ASSOCIATION BYLAWS

PINE MOUNTAIN CLUB
PROPERTY OWNERS ASSOCIATION, INC.



MOTION 06/18/2022

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(Ratified on 03/19/2022)

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BYLAWS OF
PINE MOUNTAIN CLUB
PROPERTY OWNERS ASSOCIATION INCORPORATED

ARTICLE I
PRINCIPAL OFFICE

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).

ARTICLE II
DEFINITIONS OF TERMS AS THEY ARE USED IN THIS DOCUMENT

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.

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.

2.03 "Board" means the Board of Directors of the Association.

2.04 "Bylaws" means these duly adopted Bylaws of the Association.

2.05 "CC&Rs" means the Covenants, Conditions and Restrictions imposed on the development.

2.06 "Commercial lot" means Lot 526 of Tract 3402, as it was subdivided.

2.07 "Development" means the planned development situated in Kern County, California, known as Pine Mountain Club.

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.

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.

2.10 "Guest" means an individual authorized to use Association property and facilities by a member in good standing.

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.

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.

2.13 "Manufactured home" (mobile home) is defined in California Health and Safety Code Sections18007 and 18008 or their replacement sections upon amendment or replacement.

2.14 "Member" is defined in bylaw 3.01.

2.15 "Membership" is defined in bylaw 3.01.

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 and who does not stand in violation of the governing documents of the Association under bylaw 12.03 C. 1.

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.

2.18 "Person" means a natural person, corporation, partnership, trust, association or other similar entity as defined by law.

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.

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.

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.

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.

2.23 "Secretary" means the Corporate Secretary and officer of the Board.

2.24 "Task forces" are groups of consultants appointed by the chair and approved by the board to provide advice on a designated subject. The consultants may be contract employees or volunteers.

2.25 "Unit" means a single-family residential dwelling space located within a multi-residential building constructed on a lot in accordance with the CC&Rs.

2.26 "Violation" Violation means a single act or omission of the governing documents occurring on a single day.

2.27 "Water company" means the Mil Potrero Mutual Water Company, a California corporation.

ARTICLE III
MEMBERSHIP AND MEMBERSHIP RIGHTS

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.

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.

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.

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.

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, and (d) members and residents authorized under Civil Code Section 4515. 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, renters, tenants and lessees' boarders, and lodgers 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, invited associates, renters, tenants, lessees, boarders, and lodgers 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. Notwithstanding the definitions of Section 10.02D herein, if a member is not in Good Standing because of failure to timely pay their assessments, but they have entered into, and remain current with an approved repayment plan, forbearance or redemption contract, such member shall be permitted to use the Association facilities and participate in Association events.

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.

3.05 Transfer fee.

A. Generally. 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.

B. Private Transfer Fee. A Private Transfer Fee in the amount of $250 shall be paid to the Association in connection with or as a result of any transfer of title by a sale of a lot to a new owner. Interspousal transfers and transfers to one's own family trust are exempt. The proceeds of the Private Transfer Fee shall be used exclusively for purposes which provide a direct benefit to the encumbered properties and property owned by the Association for environmental, conservation, and fire mitigation.

C. Lot Ownership. Ownership interest of a lot is determined by the persons or entities listed on title and recorded with Kern County. 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.

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 and their spouses/domestic partners, their children up to the age of 21, and their dependent parents living in the home and desiring to join that club. Non-Members shall not constitute more than 33% of the club membership. 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, as identified above. 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.

ARTICLE IV
MEMBERSHIP VOTING

4.01 Voting rights. Members 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.

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.

ARTICLE V
MEETINGS OF MEMBERS

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.

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 said section or its replacement section upon its amendment or replacement.

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.

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.

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.

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.

In the event that a quorum is not met at a meeting of 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.

5.05 Annual meeting agenda and nominations.

A. Agenda: Any member who desires to have any matter (other than a bylaw amendment) 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.

Any matter (other than a bylaw amendment) 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.

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.

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.

B. Nominations: Members may nominate themselves by submitting a letter of intent at the PMCPOA business office. A member nominating another member must first obtain the written permission of the nominee. No person may seek election to more than one term at the same election.

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.

5.06 Bylaw amendments by members. Members with proposed changes to bylaws may submit initial language to the governing documents committee which will provide advice on the proposed language. The committee may submit the proposed change to the board. Nothing in this bylaw prevents the member from proceeding with a petition signed by not less than 150 of the memberships. Bylaw amendments must be submitted to the office no later than the first Wednesday of February to be considered for inclusion on the June ballot. 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 and/or conflict with other existing governing documents. 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. If a proposed amendment is and/or stands in conflict with the existing governing documents, the board of directors must decide whether or not to place the proposed bylaw amendment on the ballot during the March open board meeting. If a proposed amendment is not placed on the ballot an explanation will be provided to the maker of the proposed bylaw.

5.07 Write-in votes. Write-in votes of members in good standing for directors shall be permitted.

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.

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.

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.

All members 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.

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.

A ballot box may be, but is not required to be, accessible in the lobby of the PMCPOA clubhouse during the voting period.

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 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.

5.10 Ballot and agenda.

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.

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.

C. The resume/position statement of each candidate for Director shall not exceed one side of one 8 1/2" x 11" sheet.

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.

E. Members 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 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.

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.

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.

ARTICLE VI
DIRECTORS

6.01 Board of Directors. The Association shall have nine (9) Directors and collectively they shall be known as the Board of Directors.

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.

6.03 Qualifications for Directors. Each director and officer must be a member of the Association, be current in the payment of regular and special assessments or (1) have paid the assessments under protest; or (2) entered into a payment plan pursuant to Civil Code Section 5665. The member must read and sign all documents related to the nominating process and must be qualified under the PMCPOA election rules.

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.

6.07 Resignation or removal. Any Director shall have the right at any 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) any disqualifying provision in the PMCPOA election rules; (b) the death, resignation, removal or termination of membership.

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.

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.

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.

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 regular monthly and/or executive meetings of the PMCPOA Board of Directors shall be posted at the principal offices of the Association at least seven (7) 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 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.

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.

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.

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.

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.

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.

8.08 Duties of the Secretary.

A. The secretary shall assure that the minutes are taken and kept of all meetings of the members and of the board, be the custodian of all Association records, and assure that minutes are filed of standing committees as submitted. The secretary shall verify that the Association files are kept in an accurate and complete manner.

B. The secretary shall sign the minutes of all board meetings and each meeting of the members verifying that they accurately reflect the deliberations and actions of the Board of Directors and the members.

C. The secretary shall verbally present each item on the agenda of all regular and special meetings of the board and each meeting of the members.

D. The secretary shall cause a notice to be given to each director of the time and place of special meetings.

E. The secretary shall cause a notice to be given to each director of the cancellation of any meeting of the board.

F. In connection with each meeting of the members, the secretary shall:

1. assure that all requirements of Business Policy and Procedure A-15 are complied with;
2. cause to be prepared and mailed to each member (a) a notice of the meeting, (b) an agenda for the meeting, (c) the resume/position statement of each nominee and (d) a mail ballot;
3. verify the order in which the Association has received notices of the candidates' letter of intent and cause the names to be listed in that order on the ballot;

4. act as the secretary of the corporation at all meetings of the members, provided that in his/her absence the presiding officer shall appoint another person to act as secretary of the meeting.
5. prior to January 15 of each year send a letter to the chairperson of each standing committee requesting the name of the member of that committee to serve on the election committee, schedule the first meeting and provide advice in the committees' efforts to secure qualified candidates.
6. direct and supervise the printing and mailing of the election packet.

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:

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, (c) the regulation of animals within the development (d) the collection and disposal of refuse, (e) 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 (h) other activities in the development which would adversely affect the peace and enjoyment of residents in the development.

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 text of the proposed rule or amendment and a description of the purpose and effect of the proposed rule or amendment has been 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.

As soon as possible after making a rule change, but not more than 15 days after making the rule change, the board shall deliver general notice pursuant to §4045 of the California Civil Code of the rule change.
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

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 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/her 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 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.

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.

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.

10.08 Financial Planning & Administration Transparency: In addition to the current published yearly budget summary proposal, the Treasurer must also publish the detailed sub-budgets for each line item on the yearly budget. Additionally, on a monthly basis, the Treasurer must also publish the detailed sub-budgets for each line item on the yearly budget. Additionally, on a monthly basis, the Treasurer must also publish monthly and year to date actual expenditure data for each budget line item.

10.09 Fiscal Responsibility: No PMCPOA assessment money is to be used to supplement either the Bistro or the Lounge. These departments must be self-sustaining and expenses must not exceed revenues. (Based upon the advice of the Association's legal counsel, Bylaw 10.09 will not be implemented.)

10.10 Disposition of projected year-end budget variances: Prior to March 1st of each year, the association treasurer and the general manager shall estimate the potential year-end variance of actuals to budget for the current fiscal year.

A. If the projected variance is a deficit of funds, that deficit shall be carried forward for calculation in the development of the next year's budget.
B. If the projected variance is a surplus of funds, the board may execute one or a combination of the following options:
    1. carry that surplus forward for calculation in the development of the next year's budget;
    2. allocate the current year-end surplus to the capital reserve fund;
    3. allocate the surplus for return to members after the yearly audit

10.11 Special fund for Construction and Renovation. Funds within the special fund shall be allocated for improvements in excess of $100,000, including new construction, for the clubhouse complex. Expenditure of these funds for improvement projects will be approved by action of the board. This bylaw takes effect only after ratification by the members and may not be amended unless the amendment is approved by two thirds of the members.

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. Governing Documents Committee.

G. Greens & Grounds Committee.

H. Planning Committee.

I. Recreation 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 successors are appointed at the July board of directors meeting unless they resign or are removed earlier by the Board.

B. Vacancies. Any vacancy on ad hoc committees 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.

C. Members of the board of directors are not eligible to serve on committees.

11.04 Conduct of meetings. All meetings of standing committees 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. Task force meetings may be open to all members at the discretion of the board.

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.

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 board of directors shall direct the confidential executive secretary to request each committee to select a member for the election committee. The election committee should consist of the Corporate Secretary of the Association and one person selected by each of the standing committees. If members in good standing apply, they must be approved by the board of directors. The election committee shall be convened no later than the second week of February. The election committee shall not exceed 15 members. At the first meeting of the election committee, the committee members will select a chair and, if required, a vice chair. The Election Committee will perform its duties according to the "Business Policies and Procedures A-15 (Election Procedures).

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.

12.02 Enforcement generally. The governing documents may be enforced by the levying of reasonable penalties including monetary penalties, judicial enforcement, suspension of Association property privileges with the exceptions of the right of use of any roads, the right to attend board meetings, and the right to use the transfer site, or by any other enforcement mechanism as may be provided for by law. Members who, after due process, are deemed in violation of the governing documents and fail to pay any monetary penalty by the deadline set by the board of directors, thereafter continue to stand in violation of the governing documents and may have their Association property privileges suspended as provided in Bylaw 12.03 C 1. 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.

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 **b**oard'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. To the fullest extent permitted by law, and subject to appropriate notice including an offer of a hearing, the Association shall have the authority to suspend an owner's rights as a member to use Association facilities or participate in activities sponsored by the Association (declared a member not in good standing) for the failure to pay assessments by September 15th, or the subsequent business day if the 15th falls on a Sunday or holiday or for a violation of the governing documents by the owner or by any tenant, guest or invitee of the owner determined by the non-payment of a monetary penalty when due. Suspension of the rights of an owner, their tenants, and guests shall include the use of Association facilities, amenities, and participating in activities sponsored by the Association. In addition, any tenant or guest of the owner who likewise fails to comply with the governing documents shall similarly be subject to the imposition of monetary penalties and suspension of the use of said Association facilities. Such member shall not be reinstated to good standing in the Association until he/she

has paid all assessments in full plus interest thereon, or entered into a forbearance agreement and/or paid any monetary penalties in full.

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) 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 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 5925, 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 Sections 5930 through 5960, or their replacement sections upon their amendments 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.

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 stop 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.

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.

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.

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 and allocate any contribution, gift, bequest, or device for 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.

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 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.

15.04 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 reimbursement assessment which may be collected as provided for by these bylaws or by the CC&Rs, or by law.

15.05 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.

15.06 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.

15.07 Schedule of Fines. The Board shall approve a schedule of fines and penalties to be imposed upon owners and/or their tenants or authorized guests for violations of the CC&R's, bylaws and the Association Rules (collectively "governing documents") or other applicable law. Any fine imposed against the tenants or authorized guests shall likewise be the responsibility of the owner.

THE END

Ratified June 18, 2022

Corporate Secretary
PMCPOA

General Manager
PMCPOA