

AMENDED AND RESTATED
BYLAWS OF
PINE VALLEY LODGE HOMEOWNERS ASSOCIATION

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1. ARTICLE 1 - NAME, LOCATION AND APPLICABILITY

Articles. The “Articles” shall mean and refer to the Articles of Incorporation of the Association as they from time to time be amended.

1.1 Name. The name of the corporation is Pine Valley Lodge Homeowners Association, (“Association”) a California nonprofit corporation formed pursuant to the Nonprofit Mutual Benefit Corporation Law of the State of California, its successors and assigns.

1.2 Principal Office. The principal office of the Association is located in San Diego County, California. The Board shall have the full power and authority to change the principal office of the Association from one location to another in the County of San Diego, California. Any such change shall be adopted by a resolution of the Board and noted in the meeting minutes.

1.3 Application. These Restated Bylaws are applicable to the Association and all present or future Owners, of Condominium Units and Lots in the Association, tenants, future tenants or their employees or any other persons they may use any aspect of the Association. The mere occupancy of any portion of the Property shall signify that these Bylaws are accepted, ratified and will be complied with.

1.4 Documents Being Replaced; Approvals. These Restated Bylaws amend, restate, and consolidate, in their entirety, the Bylaws dated September 11, 1978.

1.5 Definitions. Unless otherwise specified in these Restated Bylaws, the definitions set forth in the Restated Declaration of Pine Valley Lodge Homeowners Association recorded on _____ as Instrument No. _____ of Official Records of the County Recorder of San Diego County, apply to these Restated Bylaws.

1.6 Membership Rights. The qualifications for membership are as set forth in Article III of the Restated Declaration and are hereby incorporated by reference.

2. ARTICLE 2 - MEETINGS OF MEMBERS

2.1 Place of Meetings; Conduct. All meetings of the Members shall be held at a place designated by the Board. Meetings shall be held within the Project or as close to it as reasonably possible. No meeting of the Members shall, unless unusual conditions exist, be held outside of the, County of San Diego, California. Meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure as may be modified by adoption or the

Board by resolution. Robert's Rules of Order shall be used until or unless another parliamentary system is adopted by the Board.

2.2 Annual Meetings. The annual meeting of the Members shall be held on a date and time established by the Board.

2.3 Special Meetings. Special meetings of the Members may be called for any lawful purpose by a majority of a quorum of the Board, the President, or by a written request signed by Members in Good Standing representing at least five percent (5%) of the total voting power of the Association. If the special meeting is requested by the Members, it shall be held not less than thirty-five (35) nor more than ninety (90) days after receipt of the request by an officer of the Association. Only that business stated in the notice of special meeting given pursuant to Section 2.4 of these Restated Bylaws shall be transacted at the special meeting.

2.4 Notice of Meetings. The Secretary of the Association shall give written notice of any Members' meeting to each Member of record in accordance with the following:

2.4.1 Except as otherwise provided in this Article, the notice shall be given at least ten (10) but not more than sixty (60) days before the meeting, by first class mail, electronically to any member who has agreed to that method of delivery or by personal delivery.

2.4.2 The Board may fix, in advance, a record date or dates for the purpose of determining the Owners who are entitled to receive notice of meetings. The record date for eligibility to receive notice shall not be fixed more than sixty (60) nor less than ten (10) days before the date of the meeting. If no record date is fixed, all Members as of the business day preceding the day on which notice is given are entitled to receive notice of the meeting.

2.4.3 The notice shall be addressed to the Member at the address appearing on the books of the Association, electronic address or the address supplied by the Member to the Association for this purpose. If there is no such address, notice shall be given at the street address of the Lot owned by the Member.

2.4.4 The notice shall state the place, date, and time of the meeting. If directors are to be elected at the meeting, the notice shall include the names of all those who are nominees at the time the notice is given. The notice shall also state those matters that the Board, at the time the notice is given, intends to present for action by the Members.

2.4.5 In the case of a special meeting which is called by Members, pursuant to Section 2.3 of these Restated Bylaws, the Board shall meet no more than twenty (20) days following receipt to establish the date of the meeting. The meeting date shall be no less than thirty-five (35) and no more than ninety (90) days from the date of the request. Should the Board fail to meet within the twenty (20) days after receipt of the request for the meeting, the persons entitled to call the meeting

may give the notice or the superior court of San Diego County shall summarily order the giving of notice, after notice to the Association giving the Association an opportunity to be heard.

2.4.6 Any approval of the Members in Good Standing required for those items specified in Section 7511(f) of the Corporations Code, other than unanimous approval by those entitled to vote, shall be valid only if the general nature of the matter to be voted upon was stated in the notice of meeting or any written waiver of notice.

2.4.7 An affidavit of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary, and if so executed, shall be filed with the corporate records or made a part of the minutes of the meeting. Such affidavit shall constitute prima facie evidence of the giving of notice.

2.5 Waiver of Notice or Consent of Absentees. The transactions of any meeting of Members, however called and noticed, shall be as valid as though taken at a duly called, noticed, and held meeting, if:

2.5.1 A quorum is present either in person or by ballot, and

2.5.2 Before or after the meeting, each of the Members in Good Standing not present in person or by ballot, signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes of the meeting.

Any such waiver, consent, or approval shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business due to 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 which are required to be described therein if that objection is expressly made at the meeting.

2.6 Voting Rights. Members in Good Standing shall have the power to exercise their voting rights as follows:

2.6.1 Fractional votes shall not be allowed. When there is more than one (1) record Owner of a Unit (co-owners), all of the co-owners shall be Members in Good Standing, but only one (1) of them shall be entitled to cast the single vote attributable to the Unit. Co-owners may designate in writing one (1) of the co-owners to vote. If no such designation is made or if it is revoked, the co-owners shall decide among themselves, by majority vote, how that Unit's vote is to be cast. Unless the Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the voting co-owner is acting with the consent

of his or her co-owners. No vote shall be cast for the Unit on a particular matter if a majority of the co-owners present in person or by ballot cannot agree on a vote. The Association may accept the vote of any one owner as the vote for that Unit.

2.6.2 Any provision of the Governing Documents that requires the approval of a specified percentage of the voting power of the Association shall require the approval of the specified percentage of the voting power of the membership. If no percentage of the voting power is specified in the Governing Documents or by California law, the approval of a majority of a quorum shall be required.

2.6.3 The Board may fix, in advance, a record date or dates for the purpose of determining the Owners who are entitled to exercise voting rights:

(a) The record date for eligibility to vote shall not be fixed more than sixty (60) days before the date of the meeting. If no record date is fixed, all Members in Good Standing who are otherwise eligible to vote as of the day of the meeting may vote.

(b) The record date for eligibility to vote by written ballots shall not be fixed more than sixty (60) days before the day on which the first written ballot is mailed or solicited. If no record date is fixed, all Members in Good Standing who are otherwise eligible to vote as of the day of mailing the written ballot shall be eligible to vote by written ballot.

2.7 Quorum. At any meeting, the presence either in person or by proxy of Members in Good Standing entitled to cast votes equal to at least fifty-one percent (51%) of the total voting power of the Association shall constitute a quorum for any action except as otherwise provided in the Articles, these Restated Bylaws, or the Restated Declaration. The Members in Good Standing present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members in Good Standing to leave less than a quorum, if the action taken, other than adjournment, is approved by at least a majority of Members in Good Standing required to constitute a quorum. If a quorum is not present at a duly called meeting, a majority of those Members in Good Standing present in person or by proxy may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the meeting date, but no other business may be transacted. Provided that the date, time and place of the adjourned meeting is announced at the original meeting, the adjourned meeting may be held without additional written notice. If no such announcement is made, or if the selected date is changed after adjournment, notice of the time and place shall be given to Members in the manner provided in Section 2.4 of these Restated Bylaws. The quorum for any adjourned meeting shall be twenty-five percent (25%); provided however, then only these matters, notice of the general nature of which was given in the Notice of Meeting, may be acted on at the meeting.

2.8 Adjustment of Voting Power and Quorum. For purposes of establishing a quorum and determining the total voting power of the Association, if a Members' voting rights are suspended as provided in the Governing Documents, the total voting power of the Association

shall be reduced for the period of time for which the suspension is in effect by an amount equal to the number of Lots for which membership voting rights have been suspended.

2.9 Voting by Written Ballot. Pursuant to Civil Code Section 5100 et seq., Any action that may be taken at a meeting of the Members, may be taken with or without a meeting provided the following ballot requirements are satisfied:

- 2.9.1 The Association shall distribute a written ballot to every Member entitled to vote on the matter as provided in Section 2.6.3. The ballot shall be solicited in the same manner as provided in Section 2.4 of these Restated Bylaws for the giving of notice of meetings of Members.
- 2.9.2 The ballot shall (1) set forth all items to be voted upon which are intended and known at the time the ballot is prepared; (2) provide an opportunity to specify approval or disapproval of any proposal, including confirmation that, if the Member specifies a choice, the vote shall be cast in accordance with that Member's choice and the ballot shall not be signed; (3) provide a reasonable time within which to return the ballot; (4) indicate the number of responses needed to meet the quorum requirement; and (5) state the percentage of approvals necessary to pass the measure submitted. All voting shall be via secret balloting
- 2.9.3 The proposed action shall be considered approved if:
 - (a) The number of votes cast by ballot within the specified time period equals or exceeds the quorum required to be present at a meeting authorizing the action; and
 - (b) The number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of ballots received in response to the ballot solicitation.
- 2.9.4 No written ballot may be revoked.
- 2.9.5 Any deadline stated for return of the ballots may be extended for successive reasonable periods with the approval of a majority of the Board. Notice of any extension must be sent to the Members within thirty (30) days of the previously noticed deadline date.
- 2.9.6 Voting on all matters will be by secret ballot only in compliance with Civil Code Section 5100 et seq or any successor statute. Cumulative voting for the election of members of the Board will not be allowed.

2.9.7 The Board of Directors may appoint either 1 or 3 inspector(s) of elections to handle all aspects of the voting process in compliance with Civil Code Section 5110. The inspector(s) of election may be, including but not limited to, the Association's manager, attorney, or members of the Association. The inspector of election shall retain custody of the ballots following the vote for a period of one year.

3. ARTICLE 3 - BOARD OF DIRECTORS

3.1 **Number; Qualification.** The affairs of this Association shall be managed and its duties and obligations performed by an elected Board of Directors, consisting of five (5) directors. Each director shall be an Owner of a Unit in the Association and a Member in Good Standing. Good Standing is defined as the Member must be current to date on all payments of assessments and/or having not been found by the Board, following due notice and a hearing, to be in violation of the Association's Governing Documents.

3.2 **Nomination.** Pursuant to Civil Code Section 5105, or any successor statute, Nominations for election to the Board of Directors may be made by any of the following:

3.2.1 A nominating committee appointed by the Board pursuant to, and consistent with, Civil Code Section 5105 or any successor statute, at least ninety (90) days prior to an annual meeting of Members, provided the Board receives the committee's nomination or nominations at least sixty (60) days prior to the annual meeting of Members.

3.2.2 A written petition signed within eleven (11) months preceding the annual meeting by Members in Good Standing representing five per cent (5%) of the voting power of the Association. The petition shall identify the nominee, contain that person's written consent to serve as a director, and be delivered to the Secretary of the Association at least sixty (60) days prior to the annual meeting.

3.2.3 The Board, which may make nominations at any time prior to the notice of the meeting being mailed (or ballots being mailed).

3.2.4 Any member may nominate him or herself from the floor. The voting process also allows for write-in candidates.

3.3 **Election and Term.** The directors shall be elected by secret written ballot at the annual meeting of members pursuant to the terms and conditions of Civil Code Section 5105 or any successor statute. All directors must be members of the Association. In this regard, the Association will adopt rules and regulations consistent with Civil Code Section 5105 or any successor statute for the purpose of obtaining the vote of the membership.

Cumulative voting is not permitted. Each Member shall have a maximum of one vote for each director vacancy to be filled, or for each matter considered, but no more than one vote may

be cast for any one candidate. All five (5) director positions will be elected annually for a one year term.

3.4 Removal. Directors may be removed as follows:

3.4.1 The Board may declare vacant the office of a director on the occurrence of any of the following events:

- (a) The director is declared of unsound mind by a final order of Court;
- (b) The director is convicted of any felony;
- (c) Without being excused by the Board, the director has failed to attend three (3) consecutive regular meetings of the Board;
- (d) The director, after notice and hearing as provided in the CC&R's, is found to be in violation of the governing documents, and has not resolved the violation within the time permitted by the Board, not to exceed sixty (60) days;
- (e) Failure to pay homeowners fee or duly levied assessment or fine for a period in excess of 60 days; or

3.4.2 Pursuant to Corporations Code Section 7222 or any successor statute, any or all directors may be removed without cause if, the affirmative vote of a majority of all of the Members in Good Standing is obtained by vote of the Members at a duly held meeting at which a quorum is present or by written ballot conforming with the requirements of Corporations Code Section 7513.

3.5 Filling Vacancies. All of the remaining directors, even if less than a quorum, shall fill any vacancy on the Board caused by the death, removal or resignation of a director, unless the vacancy is created by the removal of a director by Members in Good Standing. A successor director elected by Members in Good Standing shall serve for the unexpired term of the director he or she replaces.

3.6 Compensation. No director shall receive any compensation for any service he or she may render to the Association; provided, however, that a director may be reimbursed for actual out of pocket expenses incurred by the director in the performance of his or her duties.

3.7 Powers and Duties. The Board shall exercise for the Association all powers and duties vested in or delegated to the Board or the Association by the Governing Documents and applicable law including but not limited to the California Corporations Code governing nonprofit mutual benefit corporations and the California Civil Code. Said powers and duties shall be subject to the limitations of the Governing Documents, and shall include, but not be limited to, the requirements of Section 3.10 and the following:

- 3.7.1** Formulating Rules and Regulations for the use and operation of the Units;
- 3.7.2** Enforcing the applicable provisions of the Governing Documents and any other instruments governing the ownership, management, and control of the Project;
- 3.7.3** Initiating and executing disciplinary proceedings against Members for violations of provisions of the Governing Documents in accordance with procedures set forth in Section 3.10 herein;
- 3.7.4** Fixing and establishing the fiscal year for the Association, including the power to modify the fiscal year;
- 3.7.5** Contracting for casualty, liability, and other insurance on behalf of the Association;
- 3.7.6** Subject to the limitations set forth in Section 3.8 herein, contracting for goods and services for interests of the Association, and borrowing money, incurring indebtedness and executing promissory notes or other evidences of debt for the Association.
- 3.7.7** Creating committees pursuant to resolution adopted by a majority of the Board; provided that if a committee will exercise any power or authority of the Board, it shall consist of two (2) directors, and as many other Members in Good Standing as the Board may designate, to serve at the pleasure of the Board. No directors need serve on any committee which does not exercise any power or authority of the Board (e.g. social committees);
- 3.7.8** Delegating its authority, duties, and responsibilities to its officers, employees, committees, or agents, including a professional management agent. The term of any agreement with a manager shall not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods, and shall provide for termination by either party for cause with no more than thirty (30) days' written notice, or at any time without cause and without payment of a termination fee or penalty with no more than ninety (90) days' written notice;
- 3.7.9** Authorizing the withdrawal of moneys from the Association's reserve accounts, upon the signatures of two (2) directors;
- 3.7.10** Entering any Unit to perform necessary construction, maintenance, or emergency repair work for the benefit of the Members in the aggregate;
- 3.7.11** Filling vacancies on the Board, except for a vacancy created by the removal of a director by Members;

3.7.12 Extending the time for return of ballots when an action is taken without a meeting pursuant to Section 2.9.5 herein, by majority approval of the Board; and

3.7.13 Providing any Owner with the following documents within ten (10) business days of the mailing or delivery of a written request therefor and receipt of the costs to prepare and reproduce said documents:

(a) A copy of the Governing Documents;

(b) A copy of the most recent financial statement;

(c) A written statement from an authorized representative of the Association specifying (i) the amount of the Association's current regular, or other assessments and fees; (ii) the amount of any assessments levied on the Owner's Lot that are unpaid on the date of the statement; and (iii) the amount of late charges, interest, and costs of collection that, as of the date of the statement, are or may be made a lien on the Owner's Lot pursuant to the Restated Declaration.

(d) A statement noting any change in the Association's current assessments and fees which have been approved by the Board, but which have not become due and payable as of the date disclosure is provided pursuant to this Section.

3.8 Limitations on Powers. Notwithstanding the provisions of Section 3.8, the Board shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the total voting power of the Association:

3.8.1 Borrowing money, incurring indebtedness and executing therefore promissory notes or other evidences of debt for the Association in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or **3.8.2** Filling a vacancy on the Board created by the removal of a director by the Members.

3.9 Financial Documentation; Preparation, Reporting and Review Responsibilities. With regard to the preparation, reporting and review of the Association's financial documentation, the Board shall have the following responsibilities:

3.9.1 Preparing a pro forma operating budget for each fiscal year, and distributing a copy thereof to each Owner not less than thirty (30) and not more than sixty (60) days prior to the beginning of the fiscal year. The budget shall contain at least the estimated revenue and expenses on an accrual basis.

In lieu of the distribution of the pro forma budget, the Board may elect to distribute a summary of the statement to each Owner with a written notice that the statement is available at the business office of the Association or designated

location and that copies will be provided upon written request and at the expense of the Association. The Association shall provide the copy to the Owner within ten (10) working days of the receipt of the Owner's written request.

3.9.2 Preparing and distributing an annual report, within one hundred twenty (120) days after the close of each fiscal year, consisting of the following:

- (a) A balance sheet as of the end of the fiscal year;
- (b) An operating (income) statement for the fiscal year;
- (c) A statement of changes in financial position for the fiscal year; and
- (d) For any fiscal year in which the gross in-come to the Association exceeds \$75,000.00, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. If this report 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 without independent audit or review from the books and records of the Association.

3.9.3 Preparing and distributing to the Owners, not less than thirty (30) nor more than ninety (90) days before the beginning of each 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 Owners.

3.9.4 Reviewing the following on at least a monthly basis:

- (a) A current reconciliation of the operating accounts of the Association;
- (b) An income and expense statement for the operating accounts of the Association; and
- (c) The most current account statements prepared by the financial institution where the Association has its operating and other deposit accounts.

3.10 Disciplinary Actions Against Owners. In connection with the general power of enforcement, the Association may discipline Owners for violation of any of the provisions of the Governing Documents by one or more of the following: (1) suspending the Member's membership rights, including the Member's voting rights, and (2) by imposing monetary fines:

3.10.1 All disciplinary hearings will be conducted in compliance with Civil Code Section 5855 or any successor statute. The accused Owner shall be given notice of the intention of the Board to conduct a hearing to consider imposition of a suspension, monetary fine, notice of noncompliance or any combination of these, with respect to any alleged violation not less than fifteen (15) days prior to the hearing date to consider the proposed imposition of the discipline. The notice shall provide the date, time and place of the hearing, a description of the violation and a description of the potential monetary penalties and/or suspension of voting rights. The notice shall also include a statement that the Member may appear and address the Board at the hearing. The notice shall be mailed via first class mail, postage prepaid, and/or certified mail, or delivered personally to the Member pursuant to Civil Code Section 4040.

3.10.2 The accused Owner shall be given an opportunity to appear at the hearing and present oral and written testimony before the Board at the Board hearing to consider the imposition of the discipline.

3.10.3 The amount of any monetary penalties shall be established from time to time by the Board, and a schedule thereof shall be distributed annually to the Members by personal delivery or first class mail or electronically to any member who has agreed to that method of delivery.

3.10.4 Any suspension of an Owner's membership privileges shall continue until corrected in accordance with the provisions of Article III, Section 4 of the Restated Declaration.

3.10.5 Except as provided in the Restated Declaration relating to foreclosure for failure to pay assessments, or as a result of the judgment of a court or a decision arising out of arbitration, the Association shall in no way abridge the right of any Owner to the full use and enjoyment of his or her Unit.

3.10.6 Notice of the Board's decision will be provided in writing to the Member within fifteen days of the date of the decision via personal delivery and/or first class or certified mail. The Board shall meet in executive session at the request of the Member.

4. ARTICLE 4 - MEETINGS OF DIRECTORS

4.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, or no less than quarterly, at a time and place fixed by resolution of the Board. The meeting place shall ordinarily be within the immediate vicinity of the Project unless, in the judgment of the Board, a larger meeting room is required than exists within the Project. Any larger meeting room selected by the Board shall be as close as possible to the Project. Notice of the time and place of the meeting shall be communicated to the directors not less than four (4) days prior to the meeting; provided, however, that notice need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

4.1.1 Notice of Board meetings, whether regular or special, shall include an agenda and shall be communicated to the Membership in compliance with Civil Code Section 4920, 4923 or any successor statute.

4.2 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two (2) directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered and shall include an agenda. Notice of any special meeting to all of the Members shall be provided in the manner required pursuant to Civil Code Section 4920, 4923 or any successor statute, and shall be sent to all directors not less than forty-eight (48) hours if delivered personally or by telephone or telegraph or electronically to any member who has agreed to that method of delivery, or four (4) days if by first class mail; provided, however, that notice need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

4.3 Organizational Meeting. Immediately after the annual meeting, described in Section 2.2, herein, or as soon thereafter as reasonably practicable, but in any case within ten (10) days, the Board shall meet to elect the officers of the Association and conduct any other business of the Association as the Board, in its discretion, shall determine is necessary.

4.4 Emergency Meetings. Pursuant to Civil Code Section 4923 or any successor statute, an emergency meeting of the Board may be called by the President, or by any two Board Members other than the President if 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 herein.

4.5 Executive Session. The Board may, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to meet with its legal counsel, or discuss and vote upon (a) litigation in which the Association is or may become involved, (b) matters that relate to the formation of contracts with third parties, (c) personnel matters, (d) member's discipline or to meet with a member upon the member's request, regarding the payment of assessments as specified in Section 5655 of the Civil Code, or any matter authorized to meet in executive session as more fully set forth in Civil Code Section 4935 or any successor statute. The nature of any and all business to be considered in executive session shall first be announced in open session. In the event the executive session does not follow an open session, the Board may conduct an executive session if the nature of any and all business considered in such executive session is announced at the next regularly scheduled Board meeting. Nothing herein contained shall be construed to obligate the Board to first call an open meeting before meeting in executive session. An executive session which does not follow an open meeting may be called and noticed in the same manner as a special meeting. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following meeting that is open to the entire membership.

4.6 Quorum. A majority of the Board shall constitute a quorum and if a quorum is present, the decision of the majority of the directors present shall be the act of the Board.

4.7 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment shall be given, prior to the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

4.8 Owner Attendance at Board Meetings; Notice. Any Member of the Association may attend meetings of the Board except when the Board adjourns to executive session as provided in Section 4.5 herein; provided, however, that other than the homeowner forum, Members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of the majority of a quorum of the Board, or the decision of the President or presiding officer conducting the meeting. Notice of Board meetings, whether regular or special, shall include an agenda and shall be communicated to the Membership in compliance with Civil Code Section 4920, 4923 or any successor statute. Notice of the time and place of a Board meeting, except for an emergency meeting, shall be communicated to Members not less than four (4) days prior to the meeting. Notice may be given by mail, by delivery to all Lots in the Project, or by newsletter or electronically to any member who has agreed to that method of delivery or similar means of communication. As used in this Section 4.1, the term "meeting" includes any congregation of a majority of the Members of the Board at the same time and place to hear, discuss or deliberate upon any item of business scheduled to be heard by the Board, except those matters that may be discussed in executive session.

4.9 Emergency Action Without a Meeting. Pursuant to Civil Code Section 4910 (a)(2), electronic transmissions may be used as a method of conducting an emergency meeting if all directors, 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. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. These written consents may be transmitted electronically.

4.10 Board Deliberation Regarding Member Discipline. In any matter relating to the disciplining of a Member, the Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend that portion of the executive session in which the Board discusses the discipline of that Member.

4.11 Meeting Minutes; Availability to Owners. The Board shall keep accurate written minutes of its meetings, and shall retain them in the permanent records of the Association. Draft minutes shall be available to Members within thirty (30) days of the meeting. The minutes shall be distributed to any Member upon request and upon reimbursement for the costs in making that distribution.

5. ARTICLE 5 - OFFICERS

5.1 Enumeration of Officers. The officers of this Association shall be a President, a Vice-President, a Secretary, and a Treasurer. Such officers shall be elected by the Board from among the Members of the Board. The Board may appoint such additional officers as it may, in its sole discretion, determine necessary or desirable.

5.2 Appointment and Term. The officers shall be elected annually by the Board. Any vacancies shall be filled by the Board. Each officer shall hold his or her office at the pleasure of the Board.

5.3 Duties. Unless otherwise delegated by the Board, the duties of each officer shall be as follows:

5.3.1 The President shall:

- (a) Preside over all meetings of the Members and of the Board;
- (b) Sign as President all deeds, contracts, and other written instruments that have been approved by the Board, unless the Board, by duly adopted resolution, authorizes the signature of a lesser officer;
- (c) Call meetings of the Board whenever he or she deems it necessary, in accordance with any rules and notice requirements imposed by the Board and the Governing Documents;
- (d) Have, subject to the approval of the Board, general supervision, direction, and control of the affairs of the Association; and
- (e) Discharge any other duties required of him or her by the Board.

5.3.2 The Vice-President shall:

- (a) Act in the place and in the stead of the President in the event of his or her absence, inability, or refusal to act; and
- (b) Exercise and discharge any other duties required of him or her by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

5.3.3 The Secretary shall:

- (a) Keep a record of all meetings and proceedings of the Board and of the Members;
- (b) Keep the seal of the Association, if any, and affix it on all papers requiring the seal;
- (c) Serve all required notices of meetings of the Board and the Members;

(d) Keep current records showing the names and addresses of all Members; and

(e) Sign as Secretary all deeds, contracts, and other written instruments that have been approved by the Board, if the instruments that have been approved by the Board and signed by the President require a second Association signature and the Board has not passed a resolution authorizing another officer to sign in the place and stead of the Secretary.

5.3.4 The Treasurer shall:

(a) Receive and deposit all of the funds of the Association in any bank or banks selected by the Board;

(b) Be responsible for and supervise the maintenance of books and records to account for Association funds and other Association assets;

(c) Disburse and withdraw Association funds in the manner specified by the Board; and

(d) Prepare and distribute the financial statements for the Association required by the Restated Declaration.

5.4 Resignation and Removal. The Board may remove any officer from office either with or without cause. An officer may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation shall take effect at the date of receipt of the notice or at any later time specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation by the Board shall not be necessary to make it effective.

5.5 Compensation. An officer shall not receive any compensation for any service he or she may render to the Association; provided, however, that any officer may be reimbursed for actual out of pocket expenses incurred by the officer in the performance of his or her duties.

5.6 Delegation. With Board approval, an officer may delegate his or her powers and duties to any committee, employee or agent of the Association, including, but not limited to a property manager.

6. ARTICLE 6 - BOOKS AND RECORDS; INSPECTION RIGHTS

6.1 Required Books and Records. The Association shall maintain at its principal office:

6.1.1 Copies of the Governing Documents as last amended.

6.1.2 Adequate and correct books and records of account.

6.1.3 Written minutes of the proceedings of its Members, of its Board, and of committees of its Board.

6.1.4 A membership register containing each Member's name, mailing address and voting rights.

6.2 Member Inspection of Accounting Records and Minutes. In accordance with Corporations Code Section 8333 and pursuant to Civil Code Section 5200 et seq. or any successor statutes, the accounting books and records and minutes of proceedings of the Members, and the Board, with the exception of minutes of executive meetings, shall be open to inspection upon the written demand on the Association by any Member at any reasonable time, for a purpose reasonably related to such Person's interests as a Member. Members may not inspect the minutes of executive meetings.

6.3 Member Inspection of Membership Register. Members in Good Standing may inspect the Membership register as follows:

6.3.1 Members in Good Standing may inspect and copy the membership register at reasonable times, upon not less than five (5) business days' prior written demand upon the Association. The written demand must state the purpose for which the inspection rights are requested.

6.3.2 Members in Good Standing may obtain copies of the membership register upon a written demand and payment of a reasonable charge. The demand shall state the purpose for which the list is requested.

6.4 Denial of Inspection Request. In accordance with Section 8338 of the Corporations Code, the membership register is a corporate asset. The Association may deny a Member access to the membership register, including copies thereof, where the Association reasonably believes that the information will be used for a purpose not reasonably related to the Members' interest as a Member, or where it provides a reasonable alternative method of achieving the purpose identified in the written demand from the Member in accordance with Section 8330(c) of the Corporations Code.

6.5 Director Inspection of All Association Records. Subject to any limitations imposed by law, every director shall have an absolute right to inspect all Association records and the physical properties owned or controlled by the Association at any reasonable time as provided by Section 8334 of the Corporations Code.

7. ARTICLE 7 - NON-LIABILITY AND INDEMNIFICATION

7.1 Limitation on Liability of Association's Directors and Officers. No directors or officers of the Association (collectively and individually referred to as the "Released Party") shall be responsible to any Owner, any member of an Owners' family, any of the Owners' tenants, guests, servants, employees, licensees, invitees, or any other person for:

7.1.1 Any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required by the Governing Documents, provided that such Released Party has, upon the basis of such information as may be possessed by the Released Party, acted in good faith, in a manner that such person 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. Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Association's annual financial budget and enforcement of the Governing Documents.

7.1.2 Any loss or damage suffered by reason of theft or otherwise of any article, vehicle or other item of personal property which may be stored by such Owner or other person within any Lot or for any injury to or death of any person or loss or damage to the property of any person caused by fire, explosion, the elements or any other Owner or person within the Project, or by any other cause, unless the same is attributable to his or her own willful or wanton act or gross negligence. It is the intent of this Section to provide volunteer directors and officers with protection from liability to the full extent permitted by California Civil Code Section 5800, or comparable superseding statute, and to the extent this provision is inconsistent with said Section, the Civil Code shall prevail .[The limitation of liability has doubtful enforceability. I recommend retaining it with the understanding that if challenged in court, the language could be stricken or held unenforceable]

7.2 Indemnification by Association of Directors, Officers, Employees and Other Agents. To the fullest extent permitted by law, the Association shall indemnify its directors, officers, employees, and other agents described in Corporations Code Section 7237, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in Corporations Code Section 7237 and including an action by or in the right of the Association, by reason of the fact that such person is or was a person described by that Section. "Expenses," as used in this Section, shall have the same meaning as in Corporations Code Section 7237(a).

7.3 Approval of Indemnity by Association. On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine in accordance with Corporations Code Section 7237(e), whether the applicable standard of conduct set forth in Corporations Code Section 7237(b) or Section 7237(c) has been met, and if it has, the Board

shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to the proceeding, the Board shall promptly call a meeting of Members. At that meeting, the Members shall determine under Corporations Code Section 7237(e) whether the applicable standard of conduct set forth in Corporations Code Section 7237(b) or Section 7237(c) has been met, and if it has, the Members in Good Standing present at the meeting in person or by proxy shall authorize indemnification.

7.4 Advancement of Expenses. To the fullest extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a director, officer, employee or agent seeking indemnification under Sections 7.2 and 7.3 of this Article in defending any proceeding covered by those Sections shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

7.5 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of its directors, officers, employees or other agents against other liability asserted against or incurred by any director, officer, employee or agent in such capacity or arising out of the director's, officer's, employee's or agent's status as such. The Board shall also have the authority to purchase other insurance as more fully set forth in the Association's Declaration of Covenants, Conditions and Restrictions.

8. ARTICLE 8 - AMENDMENTS

These Bylaws may be amended or revoked in any respect by the vote or assent by written ballot by not less than fifty-one percent (51 %) of the Members in Good Standing casting votes at a duly held meeting or election. The amendment shall be certified by at least two (2) officers of the Association and the amendment shall be effective when the certificate of Amendment is recorded. With respect to any vote hereunder the Association shall be entitled to accept the vote of any Owner of record of a Unit as the vote of all Owners of record of such Unit unless the Association receives more than one vote from said co-Owners, in which case the vote of a majority of the co-owners shall bind all. In the event of a tie vote with respect to a Lot, the votes shall be counted toward the quorum and recorded as an abstention.

END OF DOCUMENT

CERTIFICATE OF PRESIDENT AND SECRETARY

OF

PINE VALLEY LODGE HOMEOWNERS ASSOCIATION
a California Nonprofit Mutual Benefit Corporation

We, the undersigned, do hereby certify that we are the duly elected President and Secretary of the PINE VALLEY LODGE HOMEOWNERS ASSOCIATION, a California non-profit mutual benefit corporation. The foregoing Amended and Restated Bylaws of said Association constitute the fully amended and restated Bylaws as approved by the membership of the Association.

DATED: MAY 16, _____, 2015.

William H. Brown
President

Robert B. Hagler
Secretary

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of SAN DIEGO

On 5/16/15 before me, Deean C. McKee-Simpson ^{Notary Public}
(insert name and title of the officer)

personally appeared William Harold Brown
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.
Signature Deean C. McKee-Simpson (Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego

On 5/14/15 before me, Deean C. McKee Simpson ^{notary} _{Public}
(insert name and title of the officer)

personally appeared Robert Lewis Hagler
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Deean C. McKee Simpson (Seal)

