the chair of the Association or, if absent, by the vice-chair or, in the absence of both, by a chair chosen by a majority of the members in good standing present in person. The Secretary of the Corporation shall act as Secretary of all meetings of members, provided that in his/her absence the presiding officer shall appoint another person to act as Secretary of the meeting.</p> <p>5.12 Organizational meeting. A special Meeting of the Board may convene in accordance with bylaw 5.02 as the organizational meeting of the Board. At this meeting, and in no case later than the regular meeting of the Board in July of each year, the first order of business shall be the adoption of the rules of procedure and/or Roberts Rules for conduct of meetings of the board. The second order of business shall be the election of officers. If these matters are accomplished at a special meeting of the Board, the first order of business at the regular meeting in July shall be the approval of members to the standing committees as described in bylaw 11.03.</p>	<p>Section 4.13. Meetings of Members shall be presided over by the Chairperson of the Association or, in his absence, by the Vice Chairperson or, in the absence of both, by a chairperson chosen by a majority of the voting power in good standing present in person. The Secretary of the Corporation shall act as Secretary of all Meetings of Members, provided that in his/her absence the presiding officer shall appoint another person to act as Secretary of the meeting. Unless otherwise provided in these Bylaws, a vote of a majority of those votes of the membership entitled to vote represented at a meeting in person and by ballots by mail in the possession of the Election Committee shall prevail with respect to the matters to be voted upon at the meeting.</p> <p>Section 5.07 I. A special Meeting of the Board may convene in accordance with Section 5.07A. hereof as the organizational Meeting of the Board. At this meeting, and in no case later than the regular Meeting of the Board in July of each year, the first order of business shall be the adoption of the Rules of Procedure for conduct of Meetings of the Board. The second order of business shall be the election of Officers. If these matters are accomplished at a special Meeting of the Board, the first order of business at the regular meeting in July shall be the appointment of standing committees as described in Article VII.</p>
<p style="text-align: center;">ARTICLE VI DIRECTORS</p> <p>6.01 Board of Directors. The Association shall have nine (9) Directors and collectively they shall be known as the Board of Directors.</p> <p>6.02 Powers of the Board. The Directors shall, subject to the limitations set forth in the Articles of Incorporation, exercise the powers of the Association, control its property, set the policy of the Association and delegate to the General Manager the obligation to carry out the policies of the Association.</p> <p>6.03 Qualifications for Directors. Each director and officer shall be a member in good standing of the Association and shall not be currently employed by the Association.</p>	<p style="text-align: center;">ARTICLE V DIRECTORS</p> <p>Section 5.01. The Association shall have nine (9) Directors and collectively they shall be known as the Board of Directors.</p> <p>Section 5.02. The Directors shall, subject to the limitations set forth in the Articles of Incorporation, exercise the powers of the Association, control its property, set the policy of the Association and delegate to the General Manager (COO) the obligation to carry out the policies of the Board.</p> <p>From Section 5.03 A. Qualifications. Each Director and Officer shall be a Member in Good Standing of the Association and shall not be currently employed by the Association.</p>

6.04 Oath of office. Prior to being declared elected or appointed and seated as such, each director or officer shall take an oath or affirmation of office promising to well and truly perform the duties of the office being assumed to the best of his or her ability, to obey all laws governing the Association and all of its governing documents, to act in the best interests of the Association, not to act outside the scope of such person’s authority and not to disseminate false, misleading, or confidential material relating to the Association. Confidential material is defined as the content of any deliberations or discussions during an executive session of the Board of Directors regarding matters of litigation, personnel, member discipline or formation of contracts with third parties and any non-public information presented in connection with such deliberations or discussions. The form of oath or affirmation shall be prescribed by resolution of the Board of Directors.

6.05 Code of ethics. Each director and officer shall be bound by any code of ethics or requirement of disclosure of interest which may be adopted by resolution of the Board of Directors.

6.06 Term of office. Each Director shall hold office for a three (3) year term or until a successor is elected or until their death or resignation, removal or termination of membership in the Association. Any person elected to the Board of Directors by the Members for either a full three (3) year term or to the remaining portion of a vacant term shall not be eligible to be elected again to the Board of Directors by the Members or to be appointed by the board to fill a vacancy on the board until said director has been off the board for at least fifty-two (52) weeks. A person who is elected by the Members to a term of less than one year or a person appointed by the board for a term of less than one year shall be immediately eligible for election or appointment at the end of that term.

6.07 Resignation or removal. Any Director shall have the right at any

From Section 5.03A. Prior to being declared elected or appointed and seated as such, each Director or Officer shall take an oath or affirmation of office promising to well and truly perform the duties of the office being assumed to the best of his or her ability, to obey all laws governing the Association and all of its governing documents, to act in the best interests of the Association, not to act outside the scope of such person’s authority and not to disseminate false, misleading, or confidential material relating to the Association. Confidential material is defined as the content of any deliberations or discussions during an executive session of the Board of Directors regarding matters of litigation, personnel, member discipline or formation of contracts with third parties and any non-public information presented in connection with such deliberations or discussions. The form of oath or affirmation shall be prescribed by Resolution of the Board of Directors.

Section 5.03 B. Each Director and Officer shall be bound by any Code of Ethics or Requirement of Disclosure of Interest which may be adopted by Resolution of the Board of Directors.

Section 5.04. Each Director shall hold office for a three (3) year term or until his successor is elected or until his death or resignation, removal or termination of membership in the Association. Any person elected to the Board of Directors by the Members for either a full three (3) year term or to the remaining portion of a vacant term shall not be eligible to be elected again to the Board of Directors by the Members or to be appointed by the board to fill a vacancy on the board until said director has been off the board for at least fifty-two (52) weeks. A person who is elected by the Members to a term of less than one year shall be immediately eligible for election or appointment at the end of that term.

Section 5.06 D. A person elected by the remaining Board members or member to temporarily fill a vacancy in the Board pursuant to Section 5.06 (B) hereof shall be eligible to stand for election to the remaining portion of the vacant term or to any other term then up for election at the next duly held meeting of the Members.

Section 5.05. Any Director shall have the right at any time to resign by

time to resign by delivering their signed resignation to the chair or Secretary of the Association. Any director may be removed by a vote of more than fifty percent (50%) of a quorum. That vote may take place at a special meeting of the members or at an annual meeting of the members, provided that if said vote takes place at an annual meeting, an action for the removal of the director(s) will only be placed on the agenda or the ballot on the written request of the same number of memberships as is required to call a special meeting of the members, as provided for in bylaw 5.02.

6.08 Removal due to absence. Notwithstanding the provisions of bylaw 6.03, the Board may declare vacant the office of a Director who is absent, other than because of illness or compelling personal circumstances as determined by the Board, from three or more regular or special Meetings of the Board during any year of such Director's term of office.

6.09 Director liability. The Association shall indemnify and hold harmless each director or officer of the Association from and against any liability and damages arising out of or connected with their duties, except for any liability and damage arising from intentional misconduct.

6.10 Director vacancies.

A. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (a) the death, resignation, removal or termination of membership of a director, (b) in the event that a director becomes delinquent in the payment of an assessment and thereby becomes a member not in good standing, (c) accepts employment with the Association.

B. Vacancies in the Board of Directors, except a vacancy created through the removal of a director, may be temporarily filled by the affirmative vote of a majority vote of the remaining directors though less than a quorum, or by a sole remaining director, until such vacancies shall be permanently filled by the affirmative vote of a majority of the memberships at the next duly held meeting of the members at which a quorum is present.

delivering his signed resignation to the Chairperson or Secretary of the Association. Any Director may be removed by a vote of more than fifty percent (50%) of a quorum. That vote may take place at a Special Meeting of the Membership or at an Annual Meeting of the Membership, provided that if said vote takes place at an Annual Meeting, an action for the removal of the director(s) will only be placed on the agenda or the ballot on the written request of the same number of members as is required to call a Special Meeting of the Membership, as provided for in Article IV, Section 4.02.

Section 5.11. Notwithstanding the provisions of Section 5.03, the Board may declare vacant the office of a Director who is absent, other than because of illness or compelling personal circumstances as determined by the Board, from three or more regular or special Meetings of the Board during any year of such Director's term of office.

Section 5.12. The Association shall indemnify and hold harmless each Director or Officer of the Association from and against any liability and damages arising out of or connected with his or her duties, except for any liability and damage arising from intentional misconduct.

Section 5.06 A. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation, removal or termination of membership of a director, or in the event that a director becomes delinquent in the payment of an assessment and thereby becomes 'a member not in good standing', or accepts employment with the Association.

Section 5.06 B. Vacancies in the Board of Directors, except a vacancy created through the removal of a director, may be temporarily filled by the affirmative vote of a majority vote of the remaining directors though less than a quorum, or by a sole remaining director, until such vacancies shall be permanently filled by the affirmative vote of a majority of the Members properly represented, as such representation is prescribed by the Bylaws, at the next duly held meeting of the Members at which a quorum is present (or by written ballot in accordance with California Corporation Code Section 7513).

C. Any vacancy created by the removal of a director(s) shall be filled in accordance with Article V of these bylaws.

**ARTICLE VII
MEETINGS OF THE BOARD OF DIRECTORS**

7.01 Board action. Board action and deliberation, except for (a) litigation, matters that relate to the formation of contracts with third parties or personnel matters or (b) as otherwise specifically provided for in these Bylaws, shall be taken at meetings open to the Members.

7.02 Location of regular meetings. Meetings of Directors shall be held at the principal office of the Association. In the event the corporate offices are not habitable the Board may order, with the written consent of all directors given either before or after the meeting and filed with the Secretary of the Association, a valid meeting to be held at a place within 60 mile radius of the principal office.

7.03 Time and day of monthly meetings. The Board shall meet regularly on the third Saturday of each month at 10 a.m. No notice of regular meetings shall be required.

7.04 Cancellation of monthly meetings. Notice of the cancellation of regular meetings shall be given to each director by or at the direction of the Secretary, delivered personally or by telephone, including a voice messaging system or by electronic system or by United States mail addressed to them at their address as it appears on the books of the Association at least ten (10) days prior to the date of the meeting. Notice of the cancellation shall be posted at least ten (10) days prior in the Clubhouse lobby and on the PMCPOA website and in accordance with Civil Code 1363.05, or its replacement section upon its amendment or replacement.

Section 5.06 C. Any vacancy created by the removal of a director(s) shall be filled by the affirmative vote of a majority of the Members properly represented, as such representation is prescribed by these Bylaws, at the same meeting wherein the removal of the director(s) occurs, or at any meeting thereafter (or by written ballot) in accordance with California Corporations Code Section 7513.

From Section 5.07 A. Board action and deliberation, except for (i) litigation, matters that relate to the formation of contracts with third parties or personnel matters or (ii) as otherwise specifically provided for in these Bylaws (5.07D.), shall be taken at meetings open to the Members.

From Section 5.07 A. Meetings of Directors shall be held at the principal office of the Association unless otherwise ordered by the Board or at such place within or without the State of California which has been designated from time to time by resolution of the Board. In the absence of such designation, meetings shall be held at the principal office of the Association, provided that any such meeting held elsewhere shall be valid if held on the written consent of all Directors given either before or after the meeting and filed with the Secretary of the Association

Section 5.07 B. The Board shall meet regularly on the third Saturday of each month at 10 a.m.

(See Section 5.07E below)

7.05 Emergency meetings. Emergency meetings of the Board may be called by the chair or at the request of any two (2) directors in accordance with Civil Code 1363.05, or its replacement section upon its amendment or replacement.

7.06 Act without a meeting. An 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 that action. The action by written consent shall have the same force and effect as a unanimous vote of the directors in accordance with Corporation Code Section 7211(b), or its replacement section upon its amendment or replacement.

7.07 Notice of special meetings. Notice of the time and place of special meetings shall be given to each director by or at the direction of the Secretary, delivered personally or by telephone or by United States mail addressed to him/her at his/her address as it appears on the books of the Association at least ten (10) days prior to the date of the meeting.

7.08 Quorum. Five (5) Directors shall constitute a quorum for the transaction of business. For special and executive meetings, a proxy vote is not permitted and may not be counted for a quorum. A maximum of two directors may (because of unusual circumstances) be considered to be in attendance for a quorum count and vote by means of a telephone conference call that would be open from the roll call to adjournment.

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

7.10 Rules of procedure. Meetings of directors shall be governed by the rules of procedure adopted by the Board at the organizational meeting, and otherwise by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent or in conflict with these Bylaws, with the Articles of Incorporation, or with the law.

(No equivalent in old bylaws.)

Section 5.07 D. The Board may act without a meeting by unanimous written consent of all Directors.

Section 5.07 C. Special Meetings of the Board may be called by or at the request of the Chairperson or any two (2) Directors.

Section 5.07 E. Notice of the time and place of Special Meetings or the cancellation of regular meetings shall be given by, or at the direction of, the Secretary to each Director personally or by United States mail addressed to him at his address as it appears on the books of the Association at least ten (10) days prior to the date of the meeting. No notice of regular meetings shall be required.

Section 5.07 F. Five (5) Directors shall constitute a quorum for the transaction of business. For special and executive meetings, a proxy vote is not permitted and may not be counted for a quorum. A maximum of one director may (because of unusual circumstances) be considered to be in attendance for quorum count and vote, by means of a telephone conference call that would be open from the roll call to adjournment.

Section 5.07 J. The Board shall consider no business at any meeting at which a quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn, provided, however that a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 5.07 K. Meetings of Directors shall be governed by the Rules of Procedure adopted by the Board, if applicable, and otherwise by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent or in conflict with these Bylaws, with the Articles of Incorporation, or with the law.

7.11 Conduct of meetings. Meetings of directors shall be presided over by the chair of the Association or in his or her absence by the vice-chair or, in the absence of both, by a chair chosen by a majority of the directors present

7.12 Agenda. A specific agenda for all meetings of the PMCPOA Board of Directors shall be posted at the principal offices of the Association at least ten (10) days prior to such meetings. The agenda for closed and/or executive meetings shall state in very general terms matters to be discussed, i.e., personnel and/or legal (litigation) matters. The chair shall report at the next open meeting those matters discussed in closed and/or executive session, except that, in personnel matters, privacy of the individual must be maintained and in litigation matters reports shall be as instructed by the PMCPOA general counsel. Notwithstanding the above, the Board may add to the agenda from time to time (including during a current meeting) matters of an important nature by introducing a motion to suspend the rules to consider the matter.

7.13 Majority acts. Every act or decision made by a majority of the directors present at any meeting duly held at which a quorum is present is the act of the Board, unless the law or these Bylaws require a greater number.

**ARTICLE VIII
OFFICERS**

8.01 Election of officers. There shall be four officers elected annually at the organizational meeting of the Board: a Chair, Vice Chair, Secretary and Treasurer. These officers shall be directors and act as Corporate Officers.

8.02 Qualifications for officers. Officers shall be members in good standing of the Association and shall be elected as described in bylaw 5.12.

8.03 Term of office. Each officer shall hold office until he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected, whichever occurs first.

Section 5.07 L. Meetings of Directors shall be presided over by the Chairperson/CEO of the Association or in his absence by the Vice Chairperson or, in the absence of both, by a chairperson chosen by a majority of the Directors present. The Secretary of the Association shall act as Secretary of the board, provided, however, that in the absence of the Secretary, the presiding officer shall appoint a person to act as Secretary for the meeting.

Section 5.07 N. A specific agenda for all Meetings of the PMCPOA Board of Directors shall be prepared by the Clerk of the Board and posted at the principal offices of the Association at least seven (7) days prior to such meetings. Agenda for closed and/or executive meetings shall state in very general terms matters to be discussed, i.e., personnel and/or legal (litigation) matters. The Chairperson shall report at the next open meeting those matters discussed in closed and/or executive session, except that, in personnel matters, privacy of the individual must be maintained and in litigation matters reports shall be as instructed by the PMCPOA attorney. Notwithstanding the above, the Board may add to the agenda from time to time (including during a current meeting) matters of an important nature by introducing a motion to suspend the rules to consider the matter.

Section 5.08. Every act or decision made by a majority of the Directors present at any meeting duly held at which a quorum is present is the act of the Board, unless the law, the Articles of Incorporation, or these Bylaws require a greater number.

ARTICLE VI OFFICERS

(No equivalent in old bylaws.)

From Section 6.01. Officers shall be Members in Good Standing of the Association and shall be elected annually at the first Meeting of the Board called for that purpose, but in no case later than the first regular Meeting of the Board following annual election of Directors.

From Section 6.01 Each Officer shall hold office until he resigns, is removed, or is otherwise disqualified to serve, or until his successor shall be elected, whichever occurs first. The Chairperson and Vice Chairperson

	shall be Directors.
<p>8.04 Removal of officers. Any officer may be removed from office with or without cause, by a majority of the directors at any time. Any officer may resign their position at any time by giving written notice to the Board or to the chair or Secretary of the Association. Any resignation shall become effective on the date of receipt of notice or at later time as may be specified in the notice. Unless otherwise specified in the notice, the acceptance of a resignation shall not be required to make it effective.</p> <p>8.05 Office vacancies. A vacancy in any office caused by the death, resignation, removal, or disqualification, or otherwise shall be filled for the unexpired portion of the term of office.</p> <p>8.06 Duties of the Chair. The chair shall exercise general supervision of the affairs and activities of the Association, and shall preside at all meetings of the members and of the Board at which he or she is present.</p> <p>The chair shall be responsible for preparation of Board meeting agendas, including supporting data and information for each director. The chair is responsible for the retention of each Board meeting agenda package which shall be made available at the principal offices of the Association for review by members in good standing upon written request.</p>	<p>Section 6.03. Any Officer may be removed as such, with or without cause, by a majority of the Directors at any time, and such Officer should cease to be qualified for the office as in these Bylaws provided. Any Officer may resign at any time by giving written notice to the Board or to the Chairperson or Secretary of the Association. Any such resignation shall become effective on the date of receipt of such notice or at later time as may be specified therein; unless otherwise specified therein, the acceptance of such resignation shall not be required to make it effective.</p> <p>Section 6.04. A vacancy in any office caused by the death, resignation, removal, disqualification, or otherwise shall be filled by the Board for the unexpired portion of the term.</p> <p>Section 6.05. The Chairperson shall exercise general supervision of the affairs and activities of the Association, shall preside at all Meetings of the Members and of the Board at which he is present, and shall serve as an ex officio member of standing committees.</p> <p>From Section 5.09 V The General Manager shall serve as the Clerk of the Board and in this capacity shall be responsible for preparation of Board meeting agendas, including supporting data and information for each Director. The General Manager shall retain a complete agenda package of each Board meeting which shall be made available at the principal offices of the Association for review by Members in Good Standing upon written request. Notwithstanding the foregoing, the Board may exclude the General Manager from any Board meeting for good and valid reason.</p>
<p>8.07 Duties of the Vice-chair. The vice chair shall assume all the duties of the chair whenever the latter is absent or is unable or refuses to act.</p>	<p>Section 6.06. The Vice-Chairperson shall assume all the duties of the Chairperson whenever the latter is absent or is unable or refuses to act.</p>
<p>8.08 Duties of the Secretary. The recording secretary shall (a) assure that the minutes are taken and kept of all meetings of the members and of the board, (b) be the custodian of all Association records, and (c) assure that minutes are filed of standing committees as submitted. The secretary shall verify and shall sign that the minutes accurately reflect the deliberations and actions of the members and of the Board of Directors. The secretary shall verify that the Association files are kept in an accurate and complete</p>	<p>Section 6.07. The Corporate Secretary shall cause the Clerk of the Board to (i) keep the minutes of all meetings of the Members and of the Board, (ii) be the custodian of all Association records, and (iii) file minutes of standing committees as submitted. The Corporate Secretary shall verify and shall sign that the minutes accurately reflect the deliberations and actions of the Members and of the Board of Directors. The Corporate Secretary shall verify that the Association files are kept in an accurate and</p>

manner. Association minutes, records and/or files shall not be removed from the principal offices of the Association except on written authority of the Board or the chair.

8.09 Duties of the Treasurer. The Treasurer shall cause the general manager to receive and account for all funds as provided in bylaw 13.01 and bylaw 13.02 and shall direct him/her to pay out funds (subject to controls in bylaw 13.01 and bylaw13.02) as authorized in the annual budget or as directed from time to time by written Board action. The Treasurer shall monitor the actions of the general manager in his/her role as custodian and disbursing agent of PMCPOA funds. The Treasurer shall cause a review of the financial statement to be distributed within 120 days after the close of the fiscal year to the membership. Also, 30 to 90 days before the beginning of the fiscal year the Treasurer shall cause the adopted budget for the next fiscal year to be distributed to all of its members. The Treasurer shall be the liaison to the Budget and Finance Committee

8.10 Officers serve without compensation. Officers of the Association shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses incurred in conducting the affairs of the Association.

ARTICLE IX DUTIES OF THE BOARD

9.01 Duties generally. The Association, through its Board of Directors, shall manage the development, enforce the provisions of the governing documents and provide for the general welfare of the residents as required under the governing documents and applicable laws.

The Board shall have exclusive right and responsibility to oversee diligently all of the obligations and functions and to assure the proper management of the business and affairs of the Association.

9.02 Specific duties. In addition to fulfilling any of its obligations and duties set forth in the CC&Rs, the Association, through the Board of Directors, shall provide and/or pay for the following:

complete manner. Association minutes, records and/or files shall not be removed from the principal offices of the Association except on written authority of the Board or Chairperson/CEO.

Section 6.08. The Corporate Treasurer shall cause the General Manager to receive and account for all funds as provided in Section 9.01 and 9.02 of these Bylaws and shall direct him to pay out funds (subject to controls in Section 9.01 and 9.02) as authorized in the annual budget or as directed from time to time by written Board action. The Corporate Treasurer shall monitor the actions of the General Manager in his role as custodian and disbursing agent of PMCPOA funds. The Corporate Treasurer shall (i) cause a review to be performed annually by an accredited C.P.A. firm to the level consistent with good corporate control as soon thereafter but not later than 120 days after the end of the fiscal year and (ii) cause it to be published in The Condor, the official publication of PMCPOA. Also, not later than thirty (30) days after the end of the fiscal year, the Corporate Treasurer shall cause the adopted budget for the next fiscal year and the allocation thereof (as an assessment against each member) to be published in The Condor. He shall be an ex-officio member of the Budget and Finance committee.

Section 6.09. Officers of the Association shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses incurred in conducting the affairs of the Association.

Section 5.09. The Board shall have exclusive right and responsibility to oversee diligently all of the obligations and functions of the Association as set forth in the Articles of Incorporation, Bylaws, and C.C.& R.s and to assure the proper management of the business and affairs of the Association. In further place and not on limitation of the foregoing rights and responsibilities the Board shall:

A. Books and records. The Association shall maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles.

B. Minutes of Board meetings. The Association shall maintain a complete record of the minutes of Board meetings and Board actions and of the minutes of meetings and proceedings.

C. Enforcement. The Association shall enforce all applicable provisions of the CC&Rs, the Environmental Control Code, these Bylaws and all other regulations relating to the control, management, and use of Association property and private property within the development and to take steps as it deems necessary for the enforcement of these rules and regulations.

D. Risk review. The Board of Directors or a selected sub-committee of the Board shall, on an annual basis, review all policies, procedures and accounting data in order to assess the fraud risk to the Association. Any discrepancies will be reported to the full Board of Directors and a thorough investigation will be conducted in a timely manner.

E. Rules. Consistent with the CC&Rs and applicable statutes, the Association shall adopt, amend and repeal rules governing, among other things: (a) the use of Association property owned by the Association, (b) the environmental and architectural control and the rules of the Environmental Control Committee, (d) the regulation of animals within the development (e) the collection and disposal of refuse, (c) the burning of open fires, (f) the conduct of disciplinary proceedings, (g) the regulation of road use, vehicle parking, pet ownership and other matters subject to regulation and restriction under the CC&Rs, and (e) other activities in the development which would adversely affect the peace and enjoyment of residents in the development.

Section 5.09 (i) cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles;

Section 5.09 (ii) cause to be maintained a complete record of the minutes of Board meetings and Board actions and of the minutes of meetings and proceedings of Members. Such records and documents shall be kept and maintained in a manner consistent with reasonably prudent practice which would be applicable to a business for profit;

Section 5.09 (iii) enforce all applicable provisions of the C.C.&R.s, these Bylaws and all other regulations relating to the control, management, and use of private property within the Development and Association Property, and to take such steps as it deems necessary for the enforcement of such rules and regulations;

(No equivalent in old bylaws.)

Section 8.01 (a) Rule Making Power. The Board may, from time to time and subject to the provisions of these Bylaws and the Declaration of Covenants and Restrictions, propose, enact and amend rules and regulations of general application to the Owners of Lots within the Development. Such rules may concern, but need not be limited to (i) matters pertaining to the maintenance, repair, management and use of Association Property by owners, their tenants, guests and invitees, or any other persons who have rights of use and enjoyment of Association Property; (ii) environmental and architectural control and the rules of the Environmental Control Committee under Article VII, Section 7.03 hereof; (iii) the conduct of disciplinary proceedings in accordance with this Article; (iv) the regulation of road use, vehicle parking, pet ownership and other matters subject to regulation and restriction under the Declaration of Covenants and Restrictions; (v) the minimum standards for the maintenance of landscaping or other improvements located on any Lot;

Association Rules may be adopted, amended or repealed from time to time by majority vote of the Board, provided, however, that no Association Rules or amendments thereto shall be adopted by the Board until at least thirty (30) days after the proposed rule or amendment has been (a) published in the Association newsletter, if any, or otherwise communicated to all owners in writing and (b) posted in the Association office for inspection by the owners. The notice describing the proposed rule or amendment shall also set forth the date, time, and location of the Board meeting at which action on the proposed rule or amendment is scheduled to be taken. Any duly adopted rule or amendment to the Association Rules shall become effective immediately following the date of adoption thereof by the Board, or at such later date as the Board may deem appropriate.

The Association Rules shall not be inconsistent with or materially alter any provision of the other governing documents or the rights, preferences and privileges of members under them. In the event of any material conflict between any Association rule and any provision of the other governing documents, the conflicting provisions contained in the other governing documents shall be deemed to prevail and control.

A copy of the Association Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each owner. A copy of the Association Rules shall also be available for inspection during normal business hours at the Association office.

F. Other duties found in section 3.2 of the CC&Rs.
Additional duties are defined in Section 3.2 of the CC&Rs.

**ARTICLE X
ASSESSMENTS AND BUDGET**

and (vi) any other subject or matter within the jurisdiction of the Association as provided in the Governing Documents.

Section 8.01 (d) Adoption and Amendment of Rules. Association Rules may be adopted, amended or repealed from time to time by majority vote of the Board, provided, however, that no Association Rules or amendments thereto shall be adopted by the Board until at least thirty (30) days after the proposed rule or amendment has been (i) published in the Association newsletter, if any, or otherwise communicated to all Owners in writing and (ii) posted in the Association Office for inspection by the Owners. The notice describing the proposed rule or amendment shall also set forth the date, time and location of the Board meeting at which action on the proposed rule or amendment is scheduled to be taken. Any adopted rule or amendment to the Association Rules shall become effective immediately following the date of adoption thereof by the Board, or at such later date as the Board may deem appropriate. Any duly adopted rule or amendment shall be distributed to all Owners by regular mail.

Section 8.01 (b) Association Rules Subordinate to Other Governing Documents. Notwithstanding the foregoing grant of authority, the Association Rules shall not be inconsistent with or materially alter any provision of the other Governing Documents or the rights, preferences and privileges of Members thereunder. In the event of any material conflict between any Association Rule and any provision of the other Governing Documents, the conflicting provisions contained in the other Governing Documents shall be deemed to prevail and control.

Section 8.01 (c) Distribution of Rules. A copy of the Association Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. A copy of the Association Rules shall also be available for inspection during normal business hours at the Association Office.

(No equivalent in old bylaws.)

10.01 Authority of the Board to assess. The Association through its Board of Directors shall establish and collect reasonable use charges for the use of any or all of the Association's property as the Board may deem necessary or desirable.

10.02 Formation and purpose of assessment.

A. Membership shall be subject to annual assessment provided, however, that an annual assessment upon each membership shall not exceed the total aggregate sum computed as follows: The amount of the budget adopted by the Board pursuant to bylaw 10.03 hereof for the fiscal year for which the assessment is levied shall be divided by the number of memberships outstanding to determine the amount of annual assessment imposed upon each Owner. The amount of each annual assessment shall be fixed by resolution of the Board. The annual assessment shall: (a) be payable in advance on the 1st day of July in each year, (b) become delinquent on September 15 or on such later date as determined by the Board, (c) upon delinquency be made enforceable by court action, in which this Association shall be entitled to recover its reasonable expenses and attorneys' fees incurred therein, and shall constitute a lien on the Member's property within the Development.

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

C. Notwithstanding the provisions of Paragraphs A. and B. of this Section, assessments shall be levied only to pay the expenses of the Association for the following purposes:

1. To maintain and improve the road and waterways within the Development;
2. To maintain and improve any area held or used in common by the Owners of Lots within the Development;
3. To erect, improve, and maintain gateways, ornamental fences, plantings, trees, fountains, and other ornamental features within the

Section 5.09 (iv) establish and levy assessments on the Members and collect same, all in accordance with the Articles of Incorporation, Bylaws, and C.C.&R.s, and establish and collect reasonable use charges for the use of any or all of the Association's Property as the Board may deem necessary or desirable from time to time for the purpose of equitable allocation among the users of the cost of operation thereof.

Section 3.06 A. Membership shall be subject to annual assessment provided, however, that an annual assessment upon each membership shall not exceed the total aggregate sum computed as follows: The amount of the budget adopted by the Board pursuant to Section 5.07 G hereof for the fiscal year for which the assessment is levied shall be divided by the number of memberships outstanding to determine the amount of annual assessment imposed upon each Owner. The amount of each annual assessment shall be fixed by resolution of the Board. The annual assessment shall: (i) be payable in advance on the 1st day of July in each year, (ii) become delinquent on September 15 or on such later date as determined by the Board, (iii) upon delinquency be made enforceable by court action, in which this Association shall be entitled to recover its reasonable expenses and attorneys' fees incurred therein, and shall constitute a lien on the Member's property within the Development.

Section 3.06 B. Every resolution of the Board levying an assessment shall specify the amount thereof; to whom and where payable; and the day on which the assessment becomes payable.

Section 3.06 C. Notwithstanding the provisions of Paragraphs A. and B. of this Section, assessments shall be levied only to pay the expenses of the Association for the following purposes:

1. To maintain and improve the road and waterways within the Development;
2. To maintain and improve any area held or used in common by the Owners of Lots within the Development;
3. To erect, improve, and maintain gateways, ornamental fences, plantings, trees, fountains, and other ornamental features within the Development;

Development;

4. To pay taxes and assessments, if any, which may be levied by any governmental authority on any of the areas or ornamental features held or used in common within the Development;
5. To do any and all lawful things and acts which the Board, in its discretion, deems to be in the best interest of the Development and of the Owners of Lots therein, and to pay all costs and expenses in connection therewith;
6. To enforce any restrictions, conditions, covenants, changes, and agreements at any time created for the benefit of any property owner by a Member, and for the collection of assessments provided in these Bylaws;
7. To pay all license fees and other governmental charges, if any, levied or imposed on or against the Association or its properties; or
8. To conduct the business of the Association.

D. Any member who fails to pay his assessment for a period of 77 days from the date on which such assessment becomes payable, shall, for the purposes of voting, utilizing the facilities of the Association, and participating in activities sponsored by the Association, be considered a Member not in Good Standing. Such Member shall not be reinstated to good standing in the Association until he/she has paid all assessments in full plus interest thereon. Delinquent assessments shall be charged a penalty of 9% per annum for any unpaid balance, 30 days after such assessments are due and payable. All members other than those described in this paragraph are Members in Good Standing.

E. In the event that any Member, whose assessment is paid, should terminate his/her membership as provided in Section 3.01 of these Bylaws, his successor in title shall acquire the benefit of such paid up assessment by becoming a Member of the Association.

F. On adoption of the resolution levying the assessment, the Treasurer of the Association shall give notice thereof in writing. The notice shall set forth the name of the Association, the location

4. To pay taxes and assessments, if any, which may be levied by any governmental authority on any of the areas or ornamental features held or used in common within the Development;
5. To do any and all lawful things and acts which the Board, in its discretion, deems to be in the best interest of the Development and of the Owners of Lots therein, and to pay all costs and expenses in connection therewith;
6. To enforce any restrictions, conditions, covenants, changes, and agreements at any time created for the benefit of any property owner by a Member, and for the collection of assessments provided in these Bylaws;
7. To pay all license fees and other governmental charges, if any, levied or imposed on or against the Association or its properties; or
8. To conduct the business of the Association.

Section 3.06 D. Any member who fails to pay his assessment for a period of 77 days from the date on which such assessment becomes payable, shall, for the purposes of voting, utilizing the facilities of the Association, and participating in activities sponsored by the Association, be considered a Member not in Good Standing. Such Member shall not be reinstated to good standing in the Association until he has paid all assessments in full plus interest thereon. Delinquent assessments shall be charged a penalty of 9% per annum for any unpaid balance; 30 days after such assessments are due and payable. All members other than those described in this paragraph are Members in Good Standing.

Section 3.06 E. In the event that any Member, whose assessment is paid, should terminate his membership as provided in Section 3.02 of these Bylaws, his successor in title shall acquire the benefit of such paid up assessment by becoming a Member of the Association.

Section 3.06 F. On adoption of the resolution levying the assessment, the Treasurer of the Association shall give notice thereof in writing. The notice shall set forth the name of the Association, the location of its

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

G. The notice of assessment shall be sent by mail to each Member not less than thirty (30) days prior to the delinquent date addressed to each member at his/her address as it appears on the books of the Association.

H. If the assessments are not paid on or before the delinquent date, the Board of Directors shall, within thirty (30) days thereafter, cause notice of lien to be recorded in the office of the Recorder of Kern County and such lien may be enforced as provided in paragraphs A. and F. of this section. The notice shall contain a legal description of the property affected thereby.

I. Notwithstanding any other provision in these Bylaws, Section 10.02 and 10.03 hereof can be amended or repealed only by the vote or written assent of two-thirds (2/3) or more of the Members in Good Standing of this Association.

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

Section 3.06 G. The notice of assessment shall be sent by mail to each Member not less than thirty (30) days prior to the delinquent date addressed to each member at his address as it appears on the books of the Association.

Section 3.06 H. If the assessments are not paid on or before the delinquent date, the Board of Directors shall, within thirty (30) days thereafter, cause notice of lien to be recorded in the office of the Recorder of Kern County and such lien may be enforced as provided in paragraphs A. and F. of this section. The notice shall contain a legal description of the property affected thereby.

Section 3.06 I. Notwithstanding any other provision in these Bylaws, Section 3.06 and 5.07 G. hereof can be amended or repealed only by the vote or written assent of two-thirds (2/3) or more of the Members in Good Standing of this Association.

10.03 Budget formation. The regular Meeting of the Board in May of each year shall be the Budget Meeting. Prior to May 1, of each year, the Board shall cause the Treasurer to mail to every Member at his/her address, then appearing on the records of the Association, the financial statement of the Association as of March 31st in such year, and an operation statement of income and expense for the nine (9) months ended March 31st in such year together with a comparison showing each item of income and expense budgeted by the Board for the fiscal year ending June 30th in such year. The Board shall also include in such mailing a proposed budget for the ensuing fiscal year and the allocation thereof as a proposed assessment against each Member and a notice that said proposed budget will constitute the first order of business at the Board meeting to be held on the third Saturday of May at 10:00 a.m. The proposed budget shall be the first order of business at the budget meeting. The Board shall not adopt a budget or make any assessment against the Members based thereon until the regular meeting of the Board for the month of June in each year.

10.04 Summary budget. In lieu of distributing the complete operating budget for the ensuing fiscal year as specified above, the Board may elect to distribute a summary of the budget to the members (within the time limits specified above), together with a notice that the complete budget is available at the Association's office and that copies will be furnished, upon request, to any member at the Association's expense. If a Member requests a copy of the complete budget, the Association shall mail the material, via first-class mail or mutually agreed upon method of delivery within five days. The notice required hereunder shall be presented on the front page of the summary of the budget in at least 10-point bold type.

10.05 Financial statement review. A review (audit) of the financial statement of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross income of the Association exceeds \$75,000, according to Civil Code Section 1365 (c), or its replacement section upon its amendment or replacement. A copy of the review of the financial statement shall be distributed to the members within 120 days after the close of each fiscal year.

Section 5.07 G. The regular Meeting of the Board in May of each year shall be the Budget Meeting. Prior to May 1, of each year, the Board shall cause the Treasurer to mail to every Member at his address, then appearing on the records of the Association, the financial statement of the Association as of March 31st in such year, and an operation statement of income and expense for the nine (9) months ended March 31st in such year together with a comparison showing each item of income and expense budgeted by the Board for the fiscal year ending June 30th in such year. The Board shall also include in such mailing a proposed budget for the ensuing fiscal year and the allocation thereof as a proposed assessment against each Member and a notice that said proposed budget will constitute the first order of business at the Board meeting to be held on the third Saturday of May at 10:00 a.m. The proposed budget shall be the first order of business at the budget meeting. The Board shall not adopt a budget or make any assessment against the Members based thereon until the regular meeting of the Board for the month of June in each year.

From Section 5.07 H. In lieu of distributing the complete operating budget for the ensuing fiscal year as specified above, the Board may elect to distribute a summary of the budget to the Members (within the time limits specified above), together with a notice that the complete budget is available at the Association's office and that copies will be furnished, upon request, to any Member at the Association's expense. If a Member requests a copy of the complete budget, the Association shall mail the material, via first-class mail, within five days. The notice required hereunder shall be presented on the front page of the summary of the budget in at least 10-point bold type.

From Section 5.07 H. A review of the financial statement of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross income of the Association exceeds \$75,000, according to Civil Code § 1365 (b). A copy of the review of the financial statement shall be distributed to the Members within 120 days after the close of each fiscal year.

10.06 Policy on lien rights. In addition to financial statements, the Board of Directors shall annually distribute not less than 30 days nor more than 90 days prior to the beginning of the fiscal year, pursuant to Civil Code Section 1365 (e), or its replacement section upon its amendment or replacement, a statement describing the Association's policies and practices enforcing lien rights or other legal remedies against members for defaults in the payment of regular and special Assessments including the recording and foreclosing of liens against members' Lots.

10.07 Review of Association accounts. Pursuant to Civil Code Section 1365.5(a), or its replacement section upon its amendment or replacement, on no less than a quarterly basis, the Board of Directors shall: (a) Review a current reconciliation of the Association's operating accounts; (b) Review a current reconciliation of the Association's reserve accounts; (c) Review the current year's actual reserve revenues and expenses compared to the current year's budget; (d) Review the Association's latest account statements prepared by the financial institution(s) with whom the operating and reserve accounts are lodged; and (e) Review the Association's income and expense statement for the operating and reserve accounts. To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.

**ARTICLE XI
COMMITTEES**

11.01 Standing committees. The Association shall have the following standing committees:

- A. Budget & Finance Committee.
- B. Communications Committee.
- C. Election Committee.
- D. Emergency Preparedness Committee.
- E. Environmental Control Committee.
- F. Equestrian Committee.
- G. Governing Documents Committee.
- H. Green Committee.
- I. Planning Committee.
- J. Recreation Committee.

From Section 5.07 H. In addition to financial statements, the Board of Directors shall annually distribute within 60 days prior to the beginning of the fiscal year, pursuant to Civil Code § 1365 (d), a statement describing the Association's policies and practices enforcing lien rights or other legal remedies against Members for defaults in the payment of Regular and Special Assessments including the recording and foreclosing of liens against Members' Lots.

From Section 5.07 H. Pursuant to Civil Code § 1365.5(a), on no less than a quarterly basis, the Board of Directors shall: (i) Review a current reconciliation of the Association's operating accounts; (ii) Review a current reconciliation of the Association's reserve accounts; (iii) Review the current year's actual reserve revenues and expenses compared to the current year's budget; (iv) Review the Association's latest account statements prepared by the financial institution(s) with whom the operating and reserve accounts are lodged; and (v) Review the Association's income and expense statement for the operating and reserve accounts. To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.

ARTICLE VII COMMITTEES

Section 7.01. The Association shall have the following Standing Committees:

- (a) Advisory and Communications Committee
- (b) Finance and Budget Committee
- (c) Environmental Control Committee
- (d) Recreation Committee
- (e) Planning Committee
- (f) Election Committee
- (g) Green Committee
- (h) Equestrian Committee
- (i) Emergency Preparedness Committee
- (j) Youth Advisory Committee
- (k) Governing Documents Committee
- (l) Tennis Committee

11.02 Ad hoc committees. Ad hoc committees for specific purposes or activities may be designated from time to time by resolution of the Board.

11.03 Committee membership and purpose. With the exception of the Election Committee, which shall be made up as defined in bylaw 11.07, membership in any standing and ad hoc committee of the Association shall consist of members in good standing who are appointed by the chair with concurrence of a majority of the directors. Each such committee shall perform those functions as are delegated to it in the committee's charter by the Board.

A. Term. Members of standing committees shall serve until the next annual election of directors and until their successors are appointed unless they resign or are removed earlier by the Board.

B. Vacancies. Any vacancy on any committee may be filled in the same manner as provided in the case of the original appointment and any such appointee shall serve the unexpired portion of his predecessor's term.

11.04 Conduct of meetings. All meetings of standing and ad hoc committees of PMCPOA shall be open meetings, and only members in good standing shall be permitted to participate except as may otherwise be provided by these Bylaws. Committees shall conduct meetings in accordance with the "Common Rules for all Committees" and rules promulgated by the Board from time to time.

11.05 Board liaisons. The Board shall appoint Directors as liaisons to each standing committee who shall be non-voting advisors.

11.06 The Environmental Control Committee.

A. Association power to delegate. The Board may delegate its environmental and architectural oversight duties to an Environmental Control Committee assisted by an Environmental Control Officer acting under the supervision and control of the Board. However, final approval rests with the Board of Directors.

Section 7.05. Ad Hoc Committees for specific purposes or activities may be designated from time to time by resolution of the Board.

Section 7.02. With the exception of the Election Committee, which shall be made up as defined in Section 7.04 A. herein, membership in any Standing and Ad Hoc Committee of the Association shall consist of Members in Good Standing who are appointed by the Chairperson with concurrence of a majority of the Directors. Each such committee shall perform those functions as are from time to time delegated to it by the Board.

Section 7.06. Members of Standing Committees shall serve until the next annual election of Directors and until their successors are appointed unless they are removed earlier by the Board.

Section 7.07. Any vacancy on any Committee may be filled in the same manner as provided in the case of the original appointment and any such appointee shall serve the unexpired portion of his predecessor's term.

Section 5.07 M. All meetings of Standing and Ad Hoc Committees of PMCPOA shall be open meetings, and only Members in Good Standing shall be permitted to participate except as may otherwise be provided by these Bylaws.

Section 7.03 A. The Board shall appoint a member of the board as liaison to the Environmental Control Committee. The Environmental Officer shall be a non-voting advisor to this committee.

Section 7.03 B. The Environmental Control Committee shall have all power and authority to approve and disapprove plans and specifications as defined in the C.C.&R.s and exercise all other functions delegated to it pursuant to the provisions of the Pine Mountain Environmental Control Code, as adopted or amended by the Board and maintained by the Clerk of the Board.

B. Committee purpose. The Environmental Control Committee shall make a recommendation to the Board of Directors for the approval and disapproval of all plans to excavate, fill, change drainage patterns, destroy or remove trees or construct or alter improvements on any privately owned lot or on Association property.

C. Right to appeal. The right to appeal a recommendation of the Environmental Control Committee to the Board will be granted a property owner. A hearing will be held at the next regular or special meeting of the Board at which time the matter will be submitted to the Board for decision.

D. Lack of quorum. When a recommendation must be made by the committee and extenuating circumstances render it impossible for a quorum to assemble, a decision may be made by a body composed of: (a) the committee chair, (b) the Environmental Officer, and (c) a member in good standing appointed by the chair. After hearing the facts as presented, the chair shall inform the Board of the recommendation.

E. Review fees. To defray the cost of reviewing submitted plans and related documents, reasonable fees may be charged for applications submitted to the Association subject to the constraints found in Civil Code Section 1366.1, or its replacement section upon its amendment or replacement.

F. No waiver. The Association's approval of any plans or specifications shall not be deemed a waiver of the committee's right to object to any of the features or elements embodied in such plans and specifications submitted for approval for use on other building sites.

11.07 The Election Committee. The Election Committee shall consist of the Secretary of the Association and one person elected by each of the standing Committees and/or volunteers consisting of Members in Good Standing. The Election Committee will perform its duties according to the "Business Policies & Procedures, A-16, Election Procedures and Association Rules Article XIV, Election Rules".

(No equivalent in old bylaws.)

Section 7.03 C. The right to appeal a decision of the Environmental Control Committee to the Board may be granted a property owner upon receipt of a written appeal request by the Committee. A hearing will be held at the next regular or special Meeting of the Board at which time the matter will be submitted to the Board for decision.

Section 7.03 D. When a decision must be rendered by the Committee and extenuating circumstances render it impossible for a quorum to assemble, a decision may be made by a body composed of: (i) Chairman, (ii) Environmental Officer, and (iii) a member appointed by the Chairman. After hearing the facts as presented, the Chairman shall inform all interested parties of the final decision.

(No equivalent in old bylaws.)

(No equivalent in old bylaws.)

Section 7.04 A. The Election Committee shall consist of the Secretary of the Association and one person elected by each of the standing Committee and/or volunteers consisting of Members in Good Standing. The Election Committee Chairperson and Co-Chairperson(s) shall be selected by the Secretary and approved by the PMC Board of Directors. The Election Committee will perform its duties according to the PMC Fair Elections Manual.

**ARTICLE XII
ENFORCEMENT OF
GOVERNING DOCUMENTS**

12.01 Rules enforced. The right of any person to use and enjoy Association property shall at all times be subject to the rules, limitations, and restrictions set forth in these bylaws, in the CC&Rs, and in the Association's published Rules as promulgated by the Board from time to time.

**ARTICLE VIII
ENFORCEMENT OF
GOVERNING DOCUMENTS**

Section 7.04 B. The Election Committee shall receive and tally all membership votes (including mail ballots) at all membership meetings and certify the results thereof to the Board. All information received by the Election Committee, and the deliberations of the Committee, shall be maintained in confidence except as required to resolve an election contest.

Section 8.02. Use and Enjoyment Subject to Association Rules and Regulations. The right of any person to use and enjoy Association Property shall at all times be subject to the rules, limitations, and restrictions set forth herein, in the Declaration of Covenants and Restrictions, and in the Association's published Rules and Regulations as promulgated by the Board from time to time. With the exception of the right of use of any roads, the Board shall have the right to impose monetary penalties or to suspend the use and enjoyment of any Association Property for the failure of a Member to pay any Assessments when due under the Declaration, or to comply with any other restriction, rule or regulation imposed upon such Member, his or her tenants or guests, pursuant to the Governing Documents, provided, however, that any such suspension shall be imposed only after such person has been afforded the notice and hearing rights more particularly described in this Article.

From Section 3.04b With the exception of the right of use of any roads, the Board shall have the right to impose monetary penalties or to suspend the use and enjoyment of any Association Property, common area or common facilities for the failure of a Member to pay any Assessments when due under the Declaration, or to comply with any other rule or regulation imposed upon such Member, his or her tenants, lessees or guests, pursuant to the Governing Documents, provided, however, that any such suspension shall be imposed only after such person has been afforded the notice and hearing rights more particularly described in Section 8.03 of these Bylaws.

12.02 Enforcement generally. The governing documents may be enforced by the levying of reasonable monetary penalties including fines, judicial enforcement, suspension of Association property privileges with the exception of the right of use of any roads, or any other enforcement mechanism as may be provided for by law. Failure to enforce any provision of the governing documents shall not be deemed a waiver of the right to enforce those provisions thereafter. Any penalties and/or suspension shall be imposed only after the member has been afforded the notice and hearing rights more particularly described in this Article.

12.03 Rights and remedies of the Association.

A. Schedule of fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate.

Section 8.03 (a) Rights Generally. In the event of a breach or violation of any Association Rule or of any of the provisions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners and the Association, may enforce the obligations of each owner to obey such Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use Association Property (other than Roads) or suspension of the Owner's voting rights as a Member of the Association; provided that the Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this Section 8.03. The initiation of legal action shall be subject to section 8.04 below. The decision of whether it is appropriate or necessary for the Association to initiate enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Association's Board or its duly authorized enforcement committee. If the Association declines to take action in any instance, any Owner shall have such rights of enforcement as may exist by virtue of the California Civil Code section 1354 or otherwise by law.

Section 8.03 (b) Schedule of Fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for late payment of Assessments or illegally parked vehicles). Once imposed, a fine or penalty may be collected as a Special Individual Assessment.

B. Definition of violation. A violation of the governing documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days may justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring on Association property at the cost of the responsible owner.

C. Limitations of disciplinary rights.

1. Loss of rights; forfeitures. The Association shall have no power to cause forfeiture or abridgment of an Owner's rights to the full use and enjoyment of his or her Lot due to the failure by the Owner (or his or her family members, tenants, guests or invitees) to comply with any provision of the Governing Documents or of any duly enacted Association Rule except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction, a decision arising out of arbitration or a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a member of the Association or the imposition of monetary penalties for failure to pay Assessments or otherwise comply with any Governing Documents so long as the Association's actions satisfy the due process requirements of sub paragraphs below.

2. Hearings. Subject to the exceptions set forth in subsection (3.) below, and subject to California Corporations Code Section 7341, or its replacement section upon its amendment or replacement, no penalty or temporary suspension of rights shall be imposed unless the owner alleged to be in violation is given at least 15 days prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board of Directors or appropriate committee established by the Board with respect to the alleged violation(s)

Section 8.03 (c) Definition of "violation." A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring on Association Property at the cost of the responsible Owner.

Section 8.03 (d) Limitations of Disciplinary Rights.

Section 8.03 (d) (i) Loss of Rights; Forfeitures. The Association shall have no power to cause forfeiture or abridgment of an Owner's rights to the full use and enjoyment of his or her Lot due to the failure by the Owner (or his or her family members, tenants, guests or invitees) to comply with any provision of the Governing Documents or of any duly enacted Association Rule except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction, a decision arising out of arbitration or a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a member of the Association or the imposition of monetary penalties for failure to pay Assessments or otherwise comply with any Governing Documents so long as the Association's actions satisfy the due process requirements of subparagraph below.

Section 8.03 (d) (ii) Hearings. Subject to the exceptions set forth in subsection (iii) below, pursuant to Section 7341 of the California Corporations Code, no penalty or temporary suspension of rights shall be imposed pursuant to this Article unless the Owner alleged to be in violation is given at least 15 days prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board of Directors or appropriate committee established by the Board with respect to the alleged violation(s) at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action.

at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action.

3. Corrective action without a hearing. Notwithstanding the provisions of subsection (2.) above, the Board of Directors or its duly authorized agents may undertake immediate corrective action under circumstances involving conduct that constitutes (a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring owners; (b) a traffic or fire hazard; (c) a threat of material damage to, or destruction of, Association property; or an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of other owners on or in Association property. The Board of Directors or its duly authorized agents, upon request of the offending owner (which request must be received by the Association, in writing, within five days following the Association's disciplinary action), or on the Board's own initiative, shall conduct a hearing as soon thereafter as reasonably possible.

4. Notice of hearing. If the Association acts on its own initiative to schedule a hearing, notice of the hearing shall include the date, time and location of the hearing, the notice of disciplinary action, a reference to the specific governing document provision alleged to have been violated and a statement that the member has a right to attend and may address the Board at the meeting. If the accused owner desires a hearing, a written request shall be delivered to the Association no later than five days following the date when the fine is levied or other discipline imposed. The hearing shall be held no more than 15 days following the date of the disciplinary action or 15 days following receipt of the accused owner's request for a hearing, whichever is later. Under such circumstances, any fine or other disciplinary action shall be held in abeyance and shall only become effective if affirmed at the hearing. The hearing notice shall be in writing and may be given by any method reasonably calculated to give actual notice, provided that if notice is given by mail it shall be sent by first-class or

Section 8.03 (d) (iii) Disciplinary Action Without a Hearing.

Notwithstanding the provisions of subsection (ii) above, under circumstances involving conduct that constitutes (a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (b) a traffic or fire hazard; (c) a threat of material damage to, or destruction of, Association Property; (d) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of other Owners on or in Association Property; or (e) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments or parking or traffic violations), the Board of Directors or its duly authorized agents may undertake immediate corrective or disciplinary action (including temporary suspension of the offending Owner's family member's, tenant's, guest's or invitee's privileges to use and enjoy Association Property) and, upon request of the offending Owner (which request must be received by the Association, in writing, within five days following the Association's disciplinary action), or on its own initiative, conduct a hearing as soon thereafter as reasonably possible.

Section 8.03 (d) (iv) Notice of Hearing. If the Association acts on its own initiative to schedule a hearing, notice of the date, time and location of the hearing shall accompany the notice of disciplinary action. If the accused Owner desires a hearing, a written request therefore shall be delivered to the Association no later than five days following the date when the fine is levied or other discipline imposed. The hearing shall be held no more than 15 days following the date of the disciplinary action or 15 days following receipt of the accused Owner's request for a hearing, whichever is later. Under such circumstances, any fine or other disciplinary action shall be held in abeyance and shall only become effective if affirmed at the hearing. Any notice required by this Article shall, at a minimum, set forth the date and time for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents and a reference to the specific Governing Document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice, provided that if notice is given by mail it shall be sent by first-class or certified mail sent to the last address of the Member shown on the records of the Association.

certified mail sent to the last address of the member shown on the records of the Association.

D. Rules regarding disciplinary proceedings. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules.

E. Alternative dispute resolution (ADR). Before the Association or a member files a lawsuit for declaratory or injunctive relief related to the enforcement of the Association's governing documents and of the nature described in Civil Code Section 1354, or its replacement section upon its amendment or replacement, the Association and member shall endeavor to submit the dispute to alternative dispute resolution in accordance with the terms of Civil Code Section 1369.520, or its replacement section upon its amendment or replacement.

12.04 Court actions. Court actions to enforce the Governing Documents may only be initiated on behalf of the Association upon approval of the Board. If the Association declines to take action in any instance, any owner shall have such rights of enforcement as may exist by virtue of the California Civil Code or otherwise by law.

12.05 Monetary damages inadequate. Except for the nonpayment of any assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the governing documents is inadequate and that the failure of any owner, tenant, occupant or user of any lot or any portion of the Association property, to comply with any provision of the governing documents may be enjoined by appropriate legal proceedings.

Section 8.03 (e) Rules Regarding Disciplinary Proceedings. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules.

Section 8.03 (f) Alternative dispute resolution (ADR). Before the Association or a member files a lawsuit for declaratory or injunctive relief related to the enforcement of the Association's governing documents and of the nature described in Section 1354(b) of the Civil Code, the Association and member shall endeavor to submit the dispute to alternative dispute resolution in accordance with the terms of Section 1354(b), as that statute may be amended from time to time.

Section 8.04 Court actions. Court actions to enforce the Governing Documents may only be initiated on behalf of the Association upon approval of the Board.

Section 8.05 Remedy at law inadequate. Except for the nonpayment of any assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the governing documents is inadequate and that the failure of any owner, tenant, occupant or user of any lot or any portion of the Association property, to comply with any provision of the governing documents may be enjoined by appropriate legal proceedings instituted by any owner, the Association, its officers or Board of Directors, or by their respective successors in interest.

12.06 Cumulative remedies. The respective rights and remedies provided by these Bylaws, the CC&Rs or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any owner or others to perform or observe any provision of the governing documents.

12.07 Failure not a waiver. The failure of any owner, the Board of Directors, the Association or its officers or agents to enforce any of the provisions contained in the governing documents shall not constitute a waiver of the right to enforce the same thereafter, nor shall the failure result in or impose any liability upon the Association or the Board, or any of its officers or agents. The recommended approval by the Environmental Control Committee and subsequent vote of approval by the Board of any plans, drawings or specifications for any work of improvement on any lot or Association property, done or proposed, or for any other matter requiring the approval of the committee under the CC&Rs, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or some other owner. Different locations for works of improvement, the size of the improvement or structure, the proximity to other lots or residences or Association property and other factors may be taken into consideration by the committee in reviewing a particular submittal. The failure to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges or equitable servitudes contained in the CC&Rs shall not constitute a waiver of the right to enforce the same thereafter. Nor shall any such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents. Nor shall the terms of any settlement agreement entered into in connection with any suit at law or in equity constitute a waiver of the right to enforce, nor estop enforcement of, any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, or liens, charges of equitable servitudes contained in the CC&Rs.

Section 8.06 Cumulative remedies. The respective rights and remedies provided by these Bylaws, the CC&Rs or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any owner or others to perform or observe any provision of the governing documents.

Section 8.07. Failure Not a Waiver. The failure of any owner, the Board of Directors, the Association or its officers or agents to enforce any of the provisions contained in the Governing Documents shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents. The approval by the Environmental Control Committee ("Committee") of any plans, drawings or specifications for any work of improvement on any Lot or Association Property, done or proposed, or for any other matter requiring the approval of the committee under the Declaration, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or some other Owner. Different locations for works of improvement, the size of the improvement or structure, the proximity to other Lots or Residences or Association Property and other factors may be taken into consideration by the Committee in reviewing a particular submittal. The failure to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges or equitable servitudes contained in the Declaration shall not constitute a waiver of the right to enforce the same thereafter. Nor shall any such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents. Nor shall the terms of any settlement agreement entered into in connection with any suit at law or in equity constitute a waiver of the right to enforce, nor estop enforcement of, any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges of equitable servitudes contained in the Declaration.

12.08 Variances. The Board of Directors, after considering the recommendations of the Environmental Control Committee, if any, may permit reasonable variances from the Restrictions set forth in the CC&Rs to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardship to owners, if all of the following conditions are met:

A. If the requested variance will necessitate deviation from or modification of, a property use restriction that would otherwise be applicable under the CC&Rs, the Board of Directors or the committee must conduct a public hearing on the proposed variance after giving prior written notice to all owners of lots within 300 feet of the subject lot. This notice shall also be posted in the Association office. The notice shall be posted and mailed to the interested owners at least 15 days prior to the date when the Board of Directors is scheduled to act on the requested variance. No decision shall be made with respect to the proposed variance until the 15-day comment period has elapsed.

B. The Board of Directors must make a good faith written determination that the variance is consistent with one or more of the following criteria: (a) that the requested variance will not constitute a material deviation from any restriction contained in the CC&Rs or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or : (b) that the variance relates to a land use restriction or minimum construction standard otherwise applicable under the CC&Rs that is unnecessary or burdensome under the circumstances; or : (c) that the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance with respect, to any other lot or Association property.

Section 8.08. Variances. The Board of Directors, after considering the recommendations of the Committee, if any, may permit reasonable variances from the Restrictions set forth in the Declaration to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardship to Owners, if all of the following conditions are met:

Section 8.08 (a). If the requested variance will necessitate deviation from or modification of, a property use restriction that would otherwise be applicable under the Declaration, the Board of Directors or the Committee must conduct a public hearing on the proposed variance after giving prior written notice to all Owners of Lots within 300 feet of the subject Lot. Said notice shall also be posted in the Association office. The notice shall be posted and mailed to the interested Owners at least 15 days prior to the date when the Board of Directors is scheduled to act on the requested variance. No decision shall be made with respect to the proposed variance until the 15-day comment period has elapsed.

Section 8.08 (b). The Board of Directors must make a good faith written determination that the variance is consistent with one or more of the following criteria: (i) that the requested variance will not constitute a material deviation from any restriction contained in the Declaration or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) that the variance relates to a land use restriction or minimum construction standard otherwise applicable under the Declaration that is unnecessary or burdensome under the circumstances; or (iii) that the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance with respect, to any other Lot or Association Property.

**ARTICLE XIII
INSTRUMENTS, DEPOSITS,
AND FUNDS**

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

13.02 Signing checks and other documents. All checks, drafts, or orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed and executed as established by Board policy.

13.03 Deposit of funds. All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

13.04 Authorization to accept contributions. The Board may accept on behalf of the Association any contribution, gift, bequest, or device for the general purposes or for any special purpose of the Association.

**ARTICLE XIV
BYLAWS**

14.01 Effective date. These Bylaws shall become effective immediately on their adoption unless the Board, or members, in adopting them, provide that they are to become effective at a later date.

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

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

Section 9.02. All checks, drafts, or orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed and executed as established by Board policy from time to time.

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

Section 9.04. The Board may accept on behalf of the Association any contribution, gift, bequest, or device for the general purposes or for any special purpose of the Association.

ARTICLE X BYLAWS

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

14.02 Adoption and amendment of bylaws. Except as otherwise expressly provided herein, new bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written assent of members entitled to exercise a majority of the voting power of the Association, or by the vote of a majority of a quorum at a meeting duly called and noticed for the purpose. New bylaws may be adopted or these Bylaws may be amended or repealed by a vote of a majority of the directors; provided, however, that any bylaw change adopted by the directors shall automatically be placed on the agenda for the next scheduled meeting of the members for ratification by the vote or written assent of a majority of a quorum at said meeting, and such change, if not so ratified, shall be deemed rescinded.

14.03 Location of certified copy. The original, or copy of the Bylaws as amended or otherwise altered to date, certified by the Secretary, shall be recorded and kept in a book which shall be kept in the principal office of the Association, and such book shall be open to inspection by the members at all reasonable times during office hours.

ARTICLE XV MISCELLANEOUS PROVISIONS

15.01 Corporate seal. The Board shall provide a corporate seal. Such seal shall be affixed to all Association instruments, but failure to affix it shall not affect the validity of any such instrument.

15.02 Fiscal year. The Fiscal year of the corporation shall be from July 1 to June 30, inclusive.

15.03 PMCPOA and Mil Potrero Water Company directors. A Director of PMCPOA cannot simultaneously serve as a Director on the Mil Potrero Mutual Water Company Board or the Commercial Center Association Board.

15.04 Conflicting documents. If there is any conflict between the provisions of these bylaws and the Articles of Incorporation, CC&Rs, Bylaws, Rules or Environmental Control Code, the CC&Rs shall control. This stated order of precedence shall prevail.

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

Section 10.03. The original, or copy of the Bylaws as amended or otherwise altered to date, certified by the Corporate Secretary, shall be recorded and kept in a book which shall be kept in the principal office of the Association, and such book shall be open to inspection by the Members at all reasonable times during office hours.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 11.01. The Board shall provide a corporate seal. Such seal shall be affixed to all Association instruments, but failure to affix it shall not affect the validity of any such instrument.

Section 11.02. The Fiscal year of the corporation shall be from July 1 to June 30, inclusive.

Section 11.03. A Director of PMCPOA cannot simultaneously serve as a Director on the Mil Potrero Mutual Water Company Board or the Commercial Center Association Board.

(No equivalent in old bylaws.)

15.05 Attorneys' fees. Any reasonable attorneys' fees and costs incurred by the Association in the enforcement of its assessment rights, the CC&Rs, the Environmental Control Code and/or Rules may be levied against that member as a special assessment which may be collected as provided for by these bylaws or by the CC&Rs, or by law.

15.06 Severability. The provisions of the CC&Rs and any other governing document shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

15.07 Rights under the first amendment. Nothing contained in these Bylaws, CC&Rs, or Rules shall be construed to restrict a member's rights under the First Amendment of the United States Constitution or the Constitution of the State of California.

THE END

Certified as incorporating all authorized changes to the original Bylaws as of xx xx xxxx.

XXXXXXXXXXXXXXXXXX
Corporate Secretary, PMCPOA

(No equivalent in old bylaws.)

(No equivalent in old bylaws.)

Section 3.11. Nothing contained in these by-laws, CC&Rs, or Rules shall be construed to restrict a member's rights under the First Amendment of the United States Constitution or the Constitution of the State of California. The Board of Directors may adopt the Rules consistent there within.

THE END

Certified as incorporating all authorized changes to the original Bylaws as of June 21, 2003.

Chuck Testa
Corporate Secretary, PMCPOA