

BYLAWS OF  
CLEAR LAKE KEYS PROPERTY OWNERS ASSOCIATION

A California Nonprofit Corporation

ARTICLE I.

Definitions

SECTION 1. The name of this corporation shall be "Clear Lake Keys Property Owners Association" and shall be referred to herein as the "Association".

SECTION 2. This Corporation has been formed pursuant to the California Non-profit corporation Law as a Mutual Benefit Corporation.

SECTION 3. The specific and primary purpose of this Association shall be to enhance, improve, and maintain the private properties within the Keys in cooperation with Property Owners.

SECTION 4. The term "Keys" shall mean all those Units #1 through #7 collectively known as "Clear Lake Keys Subdivision, Lake County, California".

SECTION 5. The term "County" shall mean the County of Lake, state of California.

SECTION 6: The term "Declaration" shall mean the document entitled "FIRST AMENDED DECLARATION OF RESTRICTIONS, CONDITIONS, COVENANTS AND AGREEMENTS AFFECTING REAL PROPERTY KNOWN AS CLEAR LAKE KEYS, UNITS 1 THROUGH 7, LAKE COUNTY, CALIFORNIA", with effective date of June 30, 2006.

SECTION 7. "By-Laws" shall mean these By-Laws of the Clearlake Keys Property Owners Association.

SECTION 8. "Voting Member" shall mean a member whose assessments for the lot owned are fully paid.

SECTION 9. Quorums: A quorum of members shall consist of at least fifteen voting members. A quorum of the board shall consist of at least four directors.

ARTICLE II

Office Location

The principal office of the place as the Board shall be located at such place, as the board shall from time-to-time designate by resolution.

### ARTICLE III

#### Membership

SECTION 1. Each lot owner who owns a lot in the Keys which is covered by the Declaration will become a member by ownership of said property.

SECTION 2. Multiple owners are entitled to one Membership per lot owned and will designate one of the owners as the representing member.

SECTION 3. Membership terminates when property is disposed in any manner.

SECTION 4. Each member shall be responsible for assessments. To be an active Member assessments must be current.

SECTION 5. Each lot for which assessments are paid is entitled to one vote. Thus, owners of more than one lot have a single vote for each lot for which current assessments are paid.

SECTION 6. Membership Cards or other evidences of membership may be issued at the discretion of the Board of Directors.

### ARTICLE IV

#### Voting

SECTION 1. Each Member with dues current will be entitled to one vote.

SECTION 2. Voting by the Membership will be by ballot, by voice or show of hands in accord with designated requirements. Absentee Members are entitled to vote by mail on those matters requiring a proportion of the total Membership.

SECTION 3. Election of Officers, change in the dues and revisions to the By-Laws or Articles of Incorporation will be by secret ballot.

SECTION 4. A majority vote of Members present at a regular business meeting of the membership is required to approve, unless a greater proportion is required by California's Non-profit Corporation Law, by the Articles of Incorporation, the Declaration, By-Laws of the Association, or any other applicable law or regulation.

SECTION 5. The date on which notices are sent to Members will be considered as the

Record Date entitling the Member to vote.

## ARTICLE V

### Membership Meetings

SECTION 1. Regular membership meetings will be held at least quarterly. The September meeting will be for the purpose of electing Board Members. A calendar showing the dates, for the fiscal year, on which the regular membership meetings will be held shall be furnished to each member no later than January 1.

SECTION 2. The meetings of Members shall be held in a place within, or in close proximity to the Keys and at such time as may be designated by the Board of Directors, except that the meeting for the purpose of electing and seating the coming years officers shall be held during the second week of September.

SECTION 3. A majority of the Board, the President, or a minimum of a quorum of voting Members may call a special meeting of the Board of Directors at any time to consider any reasonable business of the Association.

SECTION 4. Notice of special Membership meetings shall be given no later than 5 days before the meeting and will include the date, time, and place along with the purpose of the meeting.

SECTION 5. Meetings adjourned to another time for any reason shall be considered the same as a regular or special meeting for the purpose of notification.

## ARTICLE VI

### Election

SECTION 1. The Board of Directors will consist of seven (7) members. The officers of the Association will be elected from among the Directors at their first meeting. The Officers will be: President, Vice-president, Secretary, Treasurer, Parliamentarian, and Historian. Term of Office for Directors will commence immediately following election. The Directors will meet immediately following the adjourned Membership Meeting for the purpose of selecting Officers and conducting any business immediately necessary.

SECTION 2. Directors must be voting Members. An Officer's or director's term ends with the termination of lot ownership or non-payment of assessments.

SECTION 3. Members of the Board of Directors will be elected for a two year term, except that three of the Directors elected at the first Annual Meeting served for one year.

Three directors will be elected one year, four the next year.

SECTION 4. At least 90 days before Election Of Officers, the secretary will mail to each Member a notice that nominations are being accepted for the upcoming openings on the Board of Directors. Member application for nomination must be received no later than 45 days before the election.

SECTION 5. At least 60 days before Election of Officers, The President of the Board of Directors will appoint a Nominating Committee, at least one of whom is a Member of the Board of Directors whose term is not expiring. A Member of the Board of Directors will be named the Nominating Committee Chairman.

SECTION 6. The Nominating Committee will make nominations for each expiring term. These nominations will be in addition to those submitted by the Membership. All nominees must be voting members.

SECTION 7. At least 30 days before Election of Officers, a ballot will be mailed to each voting Member to be returned by the date of election, stating the number of director positions for which terms are expiring, the date of election and the date when the ballot must be received to be counted.

SECTION 8. Prior to the September Meeting, the President of the Board of Directors will appoint three active members as Judges of Election, one of whom will be named Chairman.

SECTION 9. The Chairman of the Judges of Election will be given the sealed election ballots and together with the other two judges will count and tabulate the ballots. Ballots will remain sealed until opened by the Judges of Election.

SECTION 10. The candidates receiving the highest number of votes in descending order will be considered elected until all vacancies are filled. A tie for the last position to be filled will be broken by secret ballot of the members present at the meeting when election ballots are counted.

SECTION 11. At the direction of the President of the Board, the Chairman of the Judges of Election will announce the results of the election which will be duly recorded in the minutes.

SECTION 12. Vacancies on the Board of Directors which occur before election will be filled by appointment by the President, with approval of a majority of the Board, to complete that part of the term until the next regular election. The Board Member so appointed will complete only that portion of the term remaining until the next election.

## ARTICLE VII

### Board of Directors Meetings

SECTION 1. The Board of Directors will meet at least bi-monthly and as often as necessary to complete association business. Special meetings may be called by the President or Vice-president or as set forth in Article V, Section 3. A quorum of the Board of directors is required to conduct normal business, EXCEPT when an expenditure Of \$1,000 or more is needed, then the Board of Directors will need a minimum 5 Board Member vote of approval.

SECTION 2. All Board meetings are open to Members except under unusual circumstances that require a confidential executive session. Such executive sessions must be approved by a majority of directors present.

SECTION 3. The Board of Directors will establish regular meeting dates by resolution. Notification will be given to Members advising them of the regular meeting dates.

SECTION 4. All meetings of the Board of Directors and Members will be conducted under Robert's Rules of Order, or under other rules prescribed by the Board, and minutes of same duly recorded.

SECTION 5. The board of Directors, representing the Association, may not enter into any contracts or agreements without the affirmative vote of a quorum of the membership.

SECTION 6. The Board of Directors may accept on behalf of the Association any gift or donation. Said gift or donation will be announced as the following meeting.

## ARTICLE VIII

### Committees

SECTION 1. At least 30 days before the September meeting, the Board of Directors will appoint three members of the Association to Audit the financial and business (minutes of meetings) records of the previous year. At least one member will be a member of the Board of Directors and will be Chairman of the Audit Committee. The report will be presented at the September meeting by the Chairman of the Audit Committee.

SECTION 2. In addition to the Nominating Committee and the auditing Committee, the Board may, by resolution, designate one or more committees, each consisting of two or more members (who may also be directors) to serve at the pleasure of the Board and which shall have responsibilities as detailed by the Board. No duties specifically assigned as the sole responsibility of the Board of Directors may be delegated to such committees.

## ARTICLE IX

### Financial.

SECTION 1-. The fiscal year will commence on January 1 and end on December 31.

SECTION 2. Assessments are payable in advance and are delinquent after February 1.

SECTION 3. Annual assessments shall be as per the Declaration. Assessments for successive years will be recommended by the Board of Directors. The Board will notify the Membership at least 45 days before the January Meeting of the recommended change together with justification for the Boards decision to change assessments. Assessment changes will be effective January 1.

SECTION 4. By order of the Board of Directors, the Treasurer will establish accounts to track funds for specific high cost projects.

## ARTICLE X

### Officers Duties

SECTION 1. The President will preside at all meetings of the Board and of the Members and have supervision, direction and control of the Association subject to action and approval of the Directors. The President will appoint committees and their chairmen as required and prescribed in these By-Laws and perform such other duties and powers as prescribed by the Directors or the By-Laws. The President shall represent the Association in all matters dealing with outside organizations and agencies, unless authorization has been given to someone else by the Board. The President is authorized to countersign checks with the Treasurer.

SECTION 2. The Vice-president will assume the duties and responsibilities of the President in his absence for whatever reason. The Vice-president shall perform those duties assigned by the President. In addition, together with the Treasurer, will prepare the annual budget for presentation to the membership. The Vice-president is authorized to countersign checks with the Treasurer.

SECTION 3. The Secretary will record and keep the Minutes of all Board and Membership Meetings. The Secretary will also keep a record of the Membership together with their addresses and the date when membership ceases, if it does. It will be the Secretary's responsibility to maintain, keep and record correspondence, sign same as directed by the Board. All notices of meetings, both Membership and Board, will be given by the Secretary. The Secretary will provide safekeeping of the original of these By-Laws and the Seal of the Corporation.

SECTION 4. The Treasurer will arrange for proper bonding under direction of the Board, will receive, record all monies, provide payment as directed by the Board and sign same as one of two authorized signatures. The Treasurer will receive and deposit all monies in name of and to the credit of the Association with such depositories as are designated by the Board of Directors. The Treasurer will provide a current financial statement at all regular Board meetings and make an annual report at the Membership Meeting. The Treasurer, with the Vice-president, will prepare the proposed annual budget and budgets for determining any proposed assessment changes.

SECTION 5. The parliamentarian shall be responsible for resolving matters of procedure during meetings in accordance with procedures established by the Board.

SECTION 6. The Historian shall be responsible for maintaining the Association's historical files.

#### ARTICLE XI

##### Board of Directors

SECTION 1. All the Corporate powers will be vested in the Board of Directors.

SECTION 2. The Board will conduct, control, and manage the affairs of the Corporation and make rules and regulations consistent with the laws of the State of California, these By-Laws, the Articles of Incorporation, the Declaration, and any other applicable laws or regulations.

SECTION 3. The Board will declare a vacancy on the Board of Directors or any Committee for non-attendance by any member for three consecutive meetings without good cause. Removals from the Board or any Committee may be made for cause at the discretion of a majority of the Board.

SECTION 4. The Board will be responsible for considering and shaping all new business. and will determine which proposals should be presented to the entire Membership for their approval or disapproval at the next regular membership Meeting.

#### ARTICLE XII

##### Amendments

SECTION 1. Corrections to grammar, spelling and additions omitted in error but not changing the basic document or amendments as passed by the membership, may be changed by action of the Board of Directors and duly recorded at the end of the document under "Corrections and Amendments" along with the date of correction.

SECTION 2. Amendments which change the meaning or direction of any Article, Section, or portion of these By-Laws must be accomplished as follows:

1. The Proposal must be presented at a Board Meeting and entered into the minutes. The Board will set a date for another reading at a subsequent Board Meeting within 30 days.

2. Following the second reading and formal approval by the Board, the change will be submitted to the Voting Membership by mail. The mailing will include a ballot which will have a return date no later than 60 days from notification.

3. Ballots may be brought to the Board Meeting at which the ballot counting will take place, which will be the final mailing return date.

4. Amendments must receive a majority of the votes received to be approved and will be effective immediately unless otherwise noted in the amendment.

### ARTICLE XIII

#### Declaration of Restrictions

SECTION 1. The only restrictions that may be imposed on this Board and its Members are these By-Laws, Articles of Incorporation, The Declaration and any applicable laws or regulations.

SECTION 2. The board of directors shall have full power to enforce the By-Laws, and the Declaration.

### ARTICLE XIV

#### Execution

DATE: Oct. 3rd, 2006  
PRESIDENT: [Signature]  
VICE-PRESIDENT: [Signature]  
SECRETARY: Patty J. Bald  
TREASURER: Steven C. Abel

Revised edition as of 1/1/2007