

# **AMENDED BY-LAWS OF DOWVILLE TRACT ASSOCIATION**

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# **AMENDED BY-LAWS OF DOWVILLE TRACT ASSOCIATION**

## **ARTICLE I. ORGANIZATION**

- 1.0 NAME. The corporate name is DOWVILLE TRACT ASSOCIATION, hereinafter referred to as "the Association".
- 1.1 PURPOSE. The Corporation is organized to operate as a private non-profit corporation as defined in the Articles of Incorporation.
- 1.2 OFFICE. The office of the Association shall be at the address of the Secretary.
- 1.3 CONFLICT WITH LAWS. In the event that these Bylaws conflict with the laws of the State of California, said laws shall prevail.
- 1.4 NOTICES. All notices required by law or these Bylaws to be given to any member, director or officer of the Association shall be given in writing by hand delivery of the notice or by depositing the same in the U.S. Mail or by email addressed to the address of residence or business listed in the membership record kept by the Secretary, the postage thereon fully prepaid. Notices shall be deemed given at the time of delivery or deposit. If the address of such person is not given or shown upon the books of the Association, such notice mailed to such person's address last known to the Secretary shall be deemed properly given.

## **ARTICLE II. ASSETS OF THE ASSOCIATION**

- 2.0 PREMISES. It is not anticipated that the Association will own in fee any real estate. The land areas that comprise the Dowville Tract, the Dowville Docks and dock area shoreline of 585 linear feet comprise the Association premises.
- 2.1 PROPERTY. The property of the Association consists of the improvements, equipment, tools, maintenance and operational materials for the construction and maintenance of:
  - 2.1.01 ROADS. Roads include the roadways within the Dowville Tract, excluding County and Forest Service roads.

- 2.1.02 WATER. The entire water system including springs, wells, storage tanks, mains and laterals through the shutoff valves ahead of user service lines.
- 2.1.03 DOWVILLE DOCKS. The lake and the shoreline areas as defined in the permit issued by the Forest Service, which permit is in the name of the Association which owns, manages and controls the docks and canoe racks plus all appurtenant improvements.
- 2.2 RESPONSIBILITY. The Association will not, under any circumstances, be responsible for the property or person of Members, guests, visitors, or other persons present on the premises for any purpose.
- 2.3 WATER QUALITY. The Association will comply with all the requirements of the Health Departments of Fresno County and the State of California to maintain approved quality of the water it supplies. Frequent tests will be made and if any deficiency exists, the Water Committee Chairperson will immediately undertake corrective measures. The users of the water must use their own resources if they want further treatment such as filtering or chemical additives, and their treatment may apply only to water to their own premises. The Association will not be responsible for any objectionable condition of the water it supplies.

The water system is maintained and supervised by non-paid volunteers from the Association, although actual maintenance may be done by paid personnel. Accordingly, the standards applied to such supervision and maintenance may be somewhat less than they might be were paid plumbers providing supervision and maintenance.

- 2.4 DOCK MANAGEMENT. The Association is the holder of the dock and canoe rack permits issued by the Forest Service and owns the docks and canoe racks. The Association shall issue licenses for the exclusive use of the dock slips and canoe racks to Dowville Tract permittees. The holder of the license is that person shown on the license granting exclusive use of a dock slip or canoe rack signed by the President of the Association and by the holder of the license. The dock slip and canoe rack licenses are individually owned and are transferable by the holders thereof. Dock slip and canoe rack licenses may be transferred only to a Dowville Tract permittee. The transferee of a licensee for the use of a slip or rack must sign the certificate issued upon transfer of the ownership indicating an agreement with the provisions concerning the ownership, control and management of the docks.

The Dock Committee shall make recommendations to the Board of Directors regarding control, repair, maintenance and replacement of docks and racks and for assessments.

- 2.5 REMOVAL OF ASSOCIATION PROPERTY. Property of the Association shall not be removed from the premises or be put to other use than that for which it was intended.
- 2.6 DAMAGE. Members must pay for any Association property removed or damaged by them, their family or guests.

Any Member who, without authorization, directly or indirectly tampers with the water system or intentionally violates any rule and regulation relating to the water system or to the docks or to the roads or to the canoe racks, when such fact has been established to the reasonable satisfaction of the Board of Directors, after diligent and appropriate investigation, shall be responsible for all costs and damages resulting therefrom, and that Member's water service may be terminated for such length of time as may be reasonably determined by the Board of Directors, after having given full consideration to all facts, circumstances and consequences.

- 2.7 PROPERTY RIGHTS. No Member or any other person shall have or acquire any property rights in the assets or holdings of the Association except as provided in the Articles of Incorporation or these bylaws.

### **ARTICLE III. MEMBERSHIP**

- 3.0 CLASSIFICATIONS. There is only one class of members. Members shall consist of those who hold use permits from the U.S. Department of Agriculture Forest Service for single family recreational use of lots within the Dowville Tract at Huntington Lake, California. Where permit ownership is held by more than one person or by a trust, only one of those persons or the acting trustee(s) may be a voting and/or office holding member. A member may assign his voting and/or office holding privileges to any member, as defined by this paragraph. The assignment (proxy) shall state a term and shall be in writing and recorded by the Secretary of the Association. The proxy shall be voided upon termination of the member's use permit and may be voided by the member at any time in writing to the Secretary of the Association. When the proxy is recorded with the Board, the granting member relinquishes to his proxy his right to vote and to hold office, but retains his equity in the Association and the liability for

payment of dues and assessments. Elsewhere the term “voting member” refers to a member in person or to a recorded proxy member.

- 3.1 CLIENTS. As referred to herein, clients consist of individuals, other tracts, businesses or associations who have agreements with the Association for services such as water supply and/or administrative services. Presently agreements are in place with Lake View Cottages and Camp Keola. Additionally, Dowville Tract provides water to the 6 Lakeview tract private cabins, commonly known as #02, 03, 04, 05, 06 & 07.
- 3.2 PRIVILEGES AND LIMITATIONS. Members shall own 100 percent of the Association equity. They are entitled to vote and hold office and to have access to all general, Board and Committee meetings and to all affairs and facilities. Members may sell the premises for which they have a use permit from the Forest Service; upon transfer of their use permit, they transfer their membership to the new permittee without compensation.
- 3.3 DOWVILLE DOCK and CANOE RACK PRIVILEGES. All Members have the right of access to the dock area shoreline described in the U.S. Department of Agriculture’s Special Use Permit for the dock. Access to the boat slips and canoe racks is limited to Slip licensees.

#### **ARTICLE IV. FEES, ASSESSMENTS, STATEMENTS AND PENALTIES**

- 4.0 ASSESSMENTS. Assessments may be imposed for Administrative, Water, Road, Dock and other purposes which the Board deems necessary. Unused funds shall be kept in reserve to be used only for the purpose for which the Assessment was imposed.

SPECIAL ASSESSMENTS. The purpose of a special assessment must be clearly identified and must be voted on by the membership by the use of a written ballot, either at an in-person meeting or by mail. The Board of Directors shall have the authority to decide the due date(s) of special assessments.

- 4.1 ANNUAL ASSESSMENTS. At the annual budget meeting, the Board may set the various assessments. Client assessments may be different from Member assessments, considering the benefits and expenses for which the assessment(s) was imposed. Assessments may be imposed for the following purposes, which may include administrative expenses related thereto:

WATER FUND: a) Water system insurance,  
b) Construction and maintenance,  
c) Contract obligations, and  
d) Other water system purposes.

ROAD FUND: a) Road insurance,  
b) Snow removal,  
c) Construction and maintenance,  
d) Contract obligations,  
e) Other road purposes,

DOCK FUND: a) Dock insurance,  
b) Permit and taxes,  
c) Construction and maintenance,  
d) Contract obligations,  
e) other dock or canoe rack related purposes.

4.2 ANNUAL WATER ASSESSMENT. At the annual budget meeting, the Board shall consider the recommendations of the Water Committee and shall set the amount of the water assessment.

4.3 ANNUAL ROAD ASSESSMENT. At the annual budget meeting, the Board shall consider the recommendations of the Road Committee and shall set the amount of the road assessment

4. 4 ANNUAL DOCK AND CANOE RACK ASSESSMENTS. At the annual budget meeting, the Board shall consider the recommendations of the Dock Committee and shall set the amount of the Dock assessment and the Canoe Rack license and annual assessment, if any.

4.5 ANNUAL STATEMENTS AND PENALTIES. Itemized statements setting forth the amount and purpose of each assessment shall be mailed to all Members and Clients at the address provided by May 1. Payments are due 30 days after the statements are mailed and become delinquent the first day of July of the year for which they are levied. If the full amount of any Assessment has not been paid by the delinquency date, a late charge of ten (10) percent per annum of the unpaid amounts will be added to each assessment until payment

is made in full. In addition to any other remedies that the Association may have for collection of fees and/or assessments, or recompense for amounts incurred by the Association or other Members as a result of actions of a Member, Client or his/her guests, the Board may impose sanctions or suspend some or all of the privileges of Membership or Clientship, including but not limited to the restriction of water service and/or use of dock slips. If the full amount, including any late charges and additional charges, has not been paid prior to the date that the next annual assessment is set at the Budget Meeting, the Directors shall discuss and resolve the schedule of sanction implementation, including scheduling a meeting between the Board and the offender, to discuss the specific circumstances of their delinquency. Before the imposition of any sanction, the Member or Client shall be provided with a reasonable opportunity to be heard by the Board on the matter.

4. 6 REVOCATION OF DOCK SLIP OR CANOE RACK LICENSES. If the full amount of a dock or canoe rack assessment, plus late charges, has not been paid prior to the date that the next annual assessment is set, the Association may revoke the slip or rack license and issue and sell a new license for that slip or rack. From the proceeds of the sale the Association may keep the amount of the delinquent dock or rack assessment plus the amounts of late charges and remit the balance to the owner of the revoked slip license. Prior to the sale, the Association shall give written notice of non-payment, that the license will be revoked, and a new license for the slip will be sold if full payment is not received within 10 days

## **ARTICLE V. MEMBERSHIP MEETINGS AND ELECTIONS**

- 5.0 PLACE AND NOTICE OF MEMBERSHIP MEETINGS. All meetings of the voting Membership shall be held at Huntington Lake. Notice in accordance with paragraph 1.4 shall include the date, place and time of the meeting and shall be delivered at least 15 days before the meeting.
- 5.1 ANNUAL MEMBERSHIP MEETING. Annual meetings of Members of the Association shall be held on a Saturday in June as determined by the Board.

- 5.2 SPECIAL MEMBERSHIP MEETINGS. The Secretary upon the written request of the President or any two Directors, or ten voting Members shall call a special meeting for any purpose. Such meeting shall be called within the current open season if the request is received in time for a 15 day notice – otherwise the purpose of the request will be included in the agenda of the next Annual Membership Meeting.
- 5.3 QUORUM. Twenty Members in person or represented by proxy complying with 5.4 shall constitute a quorum.
- 5.4 VOTING. Each voting Member is entitled to one vote on all matters. A voting Member may cast his vote in person or by agent, who must be a voting Member, authorized by written proxy executed by the absent Member and filed with the Secretary before the voting. All acts under such proxy shall be considered to be the personal acts of the maker. In no case may an in-person Member vote more than one proxy.
- Actions requiring a vote by the members may be taken by mail or email vote. In such cases, members must be given 15 days to return a ballot. A majority of members is required to pass any action.
- 5.5 CONDUCT OF MEETINGS. The President, or in his absence, the Vice President, or in the absence of both, a chairperson chosen by the Members present shall preside. The Secretary of the Association shall act as secretary of the meeting. In the absence of the Secretary, the Chairperson may appoint anyone to act as secretary of the meeting.

## **ARTICLE VI. DIRECTORS**

- 6.0 ASSOCIATION GOVERNMENT. The Board of Directors shall constitute the ruling and governing power of the Association for all purposes. Whenever in these bylaws the word “Board” is used, it shall refer to the Board of Directors of the Dowville Tract Association.
- 6.1 COMPOSITION OF THE BOARD. Nine voting Members shall constitute the Board of Directors. Directors shall hold office for a period of three years and until their successors have been duly elected. No Board Member who has served two consecutive terms shall be eligible to be reelected until the expiration of one year from the termination of his previous three year term.

6.2 ELECTION OF DIRECTORS. The election of Directors shall be held at the Annual Membership Meeting in June. Every voting Member in good standing shall be entitled to one vote for each position to be filled on the Board of Directors, whose votes shall not be accumulative. Nominations for Director shall be made in writing to the Secretary at least 10 days prior to the Annual Membership Meeting. The voting at the meeting may be voice vote or by secret ballot, as preferred by the Chairperson. The term of office shall begin on the day of the election.

To protect, preserve and properly operate the Association, the following reasonable qualifications are required for any nomination.

- a) Being a member of the association
- b) Being in "good standing" (i.e., not in violation of the governing documents, delinquent in assessments or has a history of late payments, etc.)
- c) Not being currently or historically involved in litigation with the association
- d) Attending a minimum number of board meetings as a director
- e) Not having a familial relationship with another sitting director
- f) Not being a co-owner with another sitting director

6.3 PLACE OF BOARD MEETINGS. Board meetings may be held any place reasonably convenient for the Board members.

6.4 QUORUM. Except as otherwise provided in these bylaws, at all meetings of the Board, regular or special, five of the Directors in office at the time, present in person at such meetings, shall be sufficient to constitute a quorum. Unless a greater number is expressly required by laws or these bylaws, every act or decision done or made by the majority of Directors present at such meetings duly held, at which a quorum is present, shall be regarded as an act of the Board. The President may be counted in determining if a quorum is present. In the absence of a quorum, a majority of the Directors present may adjourn from time to time until a quorum is present. Absent Board Members may NOT give a proxy to another Board Member for a Board Meeting.

- 6.5 ORGANIZATION MEETING. Immediately following the June annual Membership meeting, the newly elected Board Members and the continuing Directors shall hold a meeting for election of officers and any other business. Nominees for President, Vice President, and Treasurer must be members of the Board. The Secretary shall be a person appointed by the President with the approval of a majority of the Board.
- 6.6 BUDGET MEETINGS. A Budget Meeting shall be held each year. The Budget Meeting shall be held as soon after the December 31 fiscal year end as the reviewed Treasurer's year-end report is available, but not later than the 31<sup>st</sup> of March. At this meeting, the budget and assessment schedule must be resolved, the annual Membership Meeting scheduled and statements to the membership defined. In addition, delinquent assessments and sanctions, as well as the revocation of dock slip and canoe rack licenses and the schedule of sanction implementation, shall be discussed at the Budget Meeting. Any other business may be considered. The Board may provide for additional Board meetings at any meeting.
- 6.7 SPECIAL BOARD MEETINGS. Special Board meetings may be scheduled for any purpose at the request of the President, Vice-President or any two Board members.
- 6.8 CONFERENCE CALL MEETING AND ACTION WITHOUT A MEETING. In circumstances where Board decisions are urgent and time and/or remoteness of Board members make it impossible to obtain a quorum at a special meeting, the President or, on his unavailability, the Vice-President may call for a special meeting by conference call, which will be deemed a regular meeting as long as directors on the call know who is on the call and can hear one another.
- Any action required or permitted to be taken by the board of directors may be taken without a meeting, if directors unanimously consent in writing to that action. Such action by written consent shall have the same force and effect as a vote of the board of directors. Such written consent shall be filed with the minutes of the board of directors.
- 6.9 VACANCIES. Vacancies on the Board may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual or special meeting of the

members. No reduction in the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

- 6.10 REMOVAL OF DIRECTORS. The entire Board of Directors or any individual Director may be removed by the affirmative vote of a majority of the voting members present at a regular or special membership meeting at which a quorum is present, or may be removed by the affirmative vote of six Board members at a regular or special Board meeting at which a quorum is present. Potential actions that could prompt the Board of Directors to remove a Director include overdue fees and assessments, lack of participation in the Association beyond the normal commitment of a member, not upholding the By-Laws of the Association, or at the discretion of the board based on any actions deemed to be not in the interests of the Association. Removal cannot be done by a telephone poll or by electronic means but can be accomplished via a video conference or an in-person meeting.
- 6.11 COMPENSATION OF DIRECTORS. All work performed by a Director, including but not limited to, duties and responsibilities associated with their position on the Board of Directors, service on a Subcommittee, and improvements to tract property and surrounding areas, shall be considered voluntary and unpaid unless the Board authorizes the expenditure.

## **ARTICLE VII. POWERS OF THE BOARD OF DIRECTORS**

- 7.0 CORPORATE POWERS. Subject to the express provisions of the Articles of Incorporation and these Bylaws as to action that must be authorized or approved by the voting members, all corporate powers shall be exercised by or under the authority of the Board of Directors and the business, property and affairs of the Association shall be managed, conducted and controlled by the Board of Directors.
- 7.1 SPECIFIC POWERS OF THE BOARD.
- a) To elect, appoint and remove at pleasure all officers and agents of the Association, prescribe their duties, fix their compensation and require from them security for faithful service.
  - b) To acquire properties as defined in 2.1 by purchase, lease or

otherwise, on terms that are legal and not in conflict with the Articles of Incorporation and Bylaws of the Association.

- c) To dispose of property by sale, lease or otherwise.
- d) To incur indebtedness for the Association as may reasonably be required for lawful and needed improvements to the properties of the Association.
- e) To create such special and standing committees as the Board shall see fit; to define the duties and authority of such committees; to remove any member of a committee from his position as a committee member.
- f) To fix, levy and collect fees and/or assessments on all members as provided in these Bylaws.
- g) To do and perform, generally, every act and thing that may be given by law and these Bylaws to the Board of Directors.

7.2 AUTHORITY TO CONTRACT. Except as otherwise provided in these Bylaws, no officer, or agent shall have any power to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any expense or purpose for any amount unless such authority, either general or specific, is conferred upon or delegated to such officer, or agent by the Board.

7.3 DEPOSIT OF FUNDS. All funds of the Association shall be deposited in a timely manner to the credit of the Association with such banks, trust companies or other depositories as the Board elects. Endorsement for deposits to the credit of the Association in any of its depositories shall be made by such officers or agents of the Association to whom the Board, by resolution, shall have delegated.

7.4 CHECKS. All checks, drafts or other orders for the payment of money, acceptance or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association as shall be determined from time to time by resolution of the Board.

7.5 HIRING OF THIRD PARTIES. The Board of Directors shall have the authority to hire temporary employees and contractors for work benefiting the Association, provided the following conditions are met:

- a) The hiring is included and within the annual budget approved by the Board of Directors at the March Board Meeting.

Emergency repairs requiring the hiring of temporary employees and/or contractors not included in the annual budget must be proposed in writing by the Committee Chair responsible to the Board for the work and approved in advance by the President if the total cost is less than \$2,000, or approved in advance by the Board if the cost is greater than that amount.

- b) Contractors must have a current contractor's license and liability insurance that covers both the contractor and the Association for the duration of the work as evidenced by a Certificate of Insurance (COI) provided by the contractor prior to start of work. Minimum insurance requirements shall include general liability and workers compensation coverage in the amount of \$1 million per occurrence and \$2 million aggregate or as otherwise required by California law.
- c) A written and signed proposal from the contractor including sufficient details of the contractor's proposed scope, schedule and budget must be provided by the contractor to the Committee Chair responsible to the Board for the work prior to the start of the work.
- d) The hiring of temporary employees who are not licensed professional contractors and do not carry liability insurance is discouraged and requires prior approval by the Board who will take into account the risk to the Association for liability under Dowville's liability and workers compensation insurance policies.

## **ARTICLE VIII. OFFICERS**

- 8.0 The officers of the Association shall be a President, Vice-President, and Treasurer, all of whom shall be members of the Board of Directors, and a Secretary, who may be a director or any individual competent to do the work required and who has been approved by the Board.
- 8.1 THE PRESIDENT. Subject to limitations in these Bylaws, the President shall have the following responsibilities:
  - a) To be the chief executive officer of the Association and to exercise general supervision over the business of the Association and over its several officers.

- b) To preside at all meetings of Members and the Board of Directors.
- c) To appoint or remove the Chairperson of any or all committees and to serve as ex-officio member thereof. The President may also collaborate with the committee Chairperson to appoint or remove any committee members.
- d) To prescribe the duties of the officers, assistant officers, and agents of the Association whose duties are not otherwise defined or described.
- e) To sign and execute in the name of the Association contracts, notes, checks and other instruments authorized by the Board, unless some other person is designated or authorized by the Board to so sign and so execute.
- f) The President or his designee shall be the representative of the Association in dealing with other tract associations at Huntington Lake and he shall nominate two members of Dowville Tract Association to be elected to the board of the Huntington Lake Association.

8.2 THE VICE-PRESIDENT. In the absence of the President or in the event of his/her non-availability, the Vice-President shall perform all duties of the President, and when so acting, he/she shall have all the powers and be subject to all the restrictions of the President. In addition, the Vice-President shall perform other duties as may from time to time be assigned to him by the Board or the President.

8.3 THE TREASURER. The Treasurer interprets the organization's financial information and records for the Board and identifies fiduciary issues for Board consideration. The Treasurer shall have the following responsibilities:

- a) Report to and collect from the membership all assessments ordered by the Association or by the Board of Directors. Keep accurate accounting of the same.
- b) Write and sign all checks and maintain associated bank accounting records.
- c) Make deposits and prepare checks and keep accurate financial records.
- d) Submit a written report to the Association members as soon after the end of the calendar year as practical, giving account of the business transactions of the Association for the years just closed, amounts received and disbursed, for whom and on

what account received, and for what purpose paid out.

- e) Submit required tax submissions or other government related forms.
- f) The Treasurer, acting as Financial Officer, shall conduct a review of the Association's books as soon after the end of the Association fiscal year as possible. The final reviewed reports shall bear the Treasurer's signature.

The Board may elect to employ a bookkeeper to work under the direction of the Treasurer. The bookkeeper may perform all functions listed in 8.3 (a-e).

Any and all payments and transfers made for the maintenance of the docks, roads or water systems by the bookkeeper shall be subject to prior approval by the appropriate committee chairperson. If the chairperson is unavailable, the payment shall be subject to prior approval by the Treasurer or President. Administrative payments shall be subject to prior approval by the Treasurer or President.

8.4 THE SECRETARY. The Secretary shall be any person able, available and competent to:

- a) Keep an accurate book of minutes of all meetings of the Board and of the members.
- b) Maintain an up-to-date roster of all members and clients; prepare and mail all notices, statements and other materials as may be required; mail copies of the minutes of the Annual Membership Meeting to all Members within 30 days of the meeting. In the Annual Membership Meeting minutes, include a notification of Board meeting dates and the ability to request Board meeting attendance, agendas and minutes by contacting the Secretary by email.
- c) Provide information requested by the U.S. Forest Service.
- d) The Secretary may be paid an amount commensurate with the work required, to be approved by the Board.

If the Secretary is not a director, that person has no voting rights and will not be counted as part of a quorum.

## **ARTICLE IX. COMMITTEES**

- 9.0 COMMITTEE CHAIRPERSON. The President may designate any Association member to be Chairperson of any committee he deems necessary for the operation of the Association. In general, the committee Chairperson will select members of his/her committee from the Association membership, but shall have the privilege to select a non-member when appropriate talent is not available. Committee Chairpersons are authorized to obligate the Association for design, materials, services or other costs that are authorized by the Board.
- 9.1 STANDING COMMITTEES. The standing committees of the Association shall consist of a Water Committee, a Road Committee and a Dock Committee. Other standing committees may be created by the Board; incidental committees may be appointed by the President.
- 9.1.01 WATER COMMITTEE. The Water Committee shall present to the Board at the annual budget meeting a budget for the upcoming season, including costs anticipated for the estimated scope and schedule and budget for the work that they want the Water Committee to have performed in the upcoming season. During the water season, the water committee shall supervise all work and determine when work is completed and payment is justified.
- 9.1.02 ROAD COMMITTEE. The Road Committee shall present to the Board at the annual budget meeting a budget for estimated costs for the upcoming season including estimated costs for snow removal, repairs or reconstruction of designated road areas, purchase of rock, drainage materials, cold mix paving materials, equipment purchase or rental, labor and/or contracted costs. The Road Committee shall schedule and supervise any work and determine when payment is justified.
- 9.1.03 DOCK COMMITTEE. The Dock Committee shall present to the Board at the annual budget meeting a budget for all estimated costs for the upcoming year. The Dock Committee shall provide for all management, control, regulations, and policing of the docks and canoe racks and the waterfront premises. The Dock Committee shall schedule and supervise any work required and determine when payment is justified.

## **ARTICLE X. MISCELLANEOUS PROVISIONS**

10.0 PARLIAMENTARY AUTHORITY. The rules contained in the current edition of Robert's Rules of Order shall govern the Association in any way in which they are not inconsistent with these Bylaws.

10.1 FISCAL YEAR. The fiscal year shall end on the 31<sup>st</sup> day of December.

## **ARTICLE XI. DISSOLUTION**

11.0 The Association will not be voluntarily dissolved except by the approving vote of not less than a majority of the voting Members. In the event of dissolution of the Association in any manner or for any cause, the assets of the Association remaining after payment for all its liabilities shall be divided and distributed equally among the Proprietary Members. All indebtedness to the Association of any Member shall first be deducted before payment of any distributive share.

## **ARTICLE XII. AMENDMENTS TO THE BYLAWS**

12.0 AMENDMENT BY BOARD OF DIRECTORS. Subject to the members' rights under Section 12.1 of these Bylaws, the Board may adopt, amend or repeal Bylaws unless so doing would:

1. Materially and adversely affect the members' rights as to voting, dissolution, redemption, or transfer;
2. Increase or decrease the number of members authorized in total;
3. Effect an exchange, reclassification, or cancellation of all or part of the memberships; or
4. Authorize a new class of membership.

Once members have been admitted to the corporation, the Board may not, without the members' approval, specify or change any Bylaw that would:

- a. Fix or change the authorized number of directors;
- b. Fix or change the minimum or maximum number of directors;  
or
- c. Change from a fixed number of directors to a variable number of directors or vice versa.

Additionally, without the approval of the members, the Board may not adopt, amend or repeal any Bylaw that would:

- a. Increase or extend the terms of directors;
- b. Allow any director to hold office by designation or selection rather than by election by the members;
- c. Increase the quorum for members' meetings;
- d. Repeal, restrict, create, expand, or otherwise change proxy rights; or
- e. Authorize cumulative voting.

12.1 AMENDMENT BY MEMBERS. New Bylaws may be adopted, or these Bylaws may be amended or repealed, by approval of a majority of the members.

### **ARTICLE XIII. BOND, INDEMNITY, INSURANCE**

13.0 Bond. If required by the board, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the financial officer on his or her death, resignation, retirement, or removal from office. The expense of this bond shall be furnished by the corporation.

13.1 Indemnification.

- (a) Right of Indemnity. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, and other persons described in section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties, settlements, and other amounts actually and reasonable incurred by them in connection with any threatened, pending or completed suit or "proceeding," as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person described in that section, in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be

provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the corporation. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

- (b) Approval of Indemnity. On written request to the board by any person seeking indemnification under section 5238(a) of the California Corporations Code, the board shall promptly determine whether the applicable standard of conduct set forth in section 5338(b) or section 5238(c) has been met and, if so, the board shall authorize indemnification.
- (c) Lack of quorum. 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 quorum of directors who are not parties to that proceeding, the board shall promptly call a meeting of members. At that meeting the members shall determine under the Corporations Code section whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.
- (d) Advancement of Expenses. To the fullest extent permitted by law, and except as otherwise determined by the board in a specific instance, if the board has authorized the indemnification, then costs incurred by the person indemnified shall be advanced to that person by the corporation, even if such indemnification occurs before final disposition of the proceeding. However, any indemnification provided for herein, is conditional on the corporation's prior receipt, from the person(s) to be indemnified, an undertaking or other form of promise to repay, that is made by or on behalf of that/those person(s), promising to make reimbursement to the corporation, of any such advancement of expenses, in the event that the proceeding(s) ultimately determine(s) that the person was

not legally entitled to be indemnified by the corporation.

- (e) All indemnifications or other transactions having a cumulative total exceeding \$1,000 for any individual shall be a part of the annual report of the corporation.
- (f) The indemnification provided herein shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.
- (g) No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified person under this Article shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.
- (h) This Article constitutes a contract between the corporation and the indemnified officers, and directors. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer or director under this Article shall apply to such officer or director with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

13.2 Insurance. The corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, and other agents, against any liability asserted against or incurred by any officer, director, or agent, in such capacity or arising out the officer's, director's, or agent's status as such.