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IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE VII, SECTION II OF THE CURRENTLY AUTHORIZED BY-LAWS OF LA PORTE PINES COUNTRY CLUB, THE BY-LAWS ARE AMENDED TO READ AS FOLLOWS:

FIRST AMENDED BY-LAWS OF LAPORTE PINES COUNTRY CLUB

ARTICLE I

NAME AND LOCATION

1. The name of the corporation is LAPORTE PINES COUNTRY CLUB, hereinafter referred to as the "Association". The principal office of the Association shall be located at La Porte, County of Plumas, California, or at such other place as may be designated by the Board.

ARTICLE II

DEFINITIONS

2. The definitions contained in the Declaration are incorporated by reference herein.

"Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the property recorded on the 23rd day of January, 1963 in Book 164 Page 881, Official Records, Plumas County, and subsequent amendments thereto, including the amendment recorded on November 14, 1995 in Book 668 Page 556, Official Records, Plumas County, California.

ARTICLE III

MEETING OF MEMBERS AND VOTING

3. Annual Meeting: The members shall meet once per year, in July, the exact meeting date in July of each year to be set by the Board of Directors, annually, with forty-five (45) days prior written notice of the time, place and date of the meeting being given by the Board of Directors to the members.

3.1 Special Meetings: Special meetings of the members shall be promptly scheduled at any time by the Board in response to the vote of a majority of the Board of Directors, or in response to a request by the Chairman of the Board, the President, or on written request of the members representing five percent (5%) of the total voting power of the Association.

3.2 Notice and Place of Meetings: Written notice of regular annual meetings shall be given as prescribed in subparagraph 3 hereinabove. Written notice of special meetings shall be given by the Board of Directors, acting through the Secretary, in writing, at least ten (10) days, but not more than forty-five (45) days before such special meeting. Such notice shall designate the time, day, place and purpose of the special meeting.

3.3 Quorum: The presence either in person or by proxy, at any meeting, of member entitled to cast thirty three and one third percent (33 1/3%) of the voting power of the Association (excluding any members whose voting rights are suspended at the time of the subject meeting), shall constitute a quorum for any action except as otherwise provided in these

By-Laws or in the Declaration. If a quorum is not present or represented at any such meeting, a majority of the members present can adjourn the meeting to a new date, not less than five (5) and no more than thirty (30) days later, without notice other than announcement at the meeting, in order to obtain a quorum.

3.4 Membership and Voting: Membership shall be held as provided in the Declaration. Any member shall be entitled to one vote for each lot owned and for which said member pays the regular annual membership fee charged to an owner of one lot. Any owner of multiple lots shall be entitled to one vote for each lot for which he has paid, at the time of voting, the regular annual membership fee assessed to any single lot owner, but owners of multiple lots shall not be entitled to a vote for each lot owned for which they pay any lesser annual fee allowed to be paid by owners of multiple lots.

If more than one person holds an interest in any lot, all such persons shall be members, but the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

3.5 Action Without Meetings: Any action that may be taken at any annual or special meeting of members (except the election of directors) may be taken without a meeting in accordance with the provisions of California Corporations Code Section 7513.

#### ARTICLE IV

##### BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

4. The affairs of this Association shall be managed by a Board of seven (7) directors, all of whom must be members of the Association, or an officer, director, employee or agent of a member.

4.1 Term of Office: Directors shall serve for a term of one (1) year, and shall be elected at each annual meeting.

If a director resigns prior to expiration of his term, the remaining directors shall schedule a special meeting at which a replacement director shall be elected by the directors.

4.2 Removal; Vacancies: Unless the entire Board is removed from office by the vote of Association members, an individual director shall not be removed prior to the expiration of his term of office if the votes cast against his removal would be sufficient to elect him 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 most recent election of directors were then being elected. In the event of death or resignation of a director, his successor shall be filled by approval of the Board at a duly held meeting or by a sole remaining director, and shall serve for the unexpired term of his predecessor. The members may elect a director at any time to fill any vacancy not filled by the directors. A vacancy created by removal of a director can be filled only by election of the members.

4.3 Compensation: No Director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for his actual expenses, if reasonable, incurred in the performance of his duties.

The Secretary and Treasurer of the Association may be compensated for his or her duties as Secretary/Treasurer, even though he or she may also be a director.

4.4 Indemnification of Corporate Agents: The Association shall indemnify any present or former director, officer, employee or other agent of the Association to the fullest extent authorized under California Corporations Code Section 7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was entitled to indemnification under this provision.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. Notice to the members of the meeting shall include the names of all those who are nominees at the time the notice is sent. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than sixty (60) days prior to each annual meeting of the members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to members and to solicit votes.

5.2 Election: At any election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these By-Laws and the Declaration. The persons receiving the largest number of votes shall be elected. All members shall be entitled to cumulate their votes for one (1) or more candidates for the Board, if the candidate's name has been placed in nomination prior to voting, and if a member has given notice at the meeting prior to the voting of his or her intention to cumulate votes. Voting for directors shall be by secret written ballot.

## ARTICLE VI

### MEETINGS OF DIRECTORS

6.1 Regular Meetings: Regular meetings of the Board of Directors shall be held quarterly at such time within the project, and at such hour as may be fixed from time to time by resolution of the Board. Notices of the time and place of meeting shall be communicated to directors not less than seven (7) days prior to the meeting, unless a director waives notice. Meeting notices will be posted at the La Porte Post Office.

6.2 Special Meetings: Special meetings of the Board of Directors may be called by the President, Vice President, or Secretary of the Association, or by any two directors. Notice shall be given as prescribed for notice of regular meetings. (3)

6.3 Quorum: A majority of the directors then in office shall constitute a quorum for the transaction of business. Every act performed or decision 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. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.4 Open Meetings: All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

6.5 Executive Session: The Board may, with approval of a majority of a quorum, 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 considered in executive session shall first be announced in open session.

6.6 Telephone Meetings: Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting. A record of such a meeting shall be filed with the minutes of the proceedings of the Board.

6.7 Waiver of Notice: The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.8 Notice of Adjourned Meeting: Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment, and shall be posted at a prominent place within the common area.

6.9 Action Without Meetings: Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Duties: It shall be the duty of the Board of Directors to:

A. Maintenance: Cause the maintenance described in Section \*5.A of the Declaration to be performed;

B. Insurance: Maintain insurance as required.

C. Discharge of Liens: Discharge by payment, if necessary, any lien against the common area and assess the costs thereof to the member or members responsible for the existence of said lien (after notice and hearing as required by these By-Laws);

D. Assessments: Fix, levy collect and enforce assessments as set forth in Article \*IV of the Declaration;

E. Expenses and Obligations: Pay all expenses and obligations incurred by the Association in the conduct of its business, including without limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association;

F. Records: Cause to be kept a complete record all its acts and 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 (1/4) of the members; keep adequate and correct books and records of account, minutes or proceedings of its members, Board and committees and a record of its members giving their names and addresses.

G. Supervision: Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

H. Enforcement: Enforce these By-Laws and the Declaration.

7.2 Powers: The Board of Directors shall have power to:

A. Manager: Employ a manager as provided in Section 5.2 of the Declaration

B. Adoption of Rules: Adopt rules in accordance with Section 5.2B of the Declaration;

C. Assessments, Liens and Fines: Levy and collect assessments and impose fines as provided in Section 5.2 of the Declaration;

D. Enforcement (Notice and Hearing); Enforce these By-Laws and/or the Declaration provided that at least fifteen (15) days prior notice of any charges (other than assessments) or potential discipline or fine and the reasons therefore are given to the member affected, and that an opportunity is provided for the member to be heard orally or in writing before the imposition of the discipline or fine, said hearing to be before the Board. Notice shall be given as required by Corporations Code, Section 7341;

E. Contracts: Contract for goods and/or services in accordance with Section \*5.2H of the Declaration;

F. Delegation: Delegate its authority and powers to committees, officers or employees of the Association, or to a manager, if one is employed by the Association; provided, however, that the Board may not delegate to anyone the authority to make expenditures for capital

improvements chargeable against reserve funds, to conduct hearings concerning compliance by any member or his permittee with the Declaration or rules of the Board, to levy monetary fines, impose special assessments, impose discipline on any member of the Association, bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of assessments. Any delegation of its authority by the Board shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercises by any delegatee of any power delegated by the Board.

G. Appointment of Trustee: Appoint a trustee to enforce assessment liens by power of sale as provided in the Declaration and in Civil Code Section 1367(b);

H. Other Powers: In addition to any other power contained herein, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in Corporations Code Section 7140.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. 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.

8.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.3 Term. 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.

8.4 Special Appointments. 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.

8.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if he or she is also a Board member) by the Board with or without cause. 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.

8.6 Vacancies. 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 office he or she replaces.

8.7 Duties. The duties of the officers are as follows;

A. President. 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 sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a California nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these By-Laws.

B. Vice President. 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 by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with the addresses, and shall perform such other duties as required by the Board.

D. Chief Financial Officer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign promissory notes of the Association; shall keep proper books of account, shall prepare and shall distribute budgets and financial statements to each member as follows:

(1) A pro forma operating budget for each fiscal year shall be distributed not less than forty-five (45) nor more than sixty (60) days before the beginning of the fiscal year consisting of at least the following: (a) Estimated revenue and expenses on an accrual basis; (b) The identification of the total cash reserves of the Association currently set aside; (c) The identification of the estimated remaining life of, and the methods of funding used to defray the future repair, replacement, or additions to those major components which the Association is obligated to maintain; (d) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement or additions to those major components that are attributable to the areas which the Association is obligated to maintain.

(2) A 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 operation (income) statement for the fiscal year; (c) A statement of changes in financial position for the fiscal year; (d) For any fiscal year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00) a copy of a review of the financial statement of the Association prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy; (e) Any information required to be reported under Section 89322 of the California Corporations Code.

(3) If the report referred to in D(2) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from independent audit or review.

(4) In addition to financial statements, the Chief Financial Officer shall annually distribute during the sixty (60) day

period immediately preceding the beginning of the Association's fiscal year, a statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of its assessments against its members, and a statement of the place where the names and addresses of the current members are located.

E. Delegation. The foregoing duties may be delegated to a manager appointed by the Board.

## ARTICLE IX

### BOOKS AND RECORDS

9.1 Inspection by Members. The membership register (including names, addresses and voting rights), books of account and minutes of meetings of the members, of the Board and of committees shall be made available for inspection and copying by any member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the projects the Board shall prescribe.

9.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

A. Notice to be given to the custodian of the records by the member desiring to make the inspection:

B. Hours and days of the week when such an inspection may be made:

C. Payment of the cost of reproducing copies of documents requested by a member.

9.3 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

9.4 Documents Provided by Board. Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide the owner with a copy of the governing documents of the project, a copy of the most recent budget and statements of the Association distributed pursuant to Section 8.7d(1), (3) and (5), together with a true statement in writing from an authorized representative of the Association as to the amount of any assessments levied upon the lot which are unpaid on the date of the statement, including late charges, interest and costs of collection which, as of the date of the statement are or may be made lien upon the owner's lot. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

## ARTICLE X

### MISCELLANEOUS



10.0 Amendments. These By-Laws may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of a quorum of the Association or of the Board of Directors.

10.2 Conflict. In the case of any conflict between the Articles of Incorporation and the By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

10.3 Fiscal Year. The fiscal year of the Association shall begin on the first day of July and end on the thirtieth (30th) day of June of every year.

We, the undersigned, being all of the Directors of LaPORTE PINES COUNTRY CLUB ASSOCIATION do hereby certify:

That we are entitled to exercise all of the voting power of said corporation;

That we hereby assent to the within and foregoing By-Laws and hereby adopt the same as the By-Laws of said corporation.

IN WITNESS THEREOF, we have hereunto subscribed our names this 25th day of May, 1996.

John J. Bousier  
Dean Boring  
George D. Bartolini  
Mark E. Shultz  
Michael Hunter  
Conrad A. Meyer

I, the undersigned, the duly elected and acting President of LaPORTE PINES COUNTRY CLUB ASSOCIATION, a California nonprofit mutual benefit corporation, do hereby certify:

That the within and foregoing By-Laws were adopted as the By-Laws of said corporation on the 15th day of May, 1996, and that the same do now constitute the By-Laws of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20TH day of JUNE, 1996

  
President