

**RESTATED BYLAWS**  
**OF**  
**MT. SHASTA ESTATES**  
**HOMEOWNERS' ASSOCIATION**

**If this document contains any restrictions based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, or source of income as defined by Section (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.**

**RESTATED BYLAWS  
OF  
MT. SHASTA ESTATES HOMEOWNERS' ASSOCIATION**

**ARTICLE I. NAME AND LOCATION**

The name of the corporation is MT. SHASTA ESTATES HOMEOWNERS' ASSOCIATION hereafter referred to as the "Association." The principal office of the Association shall be located at 418-B Mt. Shasta Blvd., City of Mt. Shasta, State of California. Annual and special meetings of the Members and directors shall be held within the subdivision or as close thereto as practicable. Said meetings may be held at such places within the County of Siskiyou, State of California, not within the confines of the subdivision, at such places as selected by the Board of Directors, subject to the approval of the Members of the Association.

**ARTICLE II. DEFINITIONS**

Section 2.01. "Association" shall mean and refer to MT. SHASTA ESTATES HOMEOWNERS' ASSOCIATION, its successors and assigns.

Section 2.02. "Properties" shall mean and refer to that certain real property described in the Restated Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.03. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 2.04. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Areas.

Section 2.05. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of all obligation.

Section 2.06. "Restated Declaration" shall mean and refer to the Restated Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the office of the Recorder for the County of Siskiyou, State of California, on \_\_\_\_\_.

Section 2.07. "Member" shall mean every Owner of a Lot within the Properties.

### **ARTICLE III. MEETINGS OF MEMBERS**

#### **Annual Meetings**

Section 3.01. Annual meetings of the Members shall be held in the month of July, on the last Thursday of the month, at 6:30 p.m. Notice of the annual meeting shall be provided to Members in the quarterly newsletter published prior to the meeting date. If the day for the annual meeting of the Members is a legal holiday, the meetings will be held at the same hour on the first day following which is not a legal holiday.

#### **Special Meetings**

Section 3.02. Special meetings of the Members may be called by the Board of Directors or the President of the Association. In addition, five percent (5%) or more of the Members may call special meetings of the Members for any lawful purpose. Subdivision (c) of Section 7511 of the California Corporations Code shall be applicable to any special meeting of Members sought to be called by any person other than the Board of Directors entitled to call a special meeting of Members.

#### **Notice of Meetings**

Section 3.03. Except as provided in subdivision (c) of Section 7511 of the California Corporations Code, written notice of each meeting of the Members shall be given to each Member entitled to vote at the meeting by, or under the direction of, the Secretary of the Association or the authorized person calling the meeting in the manner prescribed in this section. A copy of the notice shall be mailed by first-class mail, postage prepaid, at least fifteen (15) but not more than thirty (30) days before the meeting to each such Member, addressed to the Member's address last appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice. The notice shall state the place, date, and time of the meeting, and, in the case of a special meeting, the general

nature of the business to be transacted at the meeting. In the case of the regular meeting, the notice shall also state those matters which the Board of Directors, at the time the notice is given, intends to present for action by the Members at the meeting. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to Members.

### **Quorum**

Section 3.04. The presence at the meeting of Members entitled to cast or of proxies entitled to cast of fifty percent (50%) of the total voting power of the Association shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote the rest shall have the power to adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days without notice, other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The quorum required at said adjourned meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided, however, in no case shall the required quorum be less than twenty-five percent (25%) of the total voting power of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if, for any reason, a new date is fixed for the adjourned meeting after adjournment, notice of time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

### **Proxies**

Section 3.05. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

## **ARTICLE IV. BOARD OF DIRECTORS-SELECTION-TERM OF OFFICE**

### **Number**

Section 4.01. The affairs of this Association shall be managed by a Board of nine (9) Directors, who need not be Members of the Association.

### **Term of Office**

Section 4.02. At first each annual meeting, the the Members shall elect three (3) directors for a term of three (3) years.

### **Removal**

Section 4.03. Unless the entire Board of Directors is removed from office by the vote of Association Members, an individual director shall not be removed prior to the expiration of his or her term of office where the votes cast against removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the director's most recent election were being elected. A director may be removed from office prior to expiration of his term only by the applicable vote of the Members. In the event of the death or resignation of a director, the director's successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor. The filling of a vacancy on the Board created by the removal of a director shall be conducted in accordance with Section 5.02.

### **Compensation**

Section 4.04. No director shall receive compensation for any service the director may render to the Association. However, any director may be reimbursed for the director's actual expenses incurred in the performance of the director's duties.

### **Action Taken Without a Meeting**

Section 4.05. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board, and notice of such action shall be posted in a prominent place within the Common Area (the corner of Carmen Drive and Shasta Avenue) within three (3) days after the written consents of all members of this Board have been obtained. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

## **ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS**

### **Nomination**

Section 5.01. Nomination for election to the Board of Directors shall be made by a Nomination Committee consisting of a Chairman, who shall be a member of the Board of Director, and two (2) or more other Members of the Association who need not be members of the Board of Directors. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of Members to serve from the close of that annual meeting until the close of the next annual meeting of Members. The names of the persons appointed to the Nominating Committee shall be announced at the annual meeting immediately following their appointment. The Nominating Committee shall at least thirty (30) days prior to the meeting at which they are to be voted on to report to the Board of Directors the names of as many nominees for election to the Board of Directors as the committee shall deem proper, but not fewer than the number of directors to be elected at such meeting. Nominations for election to the Board of Directors may also be made by written petition filed with the Secretary of the Association at least thirty (30) days prior to any annual meeting of Members and signed within eleven (11) months preceding that meeting by Members representing, without considering any provision for cumulative voting, ten percent (10%) of the "voting power" of the Association as the term "voting power" is defined in the Nonprofit Corporation Law of California. Nominations for election to the Board of Directors may also be made by any Member present in person, or by the proxy of any Member present by proxy, at the annual meeting at which the director is to be elected.

### **Election Procedures**

Section 5.02. Election to the Board of Directors shall be by secret written ballot. Every Member entitled to vote at any election of directors may cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of votes to which such Members are otherwise entitled, or distribute the votes on the same principle among as many candidates as he or she thinks fit. The candidates receiving the highest number of votes up to the number

of directors to be elected shall be deemed elected. Elections will be conducted in such a manner so as to:

- (a) Ensure that if any candidate or Member advocating a point of view is provided access to Association media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and members advocating a point of view, including those not endorsed by the Board of Directors, for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content.
- (b) Ensure access to the Common Area meeting space (if any exists) during a campaign at no cost to all candidates, including those who are not incumbents, and to all Members advocating a point of view, including those not endorsed by the Board of Directors, for purposes reasonably related to the election.
- (c) Specify the qualifications for candidates for the Board of Directors and any other elected position, and procedures for the nomination of candidates, consistent with the governing documents. A nomination or election procedure shall not be deemed reasonable if it disallows any Member of the Association from nominating himself or herself for election to the Board of Directors.
- (d) Specify the qualifications for voting, the voting power of each membership, the authenticity, validity, and effect of proxies, and the voting period for elections, including the times at which polls will open and close.
- (e) Specify a method of selecting one or three independent third parties as inspector, or inspectors, of election utilizing one of the following methods:
  - (1) Appointment of the inspector or inspectors by the Board of Directors.
  - (2) Election of the inspector or inspectors by the Members of the Association.
  - (3) Any other method for selecting the inspector or inspectors.

(f) Allow the inspector, or inspectors, to appoint and oversee additional persons to verify signatures and to count and tabulate votes as the inspector or inspectors deem appropriate, provided that the persons are independent third parties.

Notwithstanding any other law or provision of the governing documents, elections regarding assessments legally requiring a vote, election and removal of members of the Board of Directors, amendments to the governing documents, or the grant of exclusive use of Common Area property pursuant to California Civil Code Section 1363.07 shall be held by secret ballot in accordance with the procedures set forth in this Article. A quorum shall be required only if so stated in the governing documents of the Association or other provisions of law. If a quorum is required by the governing documents, each ballot received by the inspector of elections shall be treated as a Member present at a meeting for purposes of establishing a quorum.

#### **Inspector of Election**

Section 5.03. The Association shall select an independent third party or parties as an inspector of election. The number of inspectors of election shall be one or three. For the purposes of this section, an independent third party includes, but is not limited to, a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy or a notary public. An independent third party may be a member of the Association, but may not be a member of the Board of Directors or a candidate for the Board of Directors or related to a member of the Board of Directors or a candidate therefore. An independent third party may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the Association for any compensable services unless expressly authorized by rules of the Association adopted pursuant to paragraph (e) of Section 5.02. The inspector or inspectors of election shall do all of the following:

- (a) Determine the number of memberships entitled to vote and the voting power of each.
- (b) Determine the authenticity, validity, and effect of proxies, if any.
- (c) Receive ballots.



(d) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.

(e) Count and tabulate all votes.

(f) Determine when the polls shall close.

(g) Determine the tabulated results of the election.

(h) Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with this Article, the Corporations Code, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with this Article.

An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. If there are three inspectors of election, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the inspector or inspectors of election is prima facie evidence of the facts stated in the report.

#### **Proxy Procedures**

Section 5.04. Any instruction given in a proxy issued for an election that directs the manner in which the proxyholder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. The proxyholder shall cast the member's vote by secret ballot. The proxy may be revoked by the Member prior to the receipt of the ballot by the inspector of elections as described in Section 7613 of the Corporations Code.

#### **Ballot Procedures**

Section 5.05. Ballots and two preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every Member not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, or Lot, parcel, or unit number on the ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following:

(a) The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter shall sign his or her name, indicate his or her name, and indicate the address or separate interest identifier that entitles him or her to vote.

(b) The second envelope is addressed to the inspector or inspectors of election, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector or inspectors of election. The member may request a receipt for delivery.

(c) All votes shall be counted and tabulated by the inspector or inspectors of election or his or her designee in public at a properly noticed open meeting of the board of directors or members. Any candidate or other member of the Association may witness the counting and tabulation of the votes. No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. The inspector of election, or his or her designee, may verify the Member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated. Once a secret ballot is received by the inspector of elections, it shall be irrevocable.

(d) The tabulated results of the election shall be promptly reported to the Board of Directors of the Association and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by Members of the Association. Within 15 days of the election, the Board shall publicize the tabulated results of the election in a communication directed to all Members.

(e) The sealed ballots at all times shall be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote, and until the time allowed by Section 7527 of the Corporations Code for challenging the election has expired, at which time custody shall be transferred to the Association. If there is a recount or other challenge to the election process, the inspector or inspectors of election shall, upon written request, make the ballots available for inspection and review by an Association Member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

(f) After the transfer of the ballots to the Association, the ballots shall be stored by the Association in a secure place for no less than one year after the date of the election.

(g) Except for the meeting required to count the votes, an election may be conducted entirely by mail.

For purposes of this Article, the following definitions shall apply (a) "proxy" means a written authorization signed by a member or the authorized representative of the member that gives another Member or Members the power to vote on behalf of that member, and (b) "signed" means the placing of the Member's name on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the Member or authorized representative of the Member.

### **Campaign Funding**

Section 5.06. Association funds shall not be used for campaign purposes in connection with any Association Board of Directors election. Funds of the Association shall not be used for campaign purposes in connection with any other Association election except to the extent necessary to comply with duties of the Association imposed by law. For the purposes of this section, "campaign purposes" includes, but is not limited to, the following:

(a) Expressly advocating the election or defeat of any candidate that is on the Association election ballot.

(b) Including the photograph or prominently featuring the name of any candidate on a communication from the Association or its Board of Directors, excepting the ballot and ballot materials, within 30 days of an election. This is not a campaign purpose if the communication is one for which Section 5.02 requires that equal access be provided to another candidate or advocate.

## **ARTICLE VI. MEETINGS OF DIRECTORS**

### **Regular Meetings**

Section 6.01. Regular meetings of the Board of Directors shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a

legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Notice of the time and place of such meeting shall be posted at a prominent place or places within the Common Area and shall be communicated to directors not less than four (4) days prior to the meeting, provided however, that notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

### **Special Meetings**

Section 6.02. Special meetings of the Board of Directors may be called by the President of the Association or by any two (2) directors. A special meeting of the Board of Directors shall be called by the giving of notice of the meeting to each director at least three (3) days prior to the time set for the meeting where the notice is given by first class mail, personally, or by telephone or telegraph to the director. Notice of the meeting need not be given to any Director who signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and the nature of any special business to be considered at the meeting. A copy of the notice shall also be posted in the manner prescribed for posting of a notice of regular meetings of the Board of Directors.

### **Quorum**

Section 6.03. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

### **Open Sessions**

Section 6.04. Regular and special meetings of the Board of Directors shall be open to all Members of the Association provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board of Directors may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar

nature. The nature of any and all business to be discussed in executive session shall first be announced in open session.

### **Emergency Meetings**

Section 6.05 In any situation where action is needed and either a special or regular meeting will not suit the purpose, the Board of Directors may handle the action as follows: The Board member first notified shall make a good faith attempt to notify each and every other Board member and call a meeting at the earliest possible reasonable time. If it appears sufficient Board members are not available for a meeting, said contact person shall attempt to get a "consensus" from the Board members as to the action needed, depending on the circumstances. If the Board member making the calls is unable to schedule a meeting with at least a quorum present, in a reasonable time (consistent with the circumstances) the 'consensus' shall determine what action is to be taken, and shall be the subject of a request for ratification at a later Board meeting. The contact person shall make every possible attempt to achieve at least a majority 'consensus' before taking any specific action.

## **ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

### **Powers**

Section 7.01. The Board of Directors shall have the power to:

- (a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association by these Bylaws, the Articles of Incorporation or Declaration of Restrictions not otherwise reserved to the Members;
- (b) Enforce the applicable provisions of the Declaration, Articles, these Bylaws and the rules and regulations governing the use of Common Areas and facilities;
- (c) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(d) Impose monetary penalties, temporary suspensions of an Owner's right as a Member of the Association including but not limited to suspension of voting rights and the right to the use of recreation facilities or other appropriate discipline for failure to comply with the governing instruments including but not limited to failure to pay any assessment when due and for infractions of published rules and regulations, provided that the procedures for notice and hearing, satisfying the minimum requirements of Section 7341 of the Corporation Code, are followed with respect to the accused Member before a decision to impose discipline is reached;

(e) Appoint a Nominating Committee as provided in these Bylaws and such other committees as may be appropriate to carry out the purposes of the Association;

(f) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors and to fill any vacancy on the Board of Directors except for a vacancy created by the removal of a Director; and

(g) Enter into such agreements and contracts as may be reasonably necessary to carry on the functions of the Association, provided, however, that the Board of Directors shall not take any of the following actions except upon the vote or written assent of a majority of the voting power of the Association Members:

(1) Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one year with the following exceptions:

A. A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

B. A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term of the contract at the regulated rate.

C. Prepaid casualty and/or liability insurance policies of not to exceed three years duration, provided that the policy permits for short rate cancellation by the insured.

(2) Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(3) Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(4) Paying compensation to members of the Board of Directors or to officers of the Association for services performed in the conduct of the Association's business, provided, however, that the governing body may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

### **Duties**

Section 7.02. It shall be the duty of the Board of Directors to:

(a) Prepare an annual budget and cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth of the Members who are entitled to vote. In addition, the following financial statements, statements and related information shall be regularly prepared as follows:

(1) A proforma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year, which includes:

A. The estimated revenue and expenses on an accrual basis.

B. A summary of the Association's reserves based upon the most recent review or study conducted pursuant to current California law which shall be printed in bold type and include the following:

1. The current estimated replacement cost, estimated remaining life and estimated useful life of each major component.

2. As of the end of the fiscal year for which the study is prepared:

i. The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain major components.

ii. The current amount of accumulated cash reserves actually set aside to repair, replace, restore or maintain major components.

3. The percentage that the amount of accumulated cash reserves is of the estimated amount of necessary cash reserves calculated under subparagraph i. above.

C. A statement as to whether the Board of Directors of the Association has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefore.

D. A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacements or additions to those major components that the Association is obligated to maintain.

(2) An annual report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year.

- A. A balance sheet as of the end of the fiscal year,
- B. An operating (income) statement for the fiscal year,
- C. A statement of changes in financial position for the fiscal year,
- D. Any information required to be reported under Section 6322 of the

Corporations Code.

A review of the financial statements of the Association must be prepared in accordance with generally accepted accounting principals by a licensee of the California State Board of Accountancy for any fiscal year in which the gross income to the Association exceeds \$75,000 and such review shall be distributed to the Members within 120 days after the close of the fiscal year.

(b) Distribute a statement to all Members describing the Association's policies and practice in enforcing lien rights or other legal remedies for default in payment of its assessment against its



Members at least annually to the Members during the 60-day period immediately preceding the beginning of the Association's fiscal year.

(c) Notify Members regarding the Association's insurance coverage as follows:

(1) Distribute a summary to all Members describing the Association's property and general liability policies. The summary shall include the name of the insurer, the type of insurance, the policy limits of the insurance and the amount of deductibles, if any, and shall be distributed at least annually to the Members during the 60-day period immediately preceding the beginning of the Association's fiscal year. The Association may satisfy this obligation by providing the Members with a copy of the insurance declaration policy, so long as the document includes the information set forth in the preceding sentence.

(2) Notify Members by first class mail, as soon as reasonably practical, if any of the policies described in subparagraph (a) have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change such as a reduction in coverage of limits or an increase in the deductible, for any of those policies. If the Association receives any notice of nonrenewal of any of its policies described in subparagraph (b), the Association shall immediately notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

(3) The summary distributed pursuant to subparagraph (a) of this section shall contain, in at least 10-point boldface type, the following statement:

This summary of the Association's policies of insurance provides only certain information, as required by California Civil Code Section 1365(c) and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association Members should consult with their individual insurance broker or agent for appropriate additional coverage.

- (d) Elect and supervise all officers, agents and employees of this Association and to see their duties are properly performed:
- (e) As more fully provided in the Restated Declaration, to:
  - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of the annual assessment period;
  - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the annual assessment period; and
  - (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days in advance of the next annual assessment period;
- (f) Issue, or to cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (g) Procure and maintain adequate fire, casualty, liability and hazard insurance as provided in the Restated Declaration:
- (h) Cause all officers or employees having fiscal responsibility to be bonded as required by the Restated Declaration;
- (i) Cause the Common Area to be maintained;
- (j) Pay the property taxes and assessments levied against the Common Area, if any;
- (k) Pay for all water supplied to the Common Area and pay for any other utilities deemed appropriate by the Board of Directors; and
- (l) Perform any other acts or duties as required in the Restated Declaration, the Articles and these Bylaws.

## **ARTICLE VIII. OFFICERS AND THEIR DUTIES**

### **Enumeration of Officers**

Section 8.01. The officers of this Association shall be a President and Vice-President (who shall at all times be members of the Board of Directors) a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

### **Election of Officers**

Section 8.02. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

### **Term**

Section 8.03. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed or otherwise disqualified to serve.

### **Special Appointments**

Section 8.04. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

### **Resignation and Removal**

Section 8.05. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

### **Vacancies**

Section 8.06. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

### **Multiple Offices**

Section 8.07. The offices of the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.04 of this Article.

### **Duties of the Officers**

Section 8.08. The duties of the officers are as follows:

#### **President**

(a) The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all checks and promissory notes.

#### **Vice President**

(b) The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

#### **Secretary**

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal, if any, of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses and shall perform such other duties as required by the Board.

#### **Treasurer**

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year if

required; and shall prepare the financial statements required by these Bylaws, and deliver a copy of each to the Members.

#### **ARTICLE IX. COMMITTEES**

The Association shall appoint an Architectural Control Committee, as provided in the Restated Declaration, and a Nominating Committee, as provided in these Restated Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

#### **ARTICLE X. BOOKS AND RECORDS**

The membership register, books of account, minutes of meetings of Members, directors and committees and any other records and papers of the Association shall be available for inspection and copying by a Member of the Association or his or her duly appointed representative or any first mortgage holder upon forty-eight (48) hours notice during reasonable business hours which are 9 a.m. to 12 noon and 1 p.m. to 5 p.m., Monday through Friday, at the principal office of the Association or such other place within the Subdivision established by the Board of Directors. Copies may be purchased at reasonable cost, not to exceed twenty-five (\$.25) cents per page. A Director of the Association shall have the right to inspect any of the above specified books and records and to make copies without charge at any reasonable time without notice. A Director of the Association shall also have the right to inspect the physical properties owned or controlled by the Association at any reasonable time without notice.

#### **ARTICLE XI. AUDIT**

The Board of Directors may have an annual audit of the Association books by an independent public accountant; provided, however, that if the gross income of the Association should exceed \$75,000.00, the Board of Directors shall have an external audit done by an independent public accountant, which shall be available for inspection by the Members. If the audit is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

## **ARTICLE XII. ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Member personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Member may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

## **ARTICLE XIII. AMENDMENTS**

### **Amendment of Bylaws and Articles of Incorporation**

#### Section 13.01

(a) These Bylaws may be amended, at a regular or special meeting of the Members, by the affirmative vote (in person or by proxy) or written consent of Members representing a majority of a quorum of the Association which shall include a majority of the votes of Members. Notwithstanding the above, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage or affirmative votes required for action under that clause.

(b) The Articles of Incorporation may be amended, at a regular or special meeting of the Members by the affirmative vote (in person or by proxy) or written consent of Members representing a majority of the voting power of the Association which shall include a majority of the votes of Members and a majority of the Board of Directors.

### **Conflict Between Articles of Incorporation, Bylaws and Declaration**

Section 13.02. In the case of any conflict between the Restated Articles of Incorporation and these Restated Bylaws, the Restated Articles shall control; and in case of any conflict between the Restated Declaration and these Restated Bylaws, the Restated Declaration shall control.

**CERTIFICATE OF AMENDMENT OF BYLAWS  
MT. SHASTA ESTATES HOMEOWNERS ASSOCIATION**

The undersigned, secretary of the corporation known as Mt. Shasta Estates Homeowners Association, hereby certifies that the above and foregoing Restated Bylaws, consisting of 22 pages, were duly adopted by written ballot of the Members of the Association on 11-9-2009, 2009, and that they now constitute the Bylaws of the Association.

MT. SHASTA ESTATES  
HOMEOWNERS' ASSOCIATION, a California  
Nonprofit Corporation

Diana Maclean  
Secretary

State of California  
County of Siskiyou

On 11/9/09 before me, Vicky Sheehy, Notary Public, personally appeared Diana Maclean, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Vicky Sheehy (Seal)

