

AMENDED

BYLAWS

OF

R-WILD HORSE RANCH

OWNERS' ASSOCIATION

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AMENDED BYLAWS OF R-WILD HORSE RANCH OWNERS' ASSOCIATION

**ARTICLE 1
ORGANIZATION AND DEFINITIONS**

Section 1.1. Name

The name of the corporation is R-WILD HORSE Ranch Owners' Association, hereinafter referred to as the "Association". The principal office of the Association shall be located in the County of Tehama, State of California.

Section 1.2. Purpose

The purpose of the Association shall be as set forth in its Articles of Incorporation.

Section 1.3. Powers of the Association

The Association shall do whatever is necessary, conducive, incidental or advisable to accomplish and promote its objectives and purposes, except carrying on a business or trade for profit, and in connection therewith, shall have powers including, but not limited to the following:

- (a) Exercise the powers and functions granted to it in the Declaration;
- (b) Adopt and enforce charges, easements, restrictions, rules, conditions and agreements existing upon or created for the benefit of the Property, the Association, and/or its Members;
- (c) Construct, maintain and operate recreational facilities of all kinds within the Property;
- (d) Maintain, rebuild, repair, beautify and otherwise care for all streets, dirt roads and/or trails within the Property unless maintained by a governmental body or other organization charged with the duty to do so.
- (e) Own, hold, enjoy, lease, operate, maintain, convey, sell, assign, transfer, mortgage or otherwise encumber, any real or personal property owned by it;
- (f) Appoint such committees as may be necessary to, or convenient in, the discharge of any of its obligations or powers;
- (g) Levy assessments upon the Members and to declare the same a lien against that Member's ownership interest in accordance with the Declaration.
- (h) Take any action permitted by law to collect assessments including but not limited to filing suit and foreclosure of liens;
- (i) Contract and pay for salaries, wages, payroll taxes, insurance, maintenance, gardening, utilities, materials, supplies and services relating to the Property and facilities owned by the Association or its Members collectively, or operated by the Association for the benefit of its Members collectively, and operated by it and to employ personnel and engage professional consultants including legal counsel and accountants necessary for the administration of its affairs;
- (j) Procure and maintain adequate casualty, liability, worker's compensation, and other insurance, consistent with the Declaration;
- (k) Expend its monies for the payment and discharge of all proper costs, expenses and obligations incurred in carrying out all or any of these powers in furtherance of its purposes and objectives;
- (l) Operate and maintain a water supply system for the Property;
- (m) Operate or lease the facilities owned by the Members including but not limited to the snack bar, country store and lodge;
- (n) Pay taxes and assessments, if any, levied by any governmental authority on property owned by the Association and by its Members collectively;
- (o) Acquire real or personal property by gift, purchase or other means;
- (p) Borrow money on behalf of the Association and assign or pledge assessments of the Association as security for a loan provided that written approval of sixty-six and two-thirds (66 2/3) of the total voting power of the membership is obtained;
- (q) Prescribe and enforce speed limits within the Property;
- (r) Do all other acts necessary for the proper operation of the Property and the Association and for the Association's administration of its affairs and the attainment of its purposes.

Section 1.4. Definitions

The capitalized terms used in these Bylaws shall have the meanings set forth in the Amended Declaration of Covenants, Conditions and Restrictions for R-Wild Horse Ranch Owners' Association, recorded on _____ in Book _____ at Pages _____ through _____, as Instrument No. _____ in the Official Records of Tehama County, California, and any duly recorded amendments thereof (the "Declaration").

Section 1.5. Successor Entity

In the event the Association as a corporate entity is dissolved, a non-profit unincorporated association shall forthwith and without further action or notice be formed to succeed to all the rights and duties of the Association: The affairs of such unincorporated association shall be governed by the laws of the State of California, and to the extent consistent therewith, by the Declaration, the Articles, and these Bylaws as if they were created for the purpose of governing the affairs of an unincorporated association.

ARTICLE 2
MEMBERSHIP

Section 2.1. Classes

There shall be two (2) classes of Membership in the Association, i.e., Members and Associate Members.

Section 2.2. Members

Upon becoming the Owner of a share, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as his or her or its' share ownership ceases for any reason. Ownership of a share is the sole qualification to be a Member. A Member's membership shall be appurtenant to and may not be separated from ownership of a share. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a share, including a transfer upon the death of an Owner, membership in the Association shall pass automatically to the transferee.

2.2.1. There shall be no more and no less than two thousand eight hundred ninety (2890) shares. Each share shall convey an undivided 1/2890th interest in the Property. A Share may be held in any form of joint ownership, including community property, and each share shall entitle its Owner(s) to only one (1) membership in the Association.

2.2.2. Ownership of more than one undivided 1/2890th interest in R-Wild Horse Ranch shall entitle the Owner to all rights and privileges of Membership and shall subject such Owner to all the liabilities and duties thereof that are attendant to the ownership of each separately; provided, however, that the owner of more than one undivided 1/2890th interest in R-Wild Horse Ranch shall be considered as a single Member only for purposes of notices.

2.2.3. A Member shall be entitled to One (1) vote for each share in the Property owned by such Member. The right to vote shall vest on recordation of the Member's deed.

Section 2.3. Associate Members

2.3.1. The following persons shall be entitled to an Associate Membership in the Association: (i) the natural born or legally adopted unmarried children if they are twenty-six (26) years old or younger and reside in the same residence as the Member; (ii) the grandchildren of Members who are eighteen (18) years old or younger; and (iii) a spouse, or other person, if not a joint owner.

2.3.2. Persons qualifying as an Associate Member shall be entitled to the privileges of only a single Associate Membership.

2.3.3. Associate Members shall have no vote or right to notice of any Association meetings or to attend such meetings. Associate Members shall not be required to pay an annual assessment but shall be entitled to enjoy all the other privileges of membership, subject, however, to their observation of all Rules and Regulations governing the conduct of Members and their guests.

2.3.4. Associate Membership shall cease automatically upon termination of the status-giving rise to such Associate Membership.

Section 2.4. Privileges

Members and Associate Members, and the guests of Members, shall have the use of the roads, parks, and recreational facilities in the Property and any other property or facilities from time to time owned by the Members, or which may be acquired by the Association, subject to the provisions of the Declaration and such other Rules and Regulations for the use of the Property, or other property or facilities as may be adopted by the Board of Directors of the Association, or by the majority of the Members in accordance with these Bylaws.

Section 2.5. Evidence of Membership and Transfer

2.5.1. Membership.

Membership in the Association shall be evidenced by a Grant Deed, recorded in the Tehama County Recorder's Office, issued in connection with the ownership of an undivided interest in the Property.

2.5.2. Transfer.

(a) Membership in the Association is transferable only upon the conveyance of the undivided interest in the Property giving rise to such Membership and any other attempted transfer or assignment shall be null and void. Transfers of record which occur by reason of conveyance of any interest in the Property subsequent to the initial conveyance shall be subject to a transfer fee as determined by the Board of Directors from time to

time and a recording fee equal to that charged by the Tehama County Recorder's Office to be paid to the Association.

(b) All unpaid assessments together with any other indebtedness of the Member (to the Association) shall be paid prior to the transfer of that Member's undivided ownership interest to another.

2.5.3. Membership Cards.

The Association may issue cards to Members and/or Associate Members from time to time as the Board of Directors may deem necessary to assure proper control and identification of persons permitted to use the Property.

2.5.4. The Association shall enforce the Governing Documents on its own initiative or upon receipt of written complaint from an Owner, in accordance with the procedures set forth in Article 10 of the Declaration.

**ARTICLE 3
MEETINGS OF MEMBERS AND VOTING RIGHTS**

Section 3.1. Place of Meetings

Meetings of the Members shall be held at a location within the Property.

Section 3.2. Eligibility to Vote

Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. However, the Association, through the Board must first suspend a Member's voting privileges pursuant to a duly noticed hearing that meets the procedures set forth below to effectively prohibit Members who are not in good standing from voting. In order to be in good standing, a Member must be current in the payment of all Assessments and other charges levied against the member's share and not be subject to any disciplinary proceeding conducted in accordance with the Declaration or these Bylaws, or otherwise in violation of the Governing Documents. A Member's good standing shall be determined as of the record date established in accordance with 3.20.2.

Section 3.3. Voting at Membership Meetings by Secret Ballot

3.3.1. Voting at any Membership meeting may be in person if allowed by statute and, as applicable, by Secret Ballot as mandated by Section 3.3.2 herein.

3.3.2. An election within the Association regarding selection of Directors, sale of property or purchase of additional property, or removal of Directors, shall be held by Secret Ballot in accordance with the procedures set forth in this Section.

3.3.3. The Association shall select an independent third party or parties as inspector(s) of election (collectively, "Inspector of Election", or "Inspector"), as set forth in Section 3.15 of these Bylaws.

3.3.4. Ballots and two pre-addressed 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 thirty (30) days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address or share 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:

3.3.5. 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, print his or her name, and indicate the separate interest identifier (share number) that entitles him or her to vote.

3.3.6. The second envelope is addressed to the Inspector of Election, who will tally the votes. The envelope may be mailed or delivered by hand to a location specified by the Inspector of Election. The Member may request a receipt for delivery. If the Member mails the Member's Secret Ballot, the Member, if a receipt is requested, shall send the Secret Ballot by certified mail, return receipt requested.

3.3.7. All votes shall be counted and tabulated by the Inspector of Election, or to the extent allowed by applicable law, the Inspector's designee, in public at a property noticed upon 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 Association or its management company, shall open or otherwise review any Secret Ballot prior to the time and place at which the Secret Ballots are counted and tabulated. The Inspector of Election or the Inspector's 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, it shall be irrevocable.

3.3.8. The tabulated results of the election shall be promptly reported to the Board of Directors of the Association, 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 fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all Members.

3.3.9. The sealed Secret Ballots at all times shall be in the custody of Inspector of Election or at allocation designated by the Inspector of Election until the Secret Ballots are opened and counted at an open Board meeting or Member meeting, as applicable. Thereafter, the opened ballots and outer envelopes shall remain

in the custody of the Inspector of Election or at a location designated by the Inspector of Election until nine (9) months after the date of the election (*per Corporations Code 7527*), at which time custody shall be transferred to the Association. In the event of a recount or other challenge to the election process the Inspector of Election shall, upon written request, make the Secret Ballots available for inspection and review by Association Members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

3.3.10. After transfer to the Association, Secret Ballots shall be stored by the Association in a secure place for no less than one (1) year after the date of the election.

3.3.11. The Association shall adopt Rules, in accordance with the procedures prescribed by state statute and the Declaration that do all of the following for Board elections and other Secret Ballot elections, as applicable.

3.3.12. Ensure that if any candidate or Member advocating a point of view is provided access to Association media, newsletters, or Internet websites 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, 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.

3.3.13. Ensure access to Common Area meeting space 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, for purposes reasonably related to the election.

3.3.14. 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.

3.3.15. Specify the qualifications for voting, the voting power of each Member, and the voting period for elections including the times at which polls will open and close, consistent with the Governing Documents.

3.3.16. Specify a method of selecting one (1) or three (3) independent third parties as Inspector or Inspectors of Election utilizing one of the following methods.

3.3.17. Appointment of the Inspector or Inspectors of Election by the Board.

3.3.18. Election of the Inspector or Inspectors of Election by the Members of the Association.

3.3.19. Any other method for selecting the Inspector or Inspectors of Election.

3.3.20. Allow the Inspector or Inspectors of Election to appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector or Inspectors of Election deem appropriate, provided that the persons are independent third parties.

Section 3.4. Voting at Membership Meetings by Written Ballot

3.4.1. Any action which may be taken at any regular or special meeting of members may be taken without a meeting if the corporation distributes a written ballot to every member entitled to vote on the matter. If approved by the Board of Directors, that ballot and any related material may be sent by electronic transmission by the corporation (*per Corporation Code Section 20*) and responses may be returned to the corporation by electronic transmission to the corporation (*per Corporation Code Section 21*). That ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the corporation.

3.4.2. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.4.3. Ballots shall be solicited in a manner consistent with the requirements of *Corporations Code 7511(b)* and *7514*. All such solicitations shall indicate the number of responses needed to meet the quorum requirement and shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted.

3.4.4. A written ballot may not be revoked.

Section 3.5. No Cumulative Voting

Cumulative voting shall not be used for any election.

Section 3.6. Prohibition of Revocation of Ballot

A written ballot, once cast, may not be revoked.

Section 3.7. Proxies

Voting by proxy shall not be allowed for any election.

Section 3.8. Descending Quorum

Except as otherwise provided in these Bylaws, the presence in person or by Secret or Written Ballot of at least twenty-five percent (25%) of the voting power of the Association shall constitute a quorum of the Members. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. If a quorum is never established for the meeting, a majority of those Members who are present may vote to adjourn the meeting for lack of a quorum for purpose of continuing the meeting to obtain a quorum by descending quorum. Such an adjourned meeting may be held without notice thereof as provided in this Article, provided that notice is given by announcement at the meeting at which such adjournment is taken. However, if after adjournment, a new date, time or place is fixed for the adjourned meeting after the original notice of adjournment, notice of the date, time and place of such adjourned meeting shall be given to Members in the manner prescribed for the giving of notice of annual and special meetings of Members. At the reconvened meeting, the quorum requirement will be reduced to fifteen percent (15%) of the voting power of the Association by Member presence or Secret or Written Ballot. If, at the reconvened meeting, the fifteen percent (15%) quorum requirement is not met, a majority of those Members who are present may again vote to adjourn the meeting for lack of a quorum for purposes of continuing the meeting by descending quorum. Such an adjourned meeting may be held without notice thereof as provided in this Article, provided that notice is given by announcement at the meeting at which such adjournment is taken. However, if after adjournment, a new date, time or place fixed for the adjourned meeting after the original notice of adjournment, notice of the date, time and place of such adjourned meeting shall be given to Members in the manner prescribed for the giving of notice of annual and special meetings of the Members. At the second reconvened meeting, the quorum requirement will be reduced to ten percent (10%) of the voting power of the Association by Member presence or Secret or Written Ballot. The lower quorum percentage applicable to subsequent adjourned meetings shall also apply during any extension of the period for the return of secret or written ballots.

No action by the Members on any such matter shall be effective if the votes cast in favor are fewer than the minimum number of votes required by the Governing Documents or state statute to approve such an action.

If, at the second reconvened meeting, the ten percent (10%) quorum requirement is not met, and the Association is seeking to amend the Declaration of Conditions, Covenants and Restrictions, the Board may then proceed with the filing of a Petition under Civil Code Section 4275, or any other applicable statutory authority, for judicial approval of the proposed CC&Rs.

Section 3.9. Election by Acclamation

If, as of the published deadline for receiving nominations, the number of qualified candidates for election to the Board is not more than the number of Directors to be elected, then the qualified candidates shall be declared elected and written notice of the election shall be given to the Members.

Section 3.10. Effect of a Member's Attendance at a Meeting

Attendance by a Member at a meeting shall also constitute a waiver of any objections such person may have with respect to notice of that meeting, except when the Member attends the meeting for the sole purpose of objecting at the beginning of the meeting to the transaction of any business because of the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting that are required to be so noticed.

Section 3.11. Annual Meeting of Members

The annual meeting of members shall be held during the month of August each year, at a date and time to be determined by the Board. At each annual meeting, unless otherwise provided by state statute, there shall be elected by Secret Ballot of the Members a Board of Directors of the Association, in accordance with the requirements of these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

Section 3.12. Special Meetings of Members

Special meetings of the Members may be called at any time by the President or by the Board and, as provided in *Corporations Code Section 7510 (e)*, shall be called upon receipt by the Board of a written request signed by Members entitled to cast at least five percent (5%) of the total voting power of the Association. The notice of any special meeting shall be given within twenty (20) days after receipt of such request or petition and shall state the date, time, and place of such meeting and the general nature of the business to be transacted. The special meeting shall be held neither less than thirty-five (35) days nor more than ninety (90) days after receipt of such request or petition. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.13. Notice of Member Meetings

Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or other person authorized to call a meeting.

3.13.1. Delivery of Meeting Notice: Notices of Member meetings may be given personally, by electronic transmission (fax or email), by mail, or by other means of written communication. The written notice shall be addressed or otherwise delivered 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.

3.13.2. Content of Meeting Notice: Notice of any meeting of Members shall specify the date, hour, and place of the meeting, and the general nature of those matters which the Board intends to present for action by the Members. The notice may set forth time limits for speakers and nominating procedures for the meeting, if applicable. 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.

3.13.3. Notwithstanding any other provision of these Bylaws, approval by the Members of any of the following proposals, other than by unanimous approval of those Members entitled to vote, shall not be valid unless the general nature of the proposal was stated in the notice or in any written waiver of the notice: (a) removal of a Director without cause (b) election of a Director to serve the remaining term of a vacant Board position pursuant to resignation or removal of a Director, if such an election is deemed necessary by the Board and/or Members, as applicable; (c) approving a contract or transaction between the Association and one or more Directors, or between the Association and any entity in which a Director has a material financial interest; (d) amendment of the Articles; and (e) electing to voluntarily wind up and dissolve the Association.

3.13.4. Time for Sending Meeting Notice: Except for special meetings called pursuant to a written request of Members, written notices of Member meetings must be sent at least ten (10) days but not more than ninety (90) days before such meeting, to each Member entitled to vote at such meeting, except that if the notice is mailed and it is not mailed by first-class, registered, or certified mail, it must be mailed at least twenty (20) days before the meeting.

3.13.5. Electronic Transmission of Meeting Notice: Notices sent by electronic transmission must comply with *Corporations Code Section 20*, which requires, among other things, that the member consent to receiving notice by electronic transmission.

3.13.6. Special Timing for Certain Meetings Called by Members: In the case of a special meeting called pursuant to a written request of Members, notice of such special meeting must be sent within twenty (20) days after receipt of such written request by the Board, and the date of such special meeting shall be set by the Board and shall be not sooner than thirty-five (35) days and not later than ninety (90) days after the date of the Board's receipt of such written request.

Section 3.14. Affidavit of Mailing Notice

An affidavit of mailing of any notice of any Members' meeting may be executed by the Secretary, or any other party of the Association giving the notice and if so executed shall be filed and maintained in the minute book of the Association.

Section 3.15. Inspector(s) of Election

In advance of any meeting of Members to elect Directors or to vote on any matter requiring a Secret Ballot, the Board shall appoint an independent third party or parties to act as Inspector of Election at such meeting and any adjournment thereof. The Board, at their discretion, may appoint an Inspector of Election to vote on any matter other than those specified in Section 3.3.2. 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 Director, a candidate for the Board of Directors, or related to a Director or a candidate for the Board of Directors. An independent third party may not be a person, business entity or subdivision of a business entity that is currently employed or under contract to the Association for any compensable services unless expressly authorized by Rules of the Association adopted pursuant to the Declaration. Notwithstanding the foregoing, if authorized by the Rules and Regulations, the Association's managing agent may act as Inspector.

If an Inspector is required by state statute and if an Inspector is not so appointed, or if any persons so appointed fail to appear or refuse to act, the Chairperson of any meeting of Members shall appoint Inspectors at the meeting. The number of Inspectors shall be either one (1) or three (3). If Inspectors are appointed at a meeting at the request of one (1) or more Members, the majority of Members represented shall determine whether one (1) or three (3) Inspectors are to be appointed. As used herein, the singular "Inspector" shall include the plural, as applicable.

The duties of such Inspectors shall include: (i) determining the number of Memberships outstanding and the voting power of each; (ii) determining the number represented at the meeting; (iii) determining the existence of a quorum; (iv) receiving Secret Ballots; (v) hearing and determining all challengers and questions in any way arising in connection with the right to vote, (vi) counting and tabulating all votes or consents; (vii) determining when the polls are closed; (viii) determining the tabulated results of the election; and (ix) doing such acts as may be proper to

conduct the election or vote with fairness to all Members and in accordance with the Rules of the Association regarding the conduct of the election. If there are three (3) Inspectors, the decision, act or certificate of a majority of the Inspectors is effective in all respects as the decision, act or certificate of all.

An Inspector shall perform the Inspector's duties impartially, in good faith, to the best of the Inspector's ability, and as expeditiously as is practical. Any report made by the Inspector is *prima facie* evidence of the facts stated in the report.

Section 3.16. Order of Business

Meetings of Members shall be conducted in accordance with any recognized system of parliamentary procedure and/or any such parliamentary procedures as the Association may adopt.

Section 3.17. Action Without Meeting

Except for election of Directors, any action that may be taken at a regular or special meeting of the Members may be taken by written ballot without a meeting conducted in compliance with *Corporations Code* section 7513, including setting forth the proposed action on the written ballot, providing an opportunity to specify approval or disapproval of any proposal, identifying the number of responses needed to meet the quorum requirement and the percentage and/or number of approvals necessary to pass the measure submitted, and specifying the time by which the ballot must be received by the Association in order to be counted.

Section 3.18. Minutes, Presumption of Notice

Minutes of a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed to truthfully evidence the matters set forth therein. A recitation in the minutes executed by the Secretary that notice of the meeting was properly given shall be *prima facie* evidence that such notice was given.

Section 3.19. Record Dates

3.19.1. Record Date for Notice: As provided in *Corporations Code* Section 7611(a), the Board may fix a date not more than ninety (90) days and not less than ten (10) days preceding the date of any meeting of the Members as a record date for determining the Members entitled to notice of such meeting. If the Board sets a record date for notice, only those persons identified as Members in the records of the Association on the date so fixed shall be entitled to notice of such meeting. If no record date for notice is fixed by the Board, Members at the close of business on the business day preceding the day in which notice is given are entitled to notice of a meeting of Members.

3.19.2. Record Date for Voting: As provided in *Corporations Code* Section 7611 (b), the Board may fix a date not more than sixty (60) days before the date of any meeting of Members as the record date for determining Members entitled to vote and only Members in good standing as shown in the records of the Association as of the record date for voting shall be entitled to vote at such meeting. If no record date for voting is set by the Board, Members current in the payment of annual assessments on the day of the meeting who are otherwise eligible to vote shall be entitled to vote at such meeting.

ARTICLE 4

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE; MEETINGS

Section 4.1. Nomination

Members in good standing may nominate themselves for election to the Board. Nominations shall be made at a time so as to permit the inclusion of a list of such nominations in the notice to Members of the meeting at which such election will be held. Those who may not be nominated or serve on the Board are: (i) an employee of the Association and family members of an Association employee; (ii) any person including an agent of an entity who is in contract with the Association to provide goods or services; (iii) any family member of a person described in (ii).

Section 4.2. Number and Qualification

Only persons who satisfy all of the following qualifications shall be eligible to be elected or to serve on the Board: (i) is a Member in good standing or in the case of a Member in good standing that is not a natural person, an officer, director, principal, or authorized representative of the Owner entity, (ii) not be subject to disciplinary action for an alleged violation of the Governing Documents, (iii) not be engaged in an adversarial proceeding, legal or otherwise, or have any interest in any claim or dispute, with or against the Association or the Board or any Member of the Board, (iv) not be related by blood or marriage to another Director, (v) has not been found by a court of competent jurisdiction to be of unsound mind, (vi) has not been convicted of a felony, and (vii) be a Member for at least three (3) years. Co-Owners of one or more shares may not serve on the Board at the same time. There will be a minimum of three (3) and a maximum of five (5) Directors of the Association.

Section 4.3. Election and Term of Office

At each annual meeting of the Members, new Directors shall be elected by Secret Ballot by the Members as provided in these Bylaws. All positions on the Board of Directors shall be filled at the annual meeting. If an annual meeting is not held, or if the Board is not elected at the annual meeting, the Board may be elected, at any special meeting of the Members held for that purpose. Any person serving as a Director may be reelected, and there shall be no limitation on the number of terms which a Director may serve.

The term of office of each Director shall be two (2) years. Notwithstanding this term of office, each Director shall hold office until (i) the expiration of the term for which they have been elected and (ii) a successor has been elected, subject to the Director vacancy and removal provisions of Section 4.5 and Section 4.6. Each Director shall hold office until a successor has been elected or until such Director's death, resignation, removal or adjudication of mental incompetence.

Section 4.4. Compensation

4.4.1. Directors shall not receive any salary or compensation for their services as Directors; provided, however, that (1) nothing herein contained shall be construed to preclude any Director from serving the Association in some other capacity and receiving compensation therefor, and (2) any Director may be reimbursed for actual expenses incurred in the performance of such Director's duties.

4.4.2. No Director shall engage in any activity which may be construed as a conflict of interest. Such activities may include, but are not limited to the following:

1. Receiving gifts, services, or other benefits having monetary value, from any company or individual doing business with the Association.
2. Any Director having a substantial interest, or income, in any company or organization doing business with the Association shall abstain from voting on contracts with that organization.

Section 4.5. Vacancies

A Director may resign at any time by giving written notice to the President, the Secretary of the Board, and that Director's position will be deemed vacant as of the effective resignation date contained in such notice. Any Director who ceases to meet the qualifications for a Director set forth in Section 4.2 or qualifications that were otherwise in effect at the beginning of the Director's current term of office, shall be deemed to have resigned from the Board upon the occurrence of the non-qualifying event. A vacancy in a Director's office shall also be deemed to exist in the event of a Director's death or removal, or in the event the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place. In addition, if a Director is absent from three (3) consecutive Board meetings, whether regular or special, the Board, by a majority vote, may declare the Director's office vacant.

Section 4.6. Removal of Directors

At any regular or special meeting of the Members duly called and appropriately noticed, any one individual Director (subject to the provision of this Article, below) or the entire Board may be removed prior to the expiration of their terms of office with or without cause by the vote of Members eligible to vote representing Twenty-five percent (25%) of the voting power of the Association.

Section 4.7. Filing Vacancies

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Any vacancy caused by the removal of a Director by the members shall be filled by the vote of the Members. Any vacancy not filled by the Directors may be filled by vote of the Members at the next annual meeting of the Members or at a special meeting of the Members called for such purpose. The term of office of each Director elected or appointed to fill a vacancy created by the resignation, death or removal of the Director's predecessor shall be the balance of the un-served term of such Director's predecessor.

Section 4.8. Meetings of the Board

Except for executive sessions, meetings of the Board shall be open to all Members. Regular meetings may be held at such time and place as shall be determined from time to time, by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meetings shall be held no less than every three (3) calendar months. Special meetings of the Board shall be held when called by the President of the Association or by any two (2) Directors. The notice shall contain the agenda for the meeting. Except as allowed by applicable state statute, the Board of Directors may not discuss or take action on any item at a non-emergency meeting unless the item was placed on the agenda included in the notice or approved by the Board for discussion at the meeting for special or emergency purposes, consistent with the above-referenced statute.

4.8.1. Notice to Directors: Regular meetings of the Board may be held, and without further notice to the Board, at a place within the Property and on a day and time fixed by resolution by the Board. If not fixed by

resolution of the Board, notice of each meeting of the Board shall be communicated to the Directors not less than four (4) days prior to a regular meeting, and not less than seventy-two (72) hours prior to a special meeting; provided that shorter notice may be given in the case of a bona fide emergency; and provided further that notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, whether before or after the meeting.

4.8.2. Notice to Members: Except for bona fide emergency meetings and executive sessions, at least four (4) days prior written notice of the day, time, and place of each meeting of the Board of Directors, whether regular or special, shall be given to all Members by mailing or delivery to each Member, by newsletter, or by other means of communication reasonably designed to provide actual prior notice of such meeting. The notice shall contain the agenda for the meeting.

Section 4.9. Emergency Meetings of Board

An emergency meeting shall be one in which there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as required by Section 4.8.

Section 4.10. Waiver of Notice

Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall waive by that Director of personal notice of the time and place thereof. If all the Directors are present at any meeting of the Board and notice is given to the Members as may be required under Section 4.8, no notice to Directors shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had a meeting duly held after regular call and notice, if (1) a quorum be present, (2) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof and (3) notice is given to the Members as may be required in Section 4.8. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 4.11. Quorum and Adjournment

A majority of the number of Directors then in office 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 that 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. If there is less than a quorum present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of an adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. Each Director present and voting at a meeting of the Board of Directors shall have one (1) vote on each matter presented to the Board of Directors for action at that meeting. No Director may vote at any meeting by proxy.

Section 4.12. Executive Session

The Board of Directors may meet in executive session to discuss and vote upon litigation in which the Association is or may become involved, matters that relate to the formation of contracts with third parties, Member discipline, personnel matters, to meet with a Member upon Member's written request (as set forth in the R-Ranch Assessment and Debt Collection Policy) to discuss a payment plan for the payment of the Member's delinquent Assessments and/or fines and fees, and any other orders of business appropriate for executive session as set forth in state statute.

Any matter discussed in executive session is confidential in nature and cannot be disclosed to any Members or other persons who are not Directors; provided, however, executive session matters can be discussed by the Board with outside attorneys, accountants, contractors, and other professional consultants advising the Board. Executive sessions shall be generally noted in the minutes of the next meeting that is open to the Members. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested by the Member and the Member shall be entitled to attend only that portion of the executive session devoted to the Members' discipline.

Section 4.13. Directors' Standard of Care

As provided in *Corporations Code* Section 7231, a Director shall perform the duties of a Director, including duties as a member of any executive committee upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 4.14. Limitation of Liability of Directors and Officers

No Director, officer, committee member, employee, or other agent of the Association shall be liable to any Owner or any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association.

Section 4.15. Indemnity of Agents

To the extent provided in *Corporations Code* Section 7237, the Board on behalf of the Association shall have the power to and shall indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a Director, officer, employee or agent of the Association, or member of any committee appointed by the Board from and against all claims, liabilities, expenses, judgments, fines, settlements, and other amounts, as those terms are defined by California law. Actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a Director, officer, employee, or agent of the Association, or member of any committee appointed by the Board.

ARTICLE 5
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 5.1. Powers and Duties

The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Members. The powers and duties of the Board shall include, but not be limited to:

5.1.1. The power and duty to select, appoint, supervise and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law and the Governing Documents and to fix their compensation.

5.1.2. The power and duty to conduct, manage and control the affairs and business of the Association, and to make such Rules and Regulations therefore consistent with law, as the Board may deem necessary or advisable. The Board shall adopt and publish all Rules and Regulations governing the use of the Property and the personal conduct of the Directors, Members and guests thereon and establish fines, penalties and temporary suspensions for the infraction thereof, subject to hearing and notice as set forth in these Bylaws. All Members must recognize that by the very nature of the Property, a close cooperation among Members is necessary for everyone to benefit.

5.1.3. The power but not the duty to borrow money as may be needed in connection with the discharge by the Association of its powers and duties, and the power but not the duty to cause to be executed and delivered, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor, as applicable, except that any loan in an amount exceeding five percent (5%) of the budgeted gross expenses of the Association in any one fiscal year must be approved beforehand by the vote or written consent of Members representing a majority of the voting power of the Association unless there is an emergency situation in which the safety of persons or property is threatened; in the event of such emergency, the Association need not obtain said Member approval.

5.1.4. The power and duty to fix and levy Assessments and to enforce collection thereof, in accordance with the provisions of the Declaration.

5.1.5. The power and duty to enforce the provisions of the Declaration, these Bylaws, the Rules and Regulations, other Governing Documents, and any agreements of the Association.

5.1.6. The power and duty to contract for and pay for insurance, in accordance with the provisions of the Declaration and/or statute. The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Association.

5.1.7. The power and duty to contract and pay for; (i) maintenance, repair and replacement of improvements in accordance with the Association's responsibility for same as set forth in the Declaration, including but not limited to Common Area structures, landscaping and utility facilities, and (ii) materials, supplies and services relating to the Common Area, including but not limited to utility service for Common Area facilities.

5.1.8. The power but not the duty to delegate its powers according to law, and, subject to the approval of the Members, to adopt these Bylaws.

5.1.9. The power but not the duty to employ a manager or other persons and contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Board, except for the responsibility to hold hearings or cause legal actions to be filed, provided that the Board shall endeavor to negotiate the following provisions; (1) the contract shall not exceed a one (1) year term; (2) the Association shall have the right to terminate the contract without cause upon ninety (90) days advance notice, without being required to pay any cancellation penalty; and (3) the Association shall have the right to

terminate the contract for cause on thirty (30) days written notice or less, without being required to pay any cancellation penalty.

5.1.10. The power but not the duty to designate such advisory and other committees as the Board shall desire, and to establish the purposes and powers of each such committee, shall provide for the appointment of its Members, as well as a chairperson, shall state the purposes of the committee, and shall provide for reports, the term of each Committee Member, and other administrative matters, all as deemed appropriate by the Board.

5.1.11. The power but not the duty to authorize the Association to pay a judgment or fine levied against the Association, or any present or former Director, officer, employee or agent of the Association, to the extent and under the circumstances provided in the Declaration.

5.1.12. The power and duty to authorize the Association to pay expenses and obligations incurred by the Association in the conduct of its business, including without limitation all licenses, taxes and governmental charges levied or imposed against the Property.

5.1.13. The duty to cause to be kept a complete record of all its acts and business affairs and to keep adequate and correct books and records of accounts, minutes and videos of proceedings of its Members, Board and committees, and a record of its Members giving their names and share number.

5.1.14. The power and duty to prepare and distribute, in the manner set forth for delivery of documents in Section 10.5 herein, the following to all Members not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Association's next fiscal year, regardless of the number of Members or the amount of the Association's gross income, budgeted gross expenses or assets;

- (1) A pro forma operating budget for each Fiscal Year. In lieu of distributing the budget, the Board may distribute a summary of the budget.
- (2) A summary of the reserve funding plan adopted by the Board.
- (3) A financial report as adopted by the Board.
- (4) A statement of the Association's policies and practices in enforcing its legal remedies against Members for defaults in the payment of Assessments, including the recording and foreclosing of liens against Member's Share.
- (5) A summary of the Association's property, general liability, earthquake, flood and fidelity insurance policies, as applicable, that includes all of the following information about each policy:
 - (a) The name of the insurer;
 - (b) The type of insurance;
 - (c) The policy limits of the insurance; and
 - (d) The amount of the deductibles, if any.

In lieu of the above summary, the Association may distribute the insurance policy declaration page if the declaration page contains all of the required information described above.

In addition, the Association shall distribute;

- (6) A statement advising Members of their rights and responsibilities with respect to Assessments and foreclosure.
- (7) A summary of the alternative dispute resolution procedures, including a description of the Association's internal dispute resolution process.

5.1.15. The power and duty to perform regular reviews of the Association's financials.

5.1.16. The power and duty to cause a study of the reserve account requirements of the Property. As used herein, "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace or restore those major components which the Association is obligated to maintain. The signature of at least two (2) Directors shall be required for the withdrawal of money from the Association's reserve accounts.

5.1.17. The power and duty to discharge by payment, if necessary, any lien against the Common Area and assess the cost of such lien to the Member or Members responsible for the existence of the lien (after notice and hearing as required by these Bylaws and state statute).

5.1.18. The power but not the duty to employ and engage consultants and experts, including without limitation legal and accounting service providers, to advise the Board regarding its powers and duties described in the Governing Documents and other Association matters as the Board may determine to be necessary.

5.1.19. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account and, shall not expend funds designated as reserve funds for any purpose other than the maintenance, restoration, repair, or replacement of, or litigation involving the maintenance, restoration, repair, or replacement of, major components for which the Association is responsible and for which the reserve fund was established; provided, however, that the Board may authorize a temporary transfer of money from a reserve fund for the purposes and subject to the procedural requirements. Transferred reserve funds must be restored back to the reserve fund within one (1) year of the initial transfer.

5.1.20. The Board shall file with the Secretary of State, as required by law, the statement of names of officers and of agent for service of process required pursuant to *Corporations Code Section 8210*.

Section 5.2. Prohibited Acts

The Board of Directors shall not take any of the following actions, except with the vote or written consent of a majority of the total voting power of the Association:

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

- (1) 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 for which the supplier will contract at the regulated rate;
- (2) Prepaid casualty and/or liability insurance policies not to exceed three (3) years' duration provided that the policy permits short rate cancellation by the insured.
- (3) Lease agreements for laundry room fixtures and equipment not to exceed five (5) years duration;
- (4) Agreements for cable television services and equipment or satellite dish, television services and equipment not to exceed five (5) years' duration; and
- (5) A contract for repairs of major damage or destruction to Association property which can reasonably be completed within two (2) years from commencement.

5.2.2. Selling during any fiscal year any 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.

5.2.3. Incur 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; provided, however, that this limitation shall not apply to the expenditure of any funds accumulated in a reserve fund for capital replacement or new capital improvements so long as the expenditure is for the purpose for which the fund was established.

ARTICLE 6
OFFICERS

Section 6.1. Designation

The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary. Any person may hold more than one office; provided, however, that the offices of President and Vice President shall not be held by the same person.

Section 6.2. Election of Officers

The officers of the Association shall be elected annually at the organizational meeting of the Board of Directors, and each officer shall hold office at the pleasure of the Board of Directors until such officer shall resign or be removed or otherwise disqualified to serve, or until a successor shall be elected and qualified to serve.

Section 6.3. Removal of Officers

Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 6.4. Filling of Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. The period of time for any office filled in this manner shall be for the unexpired term of the officer replaced.

Section 6.5. Compensation

No officer shall receive any compensation for services performed in the conduct of the Association's business, provided that (1) nothing herein contained shall be construed to preclude any officer from serving the Association in some other capacity and receiving compensation therefore, and (2) any officer may be reimbursed for the officer's actual expenses incurred in the performance of such officer's duties.

Section 6.6. President

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a California corporation. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the day-to-day business of the Association. The President shall be an *ex officio* Member of all standing committees, shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6.7. Vice President

In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or the Bylaws.

Section 6.8. Secretary

The Secretary shall keep, or cause to be kept, the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep, or cause to be kept, the seal of the Association in safe custody, as may be applicable, and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all the duties incident to the office of Secretary of a California corporation. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association and of the Board of Directors required by these Bylaws or state statute to be given. The Secretary shall maintain, or cause to be maintained, a record book of Members, listing the names, share number(s) of each undivided 1/2890 interest, mailing address, email addresses and telephone numbers of Members, as furnished to the Association ("Membership Register"). Termination or transfer of ownership by any Member, upon notice to the Association, shall be recorded, in the Membership Register by the Secretary, together with the date of the transfer, in accordance with the provisions of the Declaration. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6.9. Treasurer

The Treasurer shall be the chief financial officer of the Association and shall have responsibility for Association funds and securities and for keeping or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, in accordance with the Declaration, shall render to the President and Directors, upon request, an account of all of such Treasurer's transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors of these Bylaws.

ARTICLE 7
COMMITTEES

Section 7.1. Executive Committees of Directors

The Board may, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, create one or more executive committees, each consisting of two (2) or more Directors to serve at the pleasure of the Board. Executive committees shall have all the authority of the Board with respect to matters within their area of assigned responsibility, except that no executive committee, regardless of the Board resolution, may:

- (a) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, or under the Governing Documents, also requires approval of the Members;
- (b) Fill vacancies on the Board of Directors or on any committee that has been delegated any authority of the Board;
- (c) Amend or repeal these Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repeatable;
- (e) Appoint any other committees of the Board of Directors or the Members of those committees;
- (f) Expend Association funds to support a nominee for the Board of Directors; or
- (g) Approve any transaction: (i) between the Association and one or more of its Directors; or (ii) between the Association and any corporation, firm or association in which one or more of its Directors have a material financial interest.

Section 7.2. Meetings and Actions of Executive Committees

Each executive committee shall have a chairperson. Meetings and actions of executive committees shall be governed by, and held and taken in accordance with, the provisions of Article IV of these Bylaws, concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the executive committee and its Members for the Board of Directors and its Members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors or by the chairperson of the executive committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Association's records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

Section 7.3. Effect of Executive Committee Actions

Unless otherwise expressly provided in the Governing Documents or in the Board resolution authorizing and empowering an executive committee, all corporate powers exercised by the executive committee shall be exercised under the ultimate direction of the Board. Any recommendation made by the executive committee for the Board's consideration shall be placed on the agenda of the Board meeting next following the committee's recommendation.

Section 7.4. Appointment of Advisory Committees

The Board may, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, create one or more advisory committees, each consisting of Members of the Association or Directors or both, to serve at the pleasure of the Board. Subject to the Governing Documents, advisory committees shall not have any authority of the Board, but shall serve in an advisory capacity to the Board on such matters as shall be delegated to such committee by the Board. Advisory committees include, but are not limited to: a Cabin Committee, Campground Committee, Equine Committee, Nomination Committee, Teen Committee, Fire Committee, Activities Committee, Board of Director's Advisory Committee as may be established by the Board from time to time in its discretion.

Each advisory committee shall have a chairperson to preside over the committee meetings. Meetings and actions of advisory committees shall be governed by, and held and taken in accordance with, the provisions of Article IV of these Bylaws, concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the advisory committee and its Members for the Board of Directors and its Members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors or by the chairperson of the committee. Notice of special meetings of committees shall also be given to any and all alternate Members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Association's records. The Board of Directors may adopt rules not inconsistent with the provision of these Bylaws for the governance of any committee.

ARTICLE 8
AMENDMENTS TO BYLAWS

These Bylaws may be amended by approval of the Board and the affirmative vote of a majority of a quorum of the Members except that the specified percentage of Members necessary to amend a specific section or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that section or provision, *provided, however*, that, upon advice of legal counsel licensed to practice law in the state of California, including the drafting by legal counsel of appropriate amendatory provisions, the Board shall have the authority without the requirement of Member approval to amend any provision of the Bylaws: (i) to resolve any conflict between the Bylaws and applicable law which may arise due to the enactment or amendment of a statute or due to a development in applicable case law or (ii) to conform the provisions of the Bylaws to changes in applicable statutory law that impose requirements that are non-discretionary.

ARTICLE 9
CONFLICTING PROVISIONS

The provisions of these Bylaws are independent and severable. A determination that any provision of these Bylaws is in conflict with governing law shall not affect the validity or enforceability of any other provisions of these Bylaws. In the case of any conflicts or inconsistencies between the Articles and these Bylaws, then the Articles shall control. In the case of any conflict or inconsistencies between the Declaration and these Bylaws, then the Declaration shall control.

ARTICLE 10
MISCELLANEOUS

Section 10.1. Checks, Drafts and Documents

All checks, drafts, orders for payment of money, notes and other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed in the manner and by the person or persons as the Board shall determine by resolution, subject to the provisions of Section 5.1.18.

Section 10.2. Execution of Documents

The Board of Directors may authorize any officer or officers, agent or agents, Director or Directors to enter into any contract or execute any instrument in the name 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, Committee Member or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 10.3. Operating Account

There shall be established and maintained a cash deposit account to be known as the "operating account" into which shall be deposited the operating portion of all Assessments as fixed and determined by the Board. Disbursements from such account shall be for the general need of the operation including, but not limited to, wages, repairs, payment of vendors, betterments, maintenance, and other operating expenses of the Association.

Section 10.4. Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every calendar year.

Section 10.5. Methods of Delivery of Documents

Any document, communication or notice of any kind permitted or required by the Governing Documents, or required to be delivered shall be delivered by any one of the following methods:

- (1) Personal delivery.
- (2) First-class mail, postage prepaid, addressed to a Member at the address last shown on the books of the Association or otherwise provided by the Member. Delivery is deemed to be complete on deposit with the United States Postal Service, or any successor mail delivery provider.
- (3) Email, facsimile, or other electronic means, if the recipient has agreed to that method of delivery and only if such delivery creates a record that is capable of retention, retrieval and review that may thereafter be rendered into clearly legible form. If a document is delivered by electronic means, delivery is complete at the time of transmission.
- (4) By publication in a periodical that is circulated to Members of the Association.
- (5) Any other method of delivery, provided that the recipient has agreed to that method of delivery.

A document may be included in or delivered with a billing statement, newsletter, or other document that is delivered by one of the above methods.

Section 10.6. Inspection of Books and Records

10.6.1. Member Access to Minutes, Books and Records: The Association shall keep at its principal office (or at such other place in or near the Property as the Board may prescribe) the Association's books of account, minutes of meetings of Members, the Board, and committees; and the names and addresses of the Members (collectively, the "Association Records"), which shall be made available for inspection and copying by any Member or the Member's duly appointed representative for a purpose reasonably related to the Member's interest as a Member. The Board may establish reasonable rules regarding (i) notice to be given to the custodian of the Association Records by the Member desiring to make the inspection, (ii) hours and days of the week when such an inspection may be made, and (iii) payment of the cost of copying any of the Association Records requested by a Member.

10.6.2. Director's Inspection Rights: As provided in *Corporations Code Section 8334*, every Director shall have the right at any reasonable time to inspect and copy all books, records, and documents and to inspect the physical properties, if any, of the Association.

Section 10.7. Minutes of Meetings

To the extent required by *Corporations Code Section 8320(a)(2)*, the Association shall keep minutes of meetings and proceedings of the Members (including membership votes), meetings of the Board and Committees of the Board, and meetings of any other committee appointed by the Board that has decision-making authority. Any matter discussed in executive session shall be generally noted in the minutes of the next following open meeting of the Board, and minutes of executive sessions shall not otherwise be required. Minutes shall set forth the time and

place of holding of such meetings; whether regular or special, and if special, how authorized; what notice was given; the names of those present at meetings of the Directors or of any executive committee or of any other committee appointed by the Board that has decision-making authority; the number of votes cast in any vote or election of the membership (or, if applicable, the number of memberships and votes present at Member meetings); and all the proceedings thereof.

Section 10.8. Reference to Statutes

References in the Bylaws to particular statutes, including the *Corporations Code*, shall be deemed to include any successor statute and any amendments to existing or successor statutes.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

I am the duly elected and secretary of R-Wild Horse Ranch Owners' Association, 6700 Hwy 36 West, Platina, California, a California nonprofit mutual benefit corporation; and

The foregoing Bylaws comprising 16 pages, including this page, constitute the Bylaws of R-Wild Horse Ranch Owners' Association duly enacted by the Board of Directors thereof on _____ 2016.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of R-Wild Horse Ranch Owners' Association this _____ day of _____, 2016.

Secretary