

**RESTATED BYLAWS  
OF  
BEAR VALLEY RESIDENTS, INC.**

**ARTICLE I Recitals and Definitions**

Section 1.01. Name of Corporation. The name of this corporation is Bear Valley Residents, Inc. and shall be referred to herein as the "Corporation".

Section 1.02. Corporation Is Nonprofit. The Corporation is a California nonprofit mutual benefit corporation.

Section 1.03. Specific Purpose. Bear Valley Residents, Incorporated, is a nonprofit mutual benefit corporation organized under the laws of the State of California, for the purposes of promoting and protecting the interests of the owners and lessees of residential real property within the community of Bear Valley, Alpine County, California, and encouraging and working toward improvement of facilities and services within the community of Bear Valley, cooperating with the government of Alpine County and all other governmental agencies having jurisdiction over Bear Valley and the surrounding area and with other civic and public organizations concerned with the general welfare of the community of Bear Valley, and stimulating civic spirit, good will, and friendship among the residents of the community.

In addition to these purposes, with respect to the properties subject to the Declaration, this Corporation shall own, maintain and manage the BVRI owned Beach Areas and Facilities within the Bear Valley real estate common interest development located in the County of Alpine, State of California, to maintain individual Lots and the Residences located thereon to the extent and in the manner more particularly described in the Declaration, to enforce the Rules and Regulations adopted by the Board of Directors, from time to time, and the terms and conditions of the CC&Rs , and to otherwise enhance and promote the use and enjoyment of the BVRI owned Beach Areas and Facilities by the Owners in common.

Section 1.04. Definitions.

(a) County. "County" means the County of Alpine, State of California.

(b) CC&Rs. "CC&Rs" means the First Restated Declaration of Covenants, Conditions and Restrictions for Bear Valley Tract Nos. 1 through 7, and 9 inclusive, Recorded on February 16, 1993, in Book 79, page 243, of the Official Records of Alpine County, as such Declaration may be supplemented, amended or modified by a

duly Recorded subsequent Declaration, or amendment thereto.

(c) Majority of a Quorum. "Majority of a Quorum" means the vote of a majority of the votes cast at a meeting or by written ballot when the number of Members attending the membership meeting or the number of ballots cast equals or exceeds the quorum requirement specified in Section 5.07, below.

(d) Subdivision Property Owners. "Subdivision Property Owner" means a person who owns or leases for a one (1) year period or longer, any residential property in Bear Valley Tract Nos. 1 through 7, and 9 which is subject to the Declaration, and any annexations thereof.

(e) Voting Power. "Voting Power" means those Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at the time any determination of the voting power is made.

(f) Other Definitions Incorporated by Reference. The terms defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

## **ARTICLE II Offices**

Section 2.01.Principal Office. The principal office of the Corporation for the transaction of its business is located at Bear Valley, Alpine County, California. The Corporation's mailing address is Post Office Box 5145, Bear Valley, California 95223.

Section 2.02.Other Offices. The Corporation may also have offices at such other places within or without the State of California where it is qualified to do business, as its business may require and as the Board of Directors may from time to time by resolution designate.

## **ARTICLE III Membership**

Section 3.01.Classes of Membership. The Corporation shall have two (2) classes of members. Class A members are members who own any residential property in the subdivisions of Bear Valley governed by the CC&R's. Class B members are members who do not otherwise qualify for Class A membership. Where a Lot is owned jointly by one or more Owners, the joint Owners shall designate in writing, and in a form that is acceptable to the Corporation, one (1) Owner to vote the Membership

for that Lot.

Section 3.02. Admission. Qualified persons shall be admitted to membership on making application therefore, containing sufficient information to determine the applicant's qualification for membership and the class of membership for which application is made, and on approval of the application by the Board of Directors. The application shall be on such form as shall be prescribed from time to time by the Board of Directors.

Section 3.03. Fees, Dues and Assessments .

(a) Application Fee. No fee shall be charged for making application for membership in the Corporation.

(b) Dues. Annual dues payable by each member shall be set by the Board of Directors. The first annual dues of each member shall be payable and submitted in full with his or her application for membership. Future annual dues shall be due and payable on the first day of March of every year. If a Lot is owned jointly by one or more Owners, such joint Owners may each pay separate membership dues, provided, however that the joint Owners shall only be entitled to cast one vote for that Lot. Owners owning more than one Lot may vote separately for each Lot owned and upon which dues have been paid.

(c) Assessments. Membership in the Corporation shall not be assessable.

(d) Property of Dues. Dues paid to the Corporation become the property of the Corporation and any severable or individual interest of any member therein terminates on such payment.

Section 3.04. Termination of Membership .

(a) By Resignation, Judicial Incompetence or Death. The membership of any member of the Corporation shall automatically terminate upon the happening of one of the following events: (1) written resignation delivered in person to the President or Secretary of the Corporation; (2) written resignation delivered by United States mail, with such membership terminating when the request is actually received; (3) the judicially declared incompetence of a member; (4) death of a member, or (5) sale of all real property.

(b) By Nonpayment of Dues. The membership of any member who fails to pay his or her dues when they become due and within thirty (30) days thereafter shall automatically terminate at the end of this thirty (30) day period, provided he or she

was given written notice delivered to him or her personally or by United States mail within thirty (30) days before the due date that such dues were due and payable as of said due date. In the event that such written notice is not given as herein required, then such membership shall automatically terminate for nonpayment of dues only if they are not fully paid within thirty (30) days after such written notice is eventually given and delivered to the member in person or deposited in the United States mail, postage prepaid, and sent to him or her at his or her address as it appears on the books of the Corporation.

(c) Rights on Termination. All rights and interests of a member in the Corporation shall cease upon termination of membership as herein provided.

(d) Reinstatement. Any member whose membership is terminated as provided in this section, other than by death, may be readmitted to membership by meeting the requirements and complying with the provisions applicable herein to the admission of new members.

#### Section 3.05.Suspension and Expulsion.

(a) The Board of Directors is authorized, as herein provided, to: (i) censure, either privately or publicly; (ii) suspend from membership for a period of not more than one (1) year; or (iii) to both censure and suspend or expel from membership any member of this Corporation for good cause.

(b) "Good cause," as used in this section, means:

(i) Any conduct that brings the Corporation into public disrepute or violates the purposes for which this Corporation is formed;

(ii) Any willful failure or refusal to abide by: (1) as to all Members, the Articles, Bylaws, or Rules of this Corporation; and (2) as the Class A members subject thereto, the Declaration; or

(iii) Any willful failure or refusal to abide by the terms of an award in any arbitration proceeding under the terms of this Article after having agreed in writing to do so and after having received notice of the award.

(c) Definitions.

(i) A "private reproof" is a reproof in letter form, signed by the President of the Corporation, and sent to the subject member by certified or registered mail, return receipt requested. A copy of the letter and the return receipt shall be filed

with the minutes of the Board meeting imposing discipline.

(ii) A "public reproof" is the same as a private reproof except that in addition to sending a letter to the subject member and filing a copy thereof, together with the return receipt, with the minutes of the Board meeting imposing discipline, a copy of the letter is read to the membership at the next following regular meeting at which a quorum is present.

(iii) A "suspension" requires compliance with subparagraph (ii) hereof and in addition all voting and other rights of the member during the term of him or her suspension are terminated, provided, however, that such member shall not be relieved of any liability for payment of dues or assessments falling due or levied during the period of his or her suspension.

(iv) An "expulsion" requires compliance with subparagraph (ii) hereof and in addition thereto the membership of the member in this Corporation is immediately and conclusively terminated, provided, however, that such member shall not be relieved of any liability for the payment of dues and assessments accruing prior to the hearing on the charges against him or her as herein provided.

(d) Procedure.

(i) Proceedings against a subject member may be initiated by resolution of the Board of Directors adopted at any meeting at which a quorum is present or by petition signed by twenty five (25) percent or more of the members of the Corporation filed with the Secretary or President of the Corporation.

(ii) On adoption of the resolution or on receipt of the petition, as the case may be, the President, or if he or she is unable or refuses to act, the Vice-President shall schedule the matter to be heard by the Board of Directors at the next regular or special meeting held not less than twenty (20) days nor more than forty (40) days after the date the resolution is adopted or the petition received, as the case may be. The Secretary, or other person appointed by the President for the purpose, shall deliver at least ten (10) days prior to the date of the hearing a copy of the resolution or petition, together with a notice of the time and place of the hearing, to the subject member either in person or by United States mail addressed to him or her at his or her address as it appears on the books of the Corporation. Should the person whose duty it is to serve the notice fail or refuse to do so, such copy and notice may be delivered as herein provided by any Director of the Corporation, and in such event the matter shall be heard at the next regular or special meeting of Directors at which a quorum is present held not less than ten (10) days after the copy and notice are personally delivered or deposited in the United States mail. If a quorum fails to attend such meeting, the

matter shall be heard at the next succeeding regular or special meeting, provided, however, that if a quorum fails to attend such next succeeding regular or special meeting, the matter against the subject member shall be dismissed. Such dismissal shall be automatic and final, except that the alleged conduct of the subject member giving rise to the proceeding may be considered in any subsequent proceeding under this section based on future alleged misconduct.

(iii) Notwithstanding any other provision in these Bylaws, notice of the meeting at which the hearing is first scheduled or subsequently scheduled shall be given to all Directors as required by these Bylaws for special meetings of Directors.

(iv) The hearing shall be informal and the rules of evidence and rules of judicial procedure need not be observed. The hearing shall be presided over by the President of the Corporation who shall: (1) read the charges against the subject member; (2) require that the charges be verified by the testimony of the person or persons making them; (3) hear any other witnesses against the subject member; (4) allow the subject member to cross-examine each witness; (5) allow the subject member to make a statement in his or her own behalf; (6) allow the subject member to call witnesses in his or her own behalf; (7) allow the Directors present, when and as recognized by the chair, and subject to the control of the chair, to question witnesses; and (8) rule on the admission and exclusion of evidence and on questions of hearing procedure.

(v) After the hearing has closed, the Directors shall vote on whether to impose discipline or dismiss the matter. If they vote to impose discipline but cannot agree on the nature and extent thereof, the discipline shall be a private reproof as herein provided. The vote imposing discipline or dismissing the matter shall in either event be final.

(e) An expelled member shall not be eligible for readmission to the Corporation.

(f) All rights of the subject member in the Corporation or in its property shall cease on his or her expulsion.

Section 3.06. Membership Record. The Corporation shall keep a membership record containing the name and address of each member. Termination of the membership of any member shall be recorded in the record, together with the manner of termination and the date on which such membership ceased. Such record shall be kept at the Corporation's principal office and shall be available for inspection by any Director or member of the Corporation during regular business hours. The membership records of the Corporation shall not be made available to any person or entity for

commercial purposes or for other uses not directly related to the purposes and activities of the Corporation.

Section 3.07. Transferability of Membership. Membership in this Corporation is nontransferable and nonassignable.

Section 3.08. Right to Inspect Records. All records of this Corporation shall be open to inspection on the written demand of any member at any reasonable time for a purpose reasonably related to his or her interests as such.

#### **ARTICLE IV Membership Voting**

Section 4.01. Eligibility to Vote; Voting Rights. Only members in good standing as of the date of the meeting at which a vote of the members is taken are entitled to vote, and only one vote may be cast by each lot for which dues have been paid. In order to be considered in good standing, a member must be current in the payment of all dues required in accordance with Section 3.04(b), above.

Section 4.02. Manner of Casting Votes.

(a) Voting at Membership Meetings. Voting at any membership meeting may be by voice or by ballot.

(b) Voting by Written Ballot. In addition to voting in person or by proxy at a meeting, Members' votes may be solicited by written ballot in accordance with Section 4.04, below.

(c) Cumulative Voting. Cumulative voting shall not be permitted.

Section 4.03. Action by Written Ballot Without a Meeting.

(a) Definition of Written Ballot. A "written ballot" is a ballot which is mailed or otherwise distributed to every Member entitled to vote on the matter and which complies with the requirements of this section. The term "written ballot" does not include a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting.

(b) Written Ballots, Generally. Any matter or issue requiring the vote of the Members, including the election of directors, may be submitted for vote by written ballot without the necessity of calling a meeting of the Members, so long as the requirements for action by written ballot set forth in this section are met. The

determination to seek Member approval for Corporation actions in this fashion shall be made by a majority vote of the Board.

Once the determination is made to seek Member approval by written ballot, the Board shall establish a record date (see Section 5.10, below) and distribute a written ballot to every Member who is entitled to vote on the matter as of the established Record Date for the written ballot vote. This distribution shall be made consistent with the time requirements specified in subparagraph (d), below.

(c) Content of Written Ballots.

(i) Written Ballots Used for Voting in Director Elections. Written ballots used in any election of directors shall set forth the names of the candidates whose names have been placed in nomination at the time the ballot is issued. The ballot form shall also provide a space where the Member can designate a vote for another (write-in) candidate. Accompanying the written ballot shall be copies of all candidates' statements received by the Corporation office prior to the mailing date.

(ii) Written Ballots Used for Voting on Other Matters. Any written ballot distributed to the Members to vote on any issue other than the election of directors shall set forth a description of the proposed action and provide an opportunity on the ballot form to specify approval or disapproval of the proposal. With respect to matters affecting only Subdivision Property Owners, written ballots shall only be distributed to and accepted from eligible Subdivision Property Owners.

(d) Balloting Time Requirements.

(i) Director Elections. In the case of any vacancy created by the normal expiration of a director's term of office, the balloting shall culminate on the date of the such expiration. In the case of a special election called to fill a vacancy caused by the removal of a director by the members, the balloting shall be scheduled to culminate on a date established by the remaining Directors. In the case of written ballots used in the election of directors, the ballots shall be distributed to all Members who are eligible to vote no more than 35 days prior to the date set for the election, but no less than 20 days prior to such date. Members shall return written ballots to the address set forth in the solicitation materials for return of the ballots by the date scheduled for the close of the election.

(ii) Other Matters. In the case of any other matter or issue submitted to the Members for approval by written ballot, the Board shall mail the written ballot to every Member entitled to vote on the matter no less than 30 days prior to the final date by which the written ballots must be received by the Corporation in order to be

counted.

(iii) Extension of the Balloting Period. The time fixed for the return of written ballots may only be extended if the Board so notifies the Members in the balloting materials originally sent to such members.

(e) Requirements for Valid Member Action by Written Ballot. Membership approval by written ballot shall only be valid if: (i) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds the quorum (as specified in Section 5.07, below), that would have been required to be present at a membership meeting if such a meeting had been convened to vote on the proposal; and (ii) the number of affirmative votes equals or exceeds the number of affirmative votes that would have been required to approve the action at such a meeting.

(f) Solicitation Rules.

(i) Solicitation Generally. Written ballots shall be solicited in a manner consistent with the requirements of Section 5.04, below, pertaining to issuance of notices of Members' meetings. All solicitations of written ballots shall indicate: (i) the number of responses needed to meet the quorum requirement for valid action; (ii) the time by which the written ballot must be received by the Corporation in order to be counted; and (iii) in the case of any written ballot distributed to vote on matters other than the election of directors, the percentage of affirmative votes necessary to approve the measure submitted for membership approval; and (iv) the address for return of the ballots.

(ii) Director Elections. In addition to the minimum solicitation requirements of subparagraph (i), above, solicitation materials accompanying written ballots distributed in director elections may, in the Board's discretion, contain such additional rules as may reasonably be imposed to ensure the secrecy and absence of voting irregularities in the election.

(g) Additional Balloting Procedures. If deemed necessary by the Board, the vote by written ballot shall be conducted in accordance with additional procedures, including the appointment of an inspector of elections pursuant to section 7614 of the California Corporations Code.

(h) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote in the Corporation's next newsletter. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements, the Board shall so notify the Members.

(i) Prohibition of Revocation. Once exercised, a written ballot may not be revoked.

(j) Conduct of Informational Meetings. Use of the written ballot procedures set forth herein shall not preclude the Corporation from also conducting informational meetings of the Members or from scheduling a meeting to coincide with the culmination of the balloting period.

Section 4.04. Majority Vote of Members Represented at Meeting Required for Valid Action. At a meeting, the affirmative vote of a Majority of a Quorum of the Members who are entitled to vote and voting on any matter (other than the election of directors) shall be the act of the Members, unless the vote of a greater number is required by the California Nonprofit Mutual Benefit Corporation Law or by the Governing Documents. In the case of director elections, the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected to the vacant director positions.

## **ARTICLE V Meetings of Members**

Section 5.01. Place. Meetings of members shall be held at the principal office of the Corporation or at such other reasonable place within the County and at such time as may be designated by the Board in the notice of the meeting.

Section 5.02. Regular Meetings. Members shall meet regularly at least once in each calendar year, at a time to be determined by the Board of Directors, notice of which shall be given to each member of the Corporation personally, via newsletter, via e-mail or by first class United States mail to the member's street or e-mail address as shown on the records of the Corporation, at least thirty (30) days prior to such annual meeting.

Section 5.03. Special Meetings. Special meetings of members shall be called by the Board of Directors of the Corporation and held at such times and places within the State of California as may be ordered by resolution of the Board of Directors. Special meetings also may be called, and the time and place thereof designated, by not less than ten (10) percent of the members of the Corporation.

Section 5.04. Notice. Written notice of the time and place of special meetings shall be delivered personally to each member or sent to him or her by first class United States mail, postage prepaid, or by telegram, at least ten (10) but not more than ninety (90) days prior to such meeting. If sent by mail or telegram, the notice shall be

addressed to the member at his or her address as shown on the books of the Corporation and shall be deemed given at the time it is deposited in the mail or delivered to the telegraph company. If notice is given by mail and the notice is not given by first-class registered or certified mail, the notice shall not be given less than twenty (20) nor more than ninety (90) days before the meeting. No action shall be taken on any of the following proposals at any regular meeting unless written notice of the general nature of the business or proposal has been given as in the case of a special meeting: (a) a proposal to sell, lease, convey, exchange, transfer, or otherwise dispose of all or substantially all of the property or assets of the Corporation; (b) any proposal relating to the real property of the Corporation; (c) any proposal of the Corporation to incur any indebtedness in excess of the sum of \$10,000; (d) any proposal to amend the Articles of this Corporation; or (e) any proposal to wind up and dissolve the Corporation.

Section 5.05. Notice of Meetings. Notice of meetings of members not hereby dispensed with shall specify the place, the day, and the hour of the meeting and; (i) in the case of special meetings, the general nature of the business to be transacted; or (ii) in the case of a regular meeting, the matters which the Board of Directors' intends to present to the Members for action.

Section 5.06. Consent of Absentees. The transactions of any meeting of members, however called and noticed, are as valid as though had at a meeting duly held after regular call and notice if a quorum, as hereinafter defined, is present and if, either before or after the meeting, each of the persons entitled to vote but not present signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the Corporation's records or made a part of the minutes of the meeting.

Section 5.07. Quorum. A quorum shall consist of twenty-five percent (25%) of the number of members, as that number appears from the records of the Corporation immediately prior to the meeting. If any regular membership meeting is actually attended, in person or by proxy, by less than one-third of the Voting Power of the Association (but a quorum is present), the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting.

Section 5.08. Adjournment for Lack of Quorum. In the absence of a quorum, no business shall be transacted and the only motion which the chair shall entertain is a motion to adjourn, except that by vote of a majority of the members present, the meeting may be adjourned from time to time, but not for more than forty-five (45) days. If adjourned no notice of the adjourned meeting need be given. Notwithstanding the foregoing, if a new record date is established for notice or voting,

a notice of the rescheduled meeting must be given to each Member entitled to vote thereat on the record date.

Section 5.09.Loss of Quorum. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 5.10.Record Dates for Member Notice, Voting and Giving Consents.

(a) Record Dates Established By the Board of Directors. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board of Directors may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. Any transfer or any membership on the books of the Corporation or change in Membership status after the record date shall not change the Members of record as established on the record date. The record dates established by the Board pursuant to this section must be in accordance with the following requirements:

(i) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall not be more than 90 days nor less than 10 days before the date of the meeting;

(ii) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall not be more than 60 days before the date of the meeting;

(iii) Record Date for Action By Written Ballot Without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall not be more than 60 days before the day on which the first written ballot is mailed or solicited; and

(iv) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action requiring Member approval, the record date shall not be more than 60 days prior to the date of such other action.

(b) Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the following rules shall apply:

(i) Record Date for Notice of Meetings. The record date for determining those Members entitled to receive notice of a meeting of Members, shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

(ii) Record Date for Voting. The record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

(iii) Record Date for Action by Written Ballot Without Meeting. The record date for determining those Members entitled to vote by written ballot on proposed Corporation actions without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

(iv) Record Date for Other Lawful Action. The record date for determining those Members entitled to exercise any rights in respect to any other lawful action shall be Members at the close of business on the day on which the Board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(v) "Record Date" Means as of Close of Business. For purposes of this subparagraph (b) a person holding a membership as of the close of business on the record date shall be deemed to be the Member of record.

#### Section 5.11. Conduct of Meetings.

(a) Meetings of members shall be presided over by the President of the Corporation or, in his or her absence, by the Vice-President, or, in the absence of both, by a chairman chosen by a majority of the members present. The Secretary of the Corporation shall act as Secretary of all meetings of members, provided that in his or her absence the presiding officer shall appoint another person to act as Secretary of the meeting.

(b) Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of this Corporation, or with law.

### **ARTICLE VI Directors**

Section 6.01. Qualifications and Quorum Requirements.

(a) Authorized Directors. This Corporation shall be governed by a Board of Directors composed of no more than fifteen (15) Directors. At least eleven (11) of the Directors shall be Class A members who are Subdivision Property Owners, as defined in Section 1.04(d), above. These eleven (11) Directors representing the Subdivision Property Owners shall be elected solely by vote of Subdivision Property Owners(class A members). The remaining four (4) Directors shall be elected by all members. These four (4) directors shall be members who may, but need not be, Subdivision Property Owners (class A members).

(b) Quorum Requirements. For voting purposes, a quorum shall be a majority of the Board Members serving at the time the vote is taken. With respect to voting with respect to matters affecting the Subdivision Property Owners only, a quorum shall be a majority of the Board Members then serving who are also Subdivision Property Owners.

Section 6.02. Election. Directors shall be elected by vote of the members present in person and voting at the regular meeting of members held each year or by written ballot in accordance with the procedures set forth in Section 4.04, above.

Section 6.03. Term of Office. The term of office for each Director shall be three years. Any director elected or appointed to fill a vacancy shall only fill the remaining term of the vacant seat. There is no limit to the number of terms that a Director can serve.

Section 6.04. Duties . It shall be the duty of the Directors:

(a) Exercise all powers vested in the Board under the Governing Documents and under the laws of the State of California.

(b) Appoint and remove all officers of the Corporation and prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation and these Bylaws.

(c) Appoint such agents and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the Corporation, and to fix their duties and to establish their compensation

(d) Enforce all applicable provisions of the Declaration. Any action by the Board to enforce the provisions of the CC&Rs, including, without limitation, property use restrictions, assessment collection or architectural review, must be approved by a

vote solely of the Directors who are Subdivision Property Owners.

(e) To register their addresses with the Secretary of the Corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

(f) Appoint such committees as it deems necessary from time to time in connection with the affairs of the Corporation, in accordance with Article VIII hereof.

(g) Fill vacancies on the Board of Directors or in any committee.

Section 6.05.Compensation . Directors shall serve without compensation.

Section 6.06.Removal . The entire Board of Directors, or any individual Director, may be removed from office at any time by the vote of a majority of the members of the Corporation. If any or all Directors are so removed, new Directors may be elected at the same meeting and they shall hold office for the remainder of the terms of the removed Directors. If new Directors are not elected at such meeting, the vacancy or vacancies created by the removal shall be filled as provided in Section 6.07, below.

Section 6.07.Vacancies .

(a) Vacancies, Generally. Vacancies in the Board of Directors shall exist (1) on the death, resignation, or removal of any Director; (2) whenever the number of Directors authorized by the Articles is increased by an amendment to the Articles; and (3) on failure of the members in any election to elect the full number of Directors authorized.

(b) Vacancy Declared by Board. The Board of Directors may declare vacant the office of a Director (1) if he or she is declared of unsound mind by an order of court, or finally convicted of a felony; or (2) if within sixty (60) days after notice of his or her election he or she does not accept the office either in writing or by attending a meeting of the Board of Directors; or (3) if he or she has failed to attend in person or on the phone three (3) consecutive meetings of the Board of Directors. A Board Member shall be deemed to have automatically resigned if he or she is delinquent in the payment of his or her dues and fails to become current in such dues within ten (10) days' notice of such delinquency from the Corporation.

(c) Filling Vacancies by Board. Vacancies shall be filled by a vote of the majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, at the next meeting of the Board of Directors. A vacant position previously held by a Director representing Subdivision Property Owners may only be filled by

another Class A member who is a Subdivision Property Owner, unless 11 of the remaining directors are Subdivision Property Owners.

(d) Filling Vacancies by Membership. A majority of the Class A members of the Corporation may elect a Director at any time to fill any vacancy not filled by the Directors as provided in Paragraph (c) of this section. Should the offices of all Directors become vacant and there is consequently no Director left to fill vacancies, the vacancies shall be filled by a majority of the Class A members present at a regular or special meeting of members called for that purpose, provided a quorum is present. In accordance with Section 6.01, above, only Class A members who are Subdivision Property Owners, as defined in Section 1.04(d), above, may vote to fill any position left open for a Director elected to represent the Subdivision Property Owners.

(e) Resignation of Directors. Except as provided in this subparagraph, any director may resign, which resignation shall be effective on giving written notice to the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

(f) Term of Office Filled After Vacancy. Persons elected to fill vacancies as in this section provided shall hold office for the unexpired terms of their predecessors, or until their removal or resignation as in these Bylaws provided.

## **ARTICLE VII Officers**

Section 7.01.Number and Titles. The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, such other officers as the Board of Directors may from time to time appoint.

Section 7.02.Qualifications. Any Director of this Corporation is qualified to be an officer hereof.

Section 7.03.Election. The President, Vice-President, Secretary, and Treasurer shall be selected by the Directors by majority vote of the Board at its first regular meeting following the election of the Directors.

Section 7.04.Terms of Office. Officers shall serve from the time they are elected until the next annual election of officers and until their successors are elected.

Section 7.05.Compensation. Officers shall serve without compensation.

Section 7.06.Removal. Any or all officers may be removed from office at any time by the vote of a majority of the Directors of the Corporation. In the case of the removal of any officer, a new officer shall be elected to serve the unexpired portion of the term of his or her predecessor at the meeting at which the officer is removed.

Section 7.07.Vacancies.

(a) Vacancies in the office of President, Vice-President, Secretary, or Treasurer shall exist on the death, resignation, or removal of such officer or on the failure of the Directors in any election to fill the office.

(b) The Board of Directors may declare vacant the office of President, Vice-President, Secretary, or Treasurer if any such officer is declared of unsound mind by order of court, is finally convicted of a felony, or if, within sixty (60) days after notice of his or her election, he or she does not accept the office in writing or by attending a meeting of the Board of Directors.

(c) Vacancies caused by the death, resignation, or disability of an officer as in this section provided shall be filled by the Directors at the next regular or special meeting at which a quorum is present following the vacancy.

(d) Officers elected to fill vacancies as in this section provided shall hold office for the unexpired terms of their predecessors, or until their removal or resignation as in these Bylaws provided.

Section 7.08.Duties of President. The President shall be the chief executive officer of the Corporation and shall in general, subject to the control of the Board of Directors, supervise and control the affairs of the Corporation. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of this Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors or by the members.

Section 7.09.Duties of Vice-President. In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President shall perform the duties of President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. He or she shall have such other powers and perform such other duties as may be prescribed by law, by the Articles of this Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors or by the members.

Section 7.10. Duties of Secretary. The Secretary shall:

(a) Certify and keep at the principal office of the Corporation the original or a copy of its Bylaws as amended or otherwise altered to date, and keep at said office the original or a copy of the Articles as amended to date.

(b) Keep a book of minutes of all meetings of the Directors and members, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, notice thereof given, the names of those present at Directors' meetings, the number of members present at members' meetings, and the proceedings thereof.

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as may be required by law.

(d) Be custodian of the records of the Corporation.

(e) Keep a membership record containing the name and address of each member, and, in any case where membership has been terminated, record such fact in the book, together with the manner of termination and the date on which the membership ceased.

(f) Exhibit at all reasonable times for any purpose related to the business and affairs of the Corporation to any Director or elected officer of the Corporation, or to his or her agent or attorney, on request therefor, the Articles, the Bylaws, the membership book, and the minutes of the proceedings of Directors' and members' meetings.

(g) Exhibit at all reasonable times to any member, or to his or her agent or attorney, on written demand therefor for a purpose reasonably related to the business and affairs of the Corporation, the Articles, the Bylaws, and the minutes of Directors' or members' meetings, and he or she shall exhibit said records at any time when required by the demand of ten (10) percent or more of the members.

(h) In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of this Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors or by the members.

Section 7.11. Duties of Treasurer. The Treasurer shall:

(a) Have charge and custody of, and be responsible for, all funds and

securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

(b) Receive, and give receipt for, moneys due and payable to the Corporation from any source whatever.

(c) Disburse or cause to be disbursed the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

(d) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

(e) Exhibit at all reasonable times the books of account and financial records to any Director or elected officer of the Corporation, or to his or her agent or attorney, on request therefor, and provide to the Directors at each meeting of the Board of Directors a current balanced statement of the Corporation's bank accounts, showing the previous account balances plus income received since the last accounting, to equal current account balances plus expenditures made since the last accounting.

(f) Exhibit at all reasonable times to any member, his or her agent, or attorney, on written demand therefore for a purpose reasonably related to the business and affairs of the Corporation, the books of account and financial records of the Corporation, and shall exhibit said records at any time when required by the demand of ten (10) percent or more of the members.

(g) Render to the President and Directors whenever he or she or any of them request it an account of any or all of his or her transactions as Treasurer and of the financial condition of the Corporation.

(h) May prepare, or cause to be prepared, and certify a professionally audited financial statement to be included in the annual report to members.

(I) If required by the Board of Directors or by the members, give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

(j) In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of this Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

## **ARTICLE VIII Committees**

Section 8.01. Standing Committees. The Corporation shall have the following Standing Committees, each of which shall be chaired by a Director of the Corporation:

(a) Ways and Means Committee. The Ways and Means Committee shall be chaired by the Treasurer and may consist of up to four (4) additional members of the Corporation selected the Board. Its duty shall be to determine the financial feasibility of corporate projects, acts, and undertakings referred to it by the Board of Directors. In making this determination, the Committee shall meet as necessary and hold hearings if required. It shall report its recommendation in writing to the Board within the time specified in the referral. The recommendation shall set forth the reasons therefor and be signed by all members of the Committee concurring therein. Attached to the recommendation shall be the written statements of dissenting members, if any, against the recommendation and the reasons for their dissents. The Committee is advisory only and its recommendation either for or against the project is not binding on the Board of Directors.

(b) Membership Committee. The Membership Committee shall be chaired by the Secretary and may consist of up to four (4) additional members of the Corporation selected by the Board. It shall plan and execute programs for obtaining new members for the Corporation, give notice to each member whose membership requires renewal, and delivered personally or by mail to collect dues, account to the Treasurer of the Corporation for all moneys received by it, and perform such other duties as may be directed from time to time by the Board of Directors. Any expenditure of corporate funds by the Committee shall require prior approval of the Board. The Committee shall meet at such times and places as directed by its Chairman or by the Board.

(c) Nominating Committee. The Nominating Committee shall consist of a Chairman and may consist of up to four additional members designated by the Board, and shall nominate at least one person for each vacancy or expiring term on the Board of Directors who meet the requirements of Section 6.01. The nominees selected by the Nominating Committee shall be announced with the notice of the election of Directors. The Nominating Committee may also nominate members of the Board of Directors to serve as officers of the Corporation.

(c.1) Slate. The Board of Directors may approve a slate for any or all of the five seats to be elected each year.

(c.2) Petition to place name on ballot. Any member in good standing may petition to have his/her name placed on the ballot for the next annual election. The petition must be signed by 25 class A member lots and must be received by the Board of Directors not later than January 10.

(d) Architectural Review Committee. There shall be at all times a committee composed of five (5) Class A members of the Corporation who are Subdivision Property Owners, as defined in Section 1.04(d), above, constituting the Architectural Review Committee. Committee members shall be appointed by the Board of Directors and shall serve for a term of three (3) years. At least one member of the Architectural Review Committee shall be a member of the Board of Directors. The Architectural Review Committee shall select from its members a chairman who shall coordinate the activities of the committee. The Architectural Review Committee shall exist for the purposes of ensuring that the provisions of the Declaration are enforced. The Architectural Review Committee shall submit a written report to the Board of Directors at each Board meeting describing the activities of the committee since its last report.

(e) Covenants Committee. Members of the Covenants Committee, as described in Section 4.07 of the Declaration, shall be composed of at least three (3) Class A Members who are Subdivision Property Owners, one (1) of whom shall also be a member of the Board of Directors.

Section 8.02. Ad Hoc Committees. Ad Hoc Committees for specific purposes or activities may be designated from time to time by resolution of the Board of Directors. Chairmen of such Committees shall be appointed by the Board. Members of such Committees shall be appointed by their respective Chairmen in such number as the Chairmen deem advisable, unless otherwise provided by the Board in its resolution designating any such Committee. Except as otherwise provided in such resolution, Committee Chairmen and members shall be members of the Corporation. The Chairman or any member may be removed from the Committee by the person or persons authorized to appoint him or her whenever in his or her or their judgment the best interests of the Corporation will be served by such removal.

Section 8.03. Terms of Office. The Chairman and each member of a Standing Committee shall serve until the next annual election of Directors and until his or her successor is appointed, or until such Committee is sooner terminated, or until he or she is removed as a Director or officer of the Corporation, or until his or her membership in the Corporation terminates, or until he or she shall otherwise cease to qualify as a Chairman or member, as the case may be, of the Committee, whichever occurs first. Each member of a Standing Committee shall serve as such until a new Chairman is appointed or until he or she is removed from the Committee by its Chairman, resigns, ceases to be a member of the Corporation, or otherwise ceases to qualify as a member

of such Committee. Chairmen and members of Ad Hoc Committees shall serve as such for the life of the Committee unless they are sooner removed, resign, or cease to qualify as the Chairman or member, as the case may be, of such Committee.

Section 8.04.Vacancies. Vacancies on any Committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointments.

Section 8.05.Quorum. A majority of a whole Standing Committee shall constitute a quorum of such Committee and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee. Unless otherwise provided in the resolution of the Board of Directors designating the Committee, Ad Hoc Committees shall act under the direction of their respective Chairmen without any requirement as to a quorum.

Section 8.06.Rules. Each Committee may adopt rules for its own government and procedure not inconsistent with law, with these Bylaws, or with the rules and regulations adopted by the Board of Directors.

## **ARTICLE IX Execution of Instruments, Deposits, and Funds**

Section 9.01.Execution of Instruments. The Board of Directors, except as otherwise expressly provided in the Articles of this Corporation or in these Bylaws, may by resolution authorize any officer or agent of the Corporation to enter into any contract and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances, provided, however, that such contract or delivery is expressly authorized by the Articles or Bylaws.

Section 9.02.Checks and Notes. Except as otherwise specifically determined by resolution of the Board of Directors, as provided in Section 9.01, above, or as otherwise required by law, by the Articles of this Corporation, or by these Bylaws, checks, drafts, promissory notes, orders for the payment of money, and other evidences of indebtedness of this Corporation shall be signed by the Treasurer and countersigned by the President of the Corporation.

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



## **ARTICLE X Bylaws**

Section 10.01. Adoption, Amendment, and Repeal. These Bylaws shall become effective, and they may be amended or repealed, in whole or in part, and new Bylaws adopted, by a majority vote of the Board of Directors, except for: (a) matters which are reserved to the members by law, and (b) a change in the number of authorized directors. As to such matters, amendment shall be effected by the vote or assent by written ballot of a majority of a Quorum of the Class A Members.

Section 10.02. Certification and Inspection. The original or a copy of the Bylaws, as amended or otherwise altered to date, certified by the Secretary of the Corporation, shall be recorded and kept in a book which shall be kept in the principal office of the Corporation, and such book shall be open to inspection by the members at all reasonable times during office hours.

## **ARTICLE XI Fiscal Year, Insignia, and Seal**

Section 11.01. Fiscal Year. The fiscal year of the Corporation shall be March 1 through February 28.

Section 11.02. Insignia and Seal. The Board of Directors may adopt, use, alter, or cancel an Corporation insignia or seal, or both, and by rule shall prescribe the time, manner, and place in which such insignia may be worn or used.

## **ARTICLE XII Construction**

As used in these Bylaws:

- (a) The present tense includes the past and future tenses, and the future tense includes the present.
- (b) The masculine gender includes the feminine and neuter.
- (c) The singular number includes the plural, and the plural number includes the singular.
- (d) The word "shall" is mandatory and the word "may" is permissive.
- (e) The words "Directors" and "Board" as used in these Bylaws in relation to any power or duty requiring collective action, mean "Board of Directors."

## **CERTIFICATION OF ADOPTION**

I, Katherine Aitken-Young, hereby certify:

That I am the duly elected and acting Secretary of Bear Valley Residents, Incorporated, a nonprofit mutual benefit corporation, and that the foregoing Bylaws, consisting of twenty five (25) pages, constitute the revised Bylaws of said Corporation as duly adopted on November 12, 2005.

Dated: November 12, 2005

Katherine Aitken-Young, Secretary  
(Signed copy on file)

**RESTATED BYLAWS  
OF  
BEAR VALLEY RESIDENTS, INC.  
A NONPROFIT MUTUAL BENEFIT CORPORATION**

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