

Amended
BYLAWS
CALIFORNIA PINES PROPERTY OWNERS ASSOCIATION
<amended 03-21-2015>

ARTICLE I
NAME

The name of this corporation is and shall be CALIFORNIA PINES PROPERTY OWNERS ASSOCIATION, and for convenience shall be referred to hereinafter as the "Association."

ARTICLE II
OBJECTS AND PURPOSES

The objects and purposes of the Association shall be to further and promote the community welfare of the owners of the lots within the recorded subdivisions situated in Modoc County, California, which are developed and subdivided by California Recreational Estates. The subdivisions to be part of this Association shall be only subdivisions developed by California Pines Recreational Estates, for which a Declaration of Restrictions has been recorded requiring the owners to become members of this Association. All such subdivisions shall hereinafter collectively be referred to as "California Pines." The Association shall be authorized to do whatever may be deemed necessary, conducive, incidental or advisable to accomplish and promote said objects or purposes, except carrying on a business, trade or profession for profit, including but not limited to:

- (a) Owning, improving and maintaining recreational facilities, streets, ponds, streams, parks and/or public areas in California pines;
- (b) Providing protective service to members and their families;
- (c) Caring for vacant, unimproved or unkempt vacant lots, removing rubbish and unsightly growth therefrom and doing any and all other things necessary or desirable to keep them in a neat and orderly condition;
- (d) Enforcing any and all restrictions, covenants and conditions imposed at any time on the residential lots in California Pines, for the general benefit of the owners thereof;
- (e) Paying all taxes, utilities, charges, assessments and other levies upon property owned or managed by the Association;
- (f) Making and collecting charges and assessments by which to further the foregoing objects and purposes;
- (g) Providing informational services for members by publication of a newsletter or newspaper;

And to do any other act or thing in any way connected with the foregoing or related to the objects and purposes of the Association, provided such act or thing is not in conflict with section 501(c)(4) of the Internal Revenue Code.

ARTICLE III
MEMBERSHIP

Section 1. Basis of Membership. Membership in the Association shall be limited to the owners of not less than one (1) lot in California Pines. For the purpose of these Bylaws lots shall consist of those lots described and set forth in subdivision maps from time to time filed in the office of the County Recorder of Modoc County, California, relating to California Pines; lots resulting from the further subdivision maps initially filed; and each unit of any apartment building, community or condominium, or other cooperative type multiple living facilities constructed in California Pines. A purchaser of any such lots under contract shall also be deemed to be an owner for purposes of the Bylaws. A lot held as community property shall qualify the owners thereof for one (1) membership only in the absence in the association, which membership shall be in the name of the husband in the absence of written advice to the contrary by the parties. Only one (1) of any number of co-owners of any such lot or lots shall be a member of the Association and in the absence of written advice to the contrary by the co-owners the name first appearing on the deed or the contract shall be considered as the owner for the purpose of exercising voting privileges within the Association.

Section 2. Membership. All persons who become owners of lots in California Pines, as defined and described above in Section 1 of this Article shall by reason of such ownership become and hereby are made members of the Association.

Section 3. Voting Rights. Each member shall be entitled to one (1) vote for each lot owned by said member. Every member entitled to vote shall have the right to accumulate his votes as provide in Section 7612 et seq of the California Nonprofit Mutual Benefit Corporation Law. Each member of the Association shall have the same rights, privileges, liabilities and responsibilities as any other member PROVIDED however that the developer shall not be entitled to vote on lots in excess of the amount permitted by the Franchise Tax Board in order for this Association to continue to qualify for tax exempt status. The foregoing provision is subject to Sections 4 and 5 of this Article III.

Section 4. Membership Fee. Each member shall be required to pay the annual dues as provide in Article VIII and no member shall be entitled to vote unless such dues are paid in full.

Section 5. Voting Rights of Developer. The developer shall be subject to the provisions of Section 3 and 4 of this Article and in addition shall not be entitled to vote any lots for so long as it is in possession of any funds collected by it for the account of or on behalf of this Association, and demand has been made by the Board of Directors to the developer for such funds to be turned over to a depository designated by the Board of Directors of this Association. This section shall be deemed a cumulative remedy of this Association.

ARTICLE IV
CERTIFICATES OF MEMBERSHIP AND TRANSFER

Section 1. Certificates of Membership. The Association may issue certificates of membership in such form as the Board of Directors shall designate, and such certificates shall contain the signature of the duly authorized officer. A certificate book shall be maintain in such an event which shall contain a margin on which there shall be shown the number, date and name of the member as set forth in the corresponding certificate. In the event no such certificates are issued, a membership book shall be maintained showing the date and name of the owner, and the lot or lots owned by said member.

Section 2. Transferring Membership. Certificates of Membership (or the membership itself is no such certificates are issued) shall be appurtenant to the lots in California Pines as described in Section 1 of Article III of these Bylaws and shall not be transferable except with the conveyance of the lot for which said certificated is issued. Such conveyance shall affect the transfer of the certificates of membership appurtenant to the particular lot to its purchaser.

Section 3. Retention of Membership for Multiple Lots. In the event a member who is the owner of more than one lot, but has only one membership in the Association as provided to in these Bylaws, conveys one of said lots while still retaining one or more lots in California Pines, then and in that event, a new certificate of membership shall be issued to the purchaser without the cancellation or transfer of the existing member's certificate of membership.

ARTICLE V MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meetings of members shall be held at a location chosen by the board of Directors and shall be held each year at 9:00 am on the third Saturday in the month of March or such other date or such other time as may be fixed by the Board and noticed in the LOG and/or by special notice to members. At such meetings, directors shall be elected and any other proper business may be transacted.

Section 1.1. Notice of Annual or Special Meetings. Written notice of each annual or special meeting of members shall be given not less than ten or more than on hundred twenty (120) days before the date of the meeting to each member entitled to vote thereat, except that in an effort to save on postage and handling said notice may be sent at the discretion of the Board, with the annual statements for dues or published in the LOG. Such notice shall state the place, date, and hour of the meeting and (a) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transact, or (b) in the case of the annual meeting, those matters which the Board, at the time of the mailing of the notice, intends to present for action of the members, but, subject to the provisions of applicable laws, any proper matter may be presented at the meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the time of the notice to be presented by management of election.

Section 1.1.a. Quorum Requirement. <Formerly Section 3 of Original Bylaws>. The presence in person or by proxy of ten percent (10%) of all members of the Association shall constitute a quorum for the transaction of business at any meeting of the members. Proxies shall be signed and filed with the Secretary of the Association prior to the open meeting at which they are voted. Proxies may apply only to a specific meeting, or they may provide for the proxy to remain in effect until revoked by the member. In the latter event, said proxy shall be honored until receipt by the Secretary of revocation thereof.

Section 1.1.b. Votes Required for Incurring Debt. <Formerly Section 4 of Original Bylaws>. The vote or written consent of a majority of the voting power, at a duly called meeting of the members, shall be required for the Association to transact the following types of business: (a) To borrow money, to cause to be executed and delivered therefore in the Association's name Promissory Notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and security therefore; (b) Make any expenditure of a capital nature which will result in the assessment against a member's equity in his lot. For the purposes of this Section, the voting power of the developer shall be excluded.

Section 1.2. Meeting Notice. Notice of a membership meeting shall be given either in the Log, personally, or by first-class mail, addressed to the member at the address of such member appearing on the books of the Association or given by the member to the Association for the purpose of the notice, or, if no such address appears or is given, at the place where the principal executive office of the Association is located. Notice by mail by first class mail or notice by LOG shall be deemed to have been given at the time it is deposited in the United

States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means to the recipient.

Section 1.3. Voting. The member entitled to notice of any meeting shall be only person(s) in whose name(s) lots are held by deed or contract and as it/they stand(s) on the membership records (lot register) of the Association on the record date determined by the Board of Directors except that if the Board does not so establish the record date then it shall be deemed to be a date 60 days prior to the meeting.

Voting shall in all cases be subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law and to the following provisions:

- (a) Subject to limitations expressed in these Bylaws or the Articles of Incorporation lots held by an administrator, executor, guardian, conservator, custodian, or other personal representative, may be voted by such holder either in person or by proxy, without a transfer of such lots into the holder's name; and lots standing in the name of a trustee may be voted by the trustee, either in person or by proxy, but no trustee shall be entitled to vote lots held by such trustee without a transfer of such lots into the trustee's name.
- (b) Lots standing in the name of a receiver may be voted by such receiver, and lots held by or under the control of a receiver may be voted by such receiver without the transfer thereof into the receiver's name if authority to do so is contained in the order of the Court by which such receiver was appointed.
- (c) Subject to the provisions of the Nonprofit Mutual Benefit Corporation law of the State of California, and except where otherwise agreed in writing between the parties, a member whose lots are pledged shall be entitled to vote such lots until the lots have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the lots so transferred.
- (d) Lots standing in the name of a minor may be voted, and the Association may treat all rights incident thereto as exercisable by the minor, in person or by proxy, whether or not the Association has notice, actual or constructive, of the nonage, unless a guardian of the minor's property has been appointed and written notice of such appointment given to the Association.
- (e) Lots standing in the name of another Association, domestic or foreign, may be voted by such officer, agent or proxyholder as the bylaws of such other Association may prescribe or, in the absence of such provision, as the Board of Directors of such other Association may determine or, in the absence of such determination, by the chairman of the board, president or any vice president of such other Association. Lots which are purported to be voted or any proxy purported to be executed in the name of an Association (whether or not any title of the person signing is indicated) shall be presumed to be voted or the proxy executed in accordance with the provision of this clause, unless the contrary is shown.

Section 1.4. Record Date. The Board may fix, in advance, a record date for the determination of the members entitled to notice of any meeting or to vote, or any allotment of rights, or to exercise rights in respect of any other lawful action. The record date so fixed shall be not more than 60 nor less than 10 days prior to the date of the meeting nor more than 60 days prior to any other action. When a record date is so fixed, only members of record on that date are entitled to notice of and to vote at the meeting or to receive allotment of rights or to exercise of the rights as the date may be, notwithstanding any transfer of lots on the books of the Association after the record date. A determination of members of record entitled to notice of or to vote at a meeting of members shall apply to any adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting. The Board shall fix a new record date if the meeting is adjourned for more than 45 days.

If no record date is fixed by the Board, the record date for determining members entitled to notice of or to vote at any meeting of members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. The record date for determining members for any purpose other than as set forth in this Article shall be 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.

Section 5. Annual Report to Members. The annual report to Members referred to in the nonprofit mutual benefit corporation law of California shall be presented at the Annual Meeting each year and made available to any member who makes a written request therefore accompanied by a pre-addressed stamped envelope, with sufficient postage, together with the costs of duplication of the report, and which properly identifies said requesting member as a member of this Association, with dues paid to date of the request. This Annual Report shall be available for such distribution with 120 days into a calendar year and shall provide the financial status of this Association, a list of the names and addresses of the Association Officers and Directors, and disclose any covered transaction and/or indemnifications of Officers or Directors involving more than \$40,000 in the year just concluded.

ARTICLE VI

DIRECTORS

Section 1. Composition of Board. The business and affairs of the Association shall be managed by a board of Directors composed of nine (9) members. The term of office for each Director shall be three (3) years, with the exception that during the annual meeting in which this Amended Section 1 of Article VI is adopted, there shall be elected three (3) Directors to serve for a term of three (3) years, three (3) Directors to serve for a term of two (2) years, and three (3) Directors to server for a term of on (1) year. At each annual meeting thereafter there shall be elected one third (1/3) of the total number of Directors authorized.

Section 2. Number of Directors. There shall be no increase in the number of Directors unless authorized by a vote of the membership.

Section 3. Duties and General Powers of the Board. The Board of Directors shall have the general management and control of the business and affairs of the Association and shall exercise any and all of the powers that may be exercised or performed by the Association under the law, the Articles of Incorporation and these Bylaws. The Board of Directors may make and enforce such rules and regulations as they deem necessary, conducive, incidental or advisable to accomplish or promote the object and purposes of the Association and the use of its property, assets and facilities.

Section 4. Board Meetings. Regular meetings of the Board of Directors shall be held immediately after the annual meeting of members and at such other regular times and places as may be established by a majority of the Board. Special meetings may be called at any time by the President, a Vice President or any two (2) Directors at such times and places as shall be set forth in the notice thereof. At least forty-eight (48) hours notice of such meetings shall be given to each Director, which notice may be given by telephone. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held shall be as valid as though had at a meeting duly held after regular call and notice if a quorum to be present and if either before or after the meeting, each Director not present signs a written waiver of the notice and/or a consent to holding such meeting or an approval of the minutes thereof, which waiver, consent or approval shall be filed with the minutes of such meeting.

Section 5. Quorum Requirement. A majority of the Directors shall constitute a quorum for the transaction of business, and a majority of such quorum shall determine any question except as otherwise provided by law, the Articles

of Incorporation, or these Bylaws; provided, however, that if a quorum not be present, the majority of those Directors present may adjourn to such future time and place as they shall determine, notice of such adjournment to be given to each Director as herein provided for meeting of the Board of Directors.

Section 6. Filling Mid-Term Vacancies. Any vacancy in the Board of Directors caused by the death, resignation or disability of a Director shall be filled by a majority of the remaining directors, or by the sole remaining Director. A Director elected to fill any vacancy shall hold office for the unexpired term of his predecessor. (See ARTICLE XIV)

Section 6.a. Reserved for future use.

Section 6.b. Process for Nominating a New Director. Any member in good standing of the Association may be nominated and placed on the ballot provided for the annual meeting upon the Secretary of the Association receiving nomination(s) signed by persons in good standing as members of the Association who represent a total of one hundred (100) lots owned at California Pines. If a nominator does not own property at California Pines, is not current in the payment of his or her dues, or misrepresents the number of lots owned by the nominator, all votes for nominations by that nominator shall be void. Upon receipt of such nomination(s) by the Association not less than 120 days before the day directors are elected, the name of such nominee(s) shall be placed on the ballot and included in the mailing of notice to the membership. Such nomination(s) shall be mailed or delivered to the Secretary of the Association at the business address of the Association and must be received no later than 120 days prior to the date of elections.

Section 7. Specific Powers of the Board. Subject to the limitations of the Articles of Incorporation, these Bylaws and the California Nonprofit Corporation law, and in addition to any powers therein granted, the Directors shall have the following specific powers, to wit:

- First: To change the principal office for the transaction of business of the Association from one location to another; to prescribe the forms of certificates of membership and to alter the forms of the Association's seal and of such certificates from time to time as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law.
- Second: To authorize the issuance of certificates of membership of the Association from time to time upon such terms as may be lawful.
- Third: To make and enter into contracts for any legal purpose.
- Fourth: To appoint an Executive Committee and other committees, and to delegate to the Executive Committee any of the powers and authority of the Board in the management of the business and affairs of the Association except the power to adopt, amend or repeal Bylaws. The Executive Committee shall include two (2) or more Directors.

Section 8. Director Fee. Each member of the Board of Directors shall be entitled to receive a fee of \$100.00 for each meeting of the Board attended by said Directors; but in no event shall a Director be entitle to be compensated for more than twelve (12) meetings in any other year of the Association.

ARTICLE VII

OFFICERS

Section 1. Officers. The officers of the Association shall be a President, a Secretary, one or more Vice Presidents, a Treasurer and as set forth in Section 6 herein under. Such officers shall be elected for a term of one (1) year by the Board of Directors at the first meeting of the Board after the annual meeting of members of any adjournment thereof and shall serve until the successor of each is elected and qualified.

Section 2. Duties of the President. The President shall be the executive head of the Association. The President, together with the Secretary shall sign all certificates of membership, contracts, deeds, bonds and other obligations of the Association and other instruments authorized by the Board of Directors.

Section 3. Duties of a Vice President. A Vice President shall perform, in the absence of the President or in the event of the President's inability to act, the same duties and functions as are provided to be performed by the President. A Vice shall also perform the duties of the Secretary in the Secretary's absence or inability to act insofar as the same shall pertain to the calling of meetings of members or Directors.

Section 4. Duties of the Secretary. The Secretary shall be the custodian of all records and documents pertaining to the Association and its property and shall keep fair and correct minutes and records of all meetings of members and of the Board of Directors. The Secretary shall sign with the President, where appropriate, all certificates of membership, contracts, deeds, bonds and other obligations of the Association, and other instruments authorized by the Board of Directors. The Secretary shall give notice of all meeting of members of the Association and of the Board of Directors, as set forth in these Bylaws. If, at any meeting of the members or the Board of Directors, the Secretary shall be absent or unable to perform his duties, the President shall appoint a Secretary pro tem.

Section 5. Duties of the Treasurer. The Treasurer shall receive and safely keep all monies and securities belonging to the Association and shall disburse the same under the direction of the Board of Directors. At each annual meeting of the members and at any other time, when directed by the Board of Directors, he or the Chief Financial Officer, if the offices be separate, shall submit a report on the financial affairs of the Association and the status of all monies, funds and assets then on hand or received and disbursed since the Treasurer's last report.

Section 6. Compensation of Officers. The Board of Directors may appoint, employ, terminate, discharge, fix the compensation and provide for the duties and powers of such officers, agents and employees such as the Chief Financial Officer, General Counsel, Chairman of the Board, Administrator or Executive Secretary as, in the judgment of the Directors, shall be advisable, subject to the requirements and provisions of this Article VII, and two (2) or more of the officers, agents or employees may be combined in one person, except the office of the President and Secretary. Any officer of this Association shall perform and discharge such duties, and other than those enumerated in this Article VII, as the Board of Directors may from time to time require.

Section 7. Removal of Officers. Any officer may be removed as such by the Board of Directors at any properly called meeting, for any reason deemed sufficient to the Directors. Vacancies in any office, whether caused by the resignation, removal, death or otherwise, shall likewise be filled by appointment of the Board of Directors.

Section 8. Chairman of the Board. The Chairman of the Board of Directors shall, if present, preside at all Membership meetings and at such meetings of the Board as the Board shall designate, and in that capacity exercise and perform such other powers and duties as may be from time to time assigned by the Board.

Section 9. Chief Financial Officer. The Chief Financial Officer shall oversee all books of account and in particular as relates to receipt and disbursement of monies of this Association and perform such other duties as directed by the Board of Directors.

Section 10. Executive Secretary. The Executive Secretary shall oversee the administrative functions of the Association, edit the LOG, and perform such other duties as directed by the Board of Directors.

Section 11. Administrator. The Administrator shall perform the duties as representative of the Board at California Pines, coordinate the activities as they relate to the on site management for the Association and generally perform the duties set forth in his contract with this Association and as directed by the Board of Directors.

ARTICLE VIII
CHARGES AND ASSESSMENTS

Section 1. Authority to Levy Charges and Assessments. For the purpose of securing funds to meet the capital outlays, operating expenses and other expenditures required to accomplish the object and purposes authorized in Article II of these Bylaws, the Board of Directors shall be authorized to determine and levy charges and assessments against each and every property owner and/or lot in California Pines as it may from time to time fix and establish by resolution. Such charges and assessments shall constitute liens on the affected lots from and after the time each such charge and assessment becomes due and payable and until the same is paid in full. A purchaser under a contract for purchase of a lot or lots in California Pines shall be deemed an owner for the purpose of the Bylaws. Such lien or liens shall also cover interest on such charges and assessments and cost of collecting the same, if any, including attorneys' fees. The authority to levy such charges and assessments upon lots in California Pines is granted to the Association by California Pines Recreational Estate (Inc.), as owner and developer, as part of the declaration of conditions and restriction imposed from time to time upon the respective subdivisions comprising California Pines and recorded in the office of the County Recorder of Modoc County, California. Such liens shall be superior to any and all other liens (except as provided in Section 7 hereof) at any time levied or imposed upon such lots. The validity of such charges and assessments against individual lots shall in no event be dependent upon the authority of the Association to determine and levy such charges and assessments against all of such lots that may at any time exist in California Pines but such charges and assessments shall be valid to the extent that such authority has been granted to the Association.

Section 2. Charges and Assessments Run With the Land. Each owner of a lot or lots in California Pines shall, by the acceptance of a deed for such lot or lots or by the signing of a contract or agreement to purchase the same, whether from California Pines Recreational Estate (Inc.) or a subsequent owner of such lot or lots bind himself, his heirs, personal representatives and assigns to pay all such charges and assessments as shall be determined and levied upon such lot or lots including interest on such charges and assessments and collection costs thereof, if any, including attorney's fees and the obligation to pay such charges, assessments, interest and costs thereby constitutes an obligation running with the land.

Section 3. Charges and Assessments Levied Equally. Charges and assessments shall be determined and levied equally against each lot and each said lot shall be subject to said charges and assessments at the time such determination is made.

Section 4. Membership Charges and Assessments. The total of all charges and assessments authorized to be imposed by the Board, which are presently \$25.00 per membership per year <changed to \$35 per membership per year commencing 1/1/86>, shall not exceed the sum of \$50.00 per membership for any twelve-month period of assessment, based on the calendar year January 1 through December 21st without the approval of a majority of the members in attendance at the annual or a special meeting of the membership.

Section 5. Due Date for Charges and Assessments. The annual dues shall be determined by the Board of Directors on or before October 15 of each year to cover the annual year of the Association next following said determination. All such dues shall be considered delinquent if not paid prior to the first day of the annual year for which said dues are applicable.

Section 6. Enforcement of Liens. All liens herein provided for shall be enforceable by foreclosure proceedings in the manner provided by law for the foreclosure of mortgages and/or trust deeds; provided, however, that by the acceptance of a deed for any lot or lots or by the signing of a contract or agreement to purchase the same, whether from California Pines Recreational Estates (Inc.), or from a subsequent owner or purchaser thereof, such purchaser

or owner shall thereby waive all rights of redemption and of homestead in such lot or lots with respect to foreclosure of such liens. No proceeding for foreclosure of any such lien or liens shall be commenced except upon the expiration of four (4) months from and after the date the charge or assessment giving rise to such lien or liens, becomes due and payable.

Section 7. Subordination Clause. Any lien created or granted under the provisions of this declaration is expressly made subject and subordinate to the rights of the beneficiary of any first deed of trust upon any lot in the Development, made in good faith and for value, and no such lien shall in any way defeat, invalidate or impair the obligation or the priority of such trust deed unless the beneficiary thereof shall expressly subordinate his interest, in writing, to such lien.

Section 8. Title Restrictions. Title to any residential lot acquired under or by virtue of a proceeding for the enforcement of any lien or liability under these Bylaws shall always be subject to all of the reservations, limitations, restrictions, covenants and conditions imposed upon said lot by contract of sale or deed from California Pines Recreational Estates (Inc.) or by declaration of California Pines Recreational Estates (Inc.) or the Association or these Bylaws.

ARTICLE IX PRINCIPAL OFFICE

Section 1. Principal Office Location. The principal office for the transaction of the business of the corporation is as may be hereafter fixed and located by the Board of Directors, it presently being Suite 536, 1695 Crescent at North Euclid, Anaheim, CA 92801 (714) 774 9202. The Board of Directors may at any time, or from time to time, change the location of the principal office from one location to another.

Section 2. Other offices. Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE X DISSOLUTION

In the event of the dissolution of this Association, any and all assets of the Association, and any and all funds shall be distributed to any charitable subdivision of the State of California, or to any non-profit organization formed for the purposed similar to that of this Association, or for charitable purposes as may be determined by the Board of Directors.

ARTICLE XI NOTICE

Any notice required to be given pursuant to these Bylaws shall be a written notice, unless otherwise specifically provided herein. (As in paragraph V) Such written notice may be given by depositing the same in the United States mail in an envelope, postage prepaid, addressed to the recipient at his last known address, and the time when the same shall be mailed shall be deemed the time of giving such notice. A written waiver of any notice signed before or after the time

stated in such waiver for holding a meeting, or attendance at a meeting, shall be deemed equivalent to notice thereof required to be given by the Bylaws.

ARTICLE XII
AMENDING OR REPEALING BYLAWS

New Bylaws may be adopted or these Bylaws may be amended only by a majority vote of the voting power at a duly called meeting of members. However, Bylaws, house rules or similar agreements as they relate to the internal government of the project may be amended by a majority of a quorum present in person or by proxy. For the purposes of this section the voting power of the developer shall be excluded.

ARTICLE XIII
GENDER/NUMBER

As used in these Bylaws, the masculine, feminine or neuter gender and the singular or plural number, shall each be deemed to include the other whenever the context so indicates.

ARTICLE XIV
EXPULSION OF DIRECTORS

The Board may declare vacant the office of a director who has been declared of unsound mind or by his conviction of a felony; or for dereliction of duty by a director.

ARTICLE XV
INDEMNIFICATION

Section 1. Indemnification Definitions. For the purpose of these Bylaws "agent" includes any person who is or was a director, officer, employee, or other agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another foreign or domestic Association which was a predecessor Association of the Association or of another enterprise at the request of such predecessor Association; "proceeding" includes any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any reasonable expenses of establishing a right to indemnification under the provisions of the Article.

Section 1.a. Limitation. Indemnification shall be limited throughout these Bylaws to actions brought about as a result of persons acting at the direction of the Board of Directors or on business approved by the Board of Directors.

Section 2. Indemnification in Actions by Third Parties. The Board shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the

right of the Association) by reason of the fact that such person is or was an agent of the Association, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interest of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe in the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Association or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. Indemnification in Actions by or in the Right of the Association. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened pending, or completed action by or in the right of the Association to procure a judgment on its favor by reason of the fact that such person is or was an agent of the Association, against current expenses actually and reasonably incurred, or being incurred, by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Association, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

No indemnification shall be made under this Section 3:

- (a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Association in the performance of such person's duty to the Association, unless and only to the extent that the Court in which such action was brought shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of the expenses which such court shall determine;
- (b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without Court approval in the absence of a determination by the Board of Directors to the contrary, or
- (c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without Court approval in the absence of a determination by the Board of Directors to the contrary.

Section 4. Indemnification Against Expenses. To the extent that an agent of the Association has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article or in defense of any claim, issue or matter therein, the agent shall be advanced expensed or indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. Required Determinations. Except as provided in Section 4 of this article, any indemnification under this article shall be made by the Association only if authorized in the specific case, upon a determination that the circumstances warrant an advance of such expenses reasonably incurred, or to be incurred, or if not advanced then indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3 of this Article by:

- (a) A majority of vote of a quorum consisting of directors who are not parties to such proceedings; and/or
- (b) Approval of the Members, with the lots owned by the person to be indemnified not being entitled to vote thereon; and/or

(c) The court in which such proceeding is or was pending upon application made by the Association or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Association.

Section 6. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced to the agent by the Association periodically during such proceeding(s) and prior to the final disposition of such proceeding as aforesaid and if the agent is determined not to have been entitled to such advance of expenses at the conclusion of the defense then the Board shall determine whether or not the agent shall reimburse this Association therefore and Agent in accepting such advance(s) shall undertake to reimburse therefore if agent shall lose his defense and the Board or a Court shall determine he was not entitled to indemnification.

Section 7. The Indemnification. No provision made by the Association to indemnify its, or its subsidiary's, directors, officers or other agents, for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of Member or directors, an agreement, or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than such directors, officer, and /or other agents, may be entitled by contract or otherwise.

Section 8. Forms of Indemnification Not permitted. No indemnification or advance shall be made under this Article, except as provided in Section 4 or Section 5 (c) in any circumstance where it appears:

- (a) That it should be inconsistent with a provision of the Articles, these Bylaws, a resolution of the Members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) That it would be inconsistent with any condition expressly imposed by a Court in approving a settlement

Section 9. Insurance. The Association shall have power to purchase and maintain insurance on behalf of any agent of the Association against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Association would have the power to indemnify the agent against such liability under the provisions of this Article.

ARTICLE XVI

MISCELLANEOUS

Section 1. Contracts and Obligations. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or other person shall have any power or authority to bind the Association by any contract or engagement of to breach its credit or to render it liable for any purpose or to any amount.

Section 2. Relationship to California Law. Unless the context otherwise requires, the general provision, rules of construction and definitions contained in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws.

Section 3. Robert's Rules of Order. The rules contained in Robert's Rules of Order most recent edition currently in use, shall govern all members' meetings and all directors' meetings of the Association except in instances

of conflict between said Rules of Order and the Articles of Incorporation or Bylaws of the Association hereinabove set forth, or provisions of law.

Section 4. Interest and Costs Relating to Unpaid Liens and Assessments. Any assessment made by the Association pursuant to authority granted by these Bylaws, if not fully paid by the date set forth by the members of the Association, shall bear interest at the rate of 7% per annum from such due date, and pursuant to the Declaration of Establishment of Conditions, Covenants and Restrictions Affecting Real Property filed in connection with California Pines Recreational Estates. Such assessments, together with interest at the rate of 7% per annum, and costs of collection including reasonable attorney's fees and costs as determined by court order, shall become and be a lien upon and enforceable by the Association against the owner of the parcel who failed to make such payment.

Section 5. Correction of Typographical and Formatting Errors. The Board of Directors shall authorize an officer to effect corrections in the Bylaws, Minutes, or other documentation of this Association where the error is a typographical one, an obvious error and/or to insert or rename captions/headings for clarity; provided however that such corrections or additions shall not change the substance of the verbiage.

The original Bylaws were, in 1968 verified before a notary by
Don Adams
Bernard L Olafson
Paul Lazaris

I, certify as Secretary of California Pines Property Owners Association, a California Mutual Benefit Corporation, that the foregoing Bylaws are as amended as of March 13-82 at the annual Meeting of Property Owners of this Association.

Dated

Secretary