

Donner Lake Property Owners' Association Bylaws

*Bylaws of the Donner Lake Property Owners' Association
A nonprofit organization established in June 23, 1957.*

ARTICLE I: DESCRIPTION

This Association, established June 23, 1957, shall be known as the Donner Lake Property Owners' Association (hereinafter "Association"), whose principal office will be located at such place in Nevada County, California, as the Board of Directors (hereinafter "the Board") may from time to time designate by resolution.

The Association has been formed pursuant to the California Non-Profit Mutual Benefit Corporation Law as a nonprofit corporation.

ARTICLE II: PURPOSE

The Association exists:

- To maintain or improve the recreational facilities of Association properties consistent with environmental preservation of such properties and Donner Lake;
- To enjoy the benefits of the locality by attempting to keep the public utility rates, taxes, assessments, fire protection, and other expenses to a reasonable minimum with a maximum of service;
- To promote good fellowship, neighborliness, living by the Golden Rule on behalf of all of the Association; and
- To keep members informed of the various actions, meetings, plans, and accomplishments of the Association.

ARTICLE III: MEMBERSHIP

SECTION 1: Charter members shall be those members set forth on Exhibit A.

SECTION 2: Any bona fide owner, as defined herein, of a parcel of property or building site situated within the premises described in Exhibit D attached to the deed dated September 2, 1958, from the Donner Lake Development Company to the Association, shall be eligible for membership in accordance with the membership limitations herein.

SECTION 3: Any bona fide owner of a parcel of property or building site situated with the premises described in the Agreement Dated August 3, 1960 between Southside Development Co., Inc. and Donner Lake Property Owners' Association shall be eligible for membership as follows:

“purchasers of subdivided lots in Southside Highlands Subdivisions, provided, however, that the total number of lot purchasers eligible for membership shall not exceed two hundred (200) such purchasers, and provided further that purchasers of Southside Highlands subdivided lots which border on Donner Lake shall not be eligible for membership, unless such lakefront properties are otherwise included within Exhibit A”

Any member in good standing at the time of ratification of this document whose parcel is not within the premises described by Sections 2, or 3 of this Article shall nonetheless be deemed members in good standing and otherwise enjoy all privileges and be subject to all other requirements of these bylaws. This clause is intended to provide an equitable resolution, consistent with Article II, paragraph (3), of those situations previous to ratification where said members were granted membership in error.

SECTION 4: All new parcels created, after ratification of this provision, from an eligible parcel shall not be eligible for membership.

SECTION 5: Membership, subject to the limitations contained in these Bylaws, shall issue in the name of the individual eligible for membership as a bona fide owner and that individual’s spouse, if any, regardless of whether that spouse is on title to the property. A membership issued in the name of a bona fide owner and his or her spouse shall be counted as one membership.

SECTION 6: Membership shall be limited to those members in good standing as of December 31, 1998, plus twenty-five (25) memberships. Thereafter, memberships shall be available to bona fide owners as follows:

- Up to two (2) memberships per parcel, unless the requirements of Article III, Section 6 (b) are satisfied.
- Up to four (4) memberships per parcel if all bona fide owners of the parcel are immediate family members or all bona fide owners of the parcel received his or her interest from an immediate family member.

Any request for membership that exceeds the available memberships shall be maintained on a waiting list and such bona fide owner applicant shall be offered a membership in accordance with the rules and regulations adopted by the Board. If the number of bona fide owners exceeds the number of available memberships per parcel, the bona fide owners shall determine which bona fide owner(s) receive membership.

SECTION 7: Members or their immediate families may invite a reasonable number of guests, as may be set from time to time by the Board, to accompany them in using the facilities of the Association. The Board may proscribe, from time to time, a reasonable fee per guest. Owners or their immediate families whose membership has been suspended may not be invited as guests. For purposes of these provisions, Renters of membership properties may not be considered a guest of a member. The use of the Association’s facilities by Renters shall be determined by reasonable rules and regulations established by the Board, subject to the limitation of Article III, Section 8.

SECTION 8: Renters of membership properties shall not be admitted onto Association properties on July 4th, Labor Day, nor the weekends immediately prior to and following said days, and all days between said weekends. The Board may otherwise limit, prohibit or prescribe use of Association properties by Renters of membership properties, including times, frequencies, and fees for allowing access and use of the Association beach and other facilities.

ARTICLE IV: MEMBERSHIP INITIATION FEES AND DUES

SECTION 1: Bona fide owners joining the Association after May 25, 1996, shall be required to pay an initiation fee of \$1,100.00, which may be increased yearly by the Board in an amount not greater than \$100 per year. Proposed increases in any given year greater than \$100 shall require approval by a majority vote of the membership. An individual who becomes a bona fide owner through a property interest transfer from an immediate family member who is an Association member in good standing shall not be required to pay an initiation fee and shall be entitled to immediate membership and not subject to the waiting list under Article III, Section 6. An initiation fee shall be charged to a member whose membership had been revoked or who had failed to pay the annual dues within six (6) months of the annual membership due date. An initiation fee shall be charged to a new member resulting from a change of membership designation between bona fide owners of a parcel of real property on which the number of bona fide owners exceeds the number of available memberships, in accordance with Article III, Section 6 and Article X, Section 8.

SECTION 2: Membership dues shall be due and payable on or before the first day of April of each year and shall be considered delinquent thereafter. The postal cancellation date shall govern. A late charge established by the Board may be imposed on delinquent payments. Failure to pay dues will suspend a member's good standing and be sufficient basis to deny that member all privileges and benefits of the Association, including access and use of the Association's properties, and may result in expulsion from the Association.

SECTION 3: Initiation fees and annual dues shall be determined by the Board at the final board meeting of each calendar year or at another date no later than ninety (90) days thereafter as set by the Board; annual dues may fluctuate from year to year without requiring amendment to the Bylaws; however, an increase in any year in excess of fifteen percent (15%) over the dues of the previous year shall first require the approval of majority of the membership.

SECTION 4: No assessments shall be levied at any time upon the membership without a two-thirds vote of the members approving. Methods of meeting unforeseen costs may be decided by a vote of the membership at a special meeting called for that purpose.

ARTICLE V: ORGANIZATION

SECTION 1: The Officers shall consist of a President, Vice-President, Secretary and Treasurer, each elected to serve a one-year term.

SECTION 2: The Board of Directors (hereinafter “the Board”) shall consist of at least nine, but no more than fifteen, members including the officers. Members of the Board who are not Officers shall be elected to serve a two-year term, with at least three elected annually.

SECTION 3: The Board may hire a General Manager who shall not be a member of the Board of Directors and shall be responsible for such duties as may be prescribed by the Board and shall be supervised by the President.

ARTICLE VI: MEETINGS

SECTION 1: There shall be two regular meetings of the Association members (hereinafter “general meetings”) each year held on or near the Association beach. One such meeting shall be held on or near the July 4th holiday period and the other on or near the Labor Day weekend. Other general meetings shall be called by the President upon written request of twenty percent (20%) of the membership or a majority of the Board. Specific dates, times, and locations of general meetings shall be established by the Board at reasonable times and location consistent with encouraging membership attendance and set forth in a Notice of Meeting sent to all Association members pursuant to Section 2 below. Meetings shall be conducted by an Officer or, in the absence of Officers, by a Director.

SECTION 2: Mailed notices of all regular or specially called general meetings shall be sent to the last known mailing address of each member, whose dues are current and membership is otherwise in good standing, at least fifteen (15) days prior to the time of said meeting. Ten percent (10%) of the membership shall constitute a quorum for conducting business.

SECTION 3: Meetings of the Board of Directors shall take place at a reasonable time prior to each general meeting; a majority of the Board shall constitute a quorum for the transaction of business. Board meetings shall be conducted by an Officer or, in the absence of Officers, by a Director. The Board on the affirmative vote of a majority of the Directors in attendance may adjourn into an executive session to discuss litigation, personnel matters, or business or a similar nature in which maintenance of the confidentiality of Board deliberations is consistent with the best interests of the Association and its members. A majority of the Board may call for a special general or Board meeting when deemed necessary or advisable so as to recommend courses of action to the membership and to act in their behalf within the limits of the Bylaws. Upon such a vote by the Board, the President shall call for such meeting in accordance with these provisions.

SECTION 4: All votes and abstentions taken by Board members shall be individually recorded and set forth in the minutes of the meeting and published in the next newsletter issued following the meeting.

SECTION 5: A Director absent from two (2) or more Board meetings in a term year, and where at least two (2) such absences are found by two-thirds votes of the Board to have been without good cause, may be removed from the Board by two-thirds votes of the Board.

SECTION 6: Subject to the provisions of the California Non-Profit Mutual Benefit Corporation Law and any limitations in any of the Governing Documents, the business and affairs of the Association shall be vested in the Association's Board of Directors. Subject to the Governing Documents, the Board may delegate the management of the activities of the Association to any persons, companies, or committees operating under the ultimate direction of the Board.

SECTION 7: Without prejudice to the general powers of the Board set forth above, the Directors shall have the power to exercise all powers vested under the laws of the State of California, appoint and remove officers of the Association and employees, hire and fire employees, prescribe powers and duties consistent with the law and these Bylaws and Articles of Incorporation, adopt rules and regulations governing the use of the Association's beach, recreational facilities, and other Association Articles of Incorporation, including litigation, pay for the obligations of the Association and collect obligations due the Association, execute contracts, delegate duties and powers, and take other actions consistent with California law.

SECTION 8: All meetings shall be conducted under "Robert's Rules of Order."

ARTICLE VII: ELECTIONS

SECTION 1: The annual election of Officers and Directors shall be held at the July general meeting. The regular terms of office shall commence at the conclusion of that July general meeting.

SECTION 2: The President may appoint a nominating committee to search out interested candidates to run for Officer or Director.

SECTION 3: No person shall be eligible to be elected whose dues are in arrears or is otherwise not a member in good standing as found by two-thirds vote of the Board; or who has failed or refused to sign the Conflict of Interest Statement currently adopted by the Board.

SECTION 4: No more than one member of an immediate family may serve on the Board or be an Officer during any given term.

SECTION 5: No later than June 1st, the Board shall mail to each member in good standing an election package consisting of:

- a) names and Donner Lake property addresses of each candidate, together with a statement of interest if submitted by the candidate;
- b) a ballot with the candidate's names and positions sought and with spaces for write-in candidates equal to the positions to be elected;
- c) a "Ballot envelope" on which the Association member voting shall be required to enter his/her membership number and in which the ballot shall be placed and sealed;
- d) an envelope pre-addressed to the Association's official mailing address in which the sealed Ballot envelope shall be placed for mailing in a timely

fashion to insure delivery no later than the last business day prior to the July general meeting.

In lieu of mailing, members may submit their ballots at the July general meeting until thirty (30) minutes after the scheduled time of the commencement of the meeting, and provided the member displays his/her membership card at the time of submission.

SECTION 6: The Board may adopt reasonable rules and regulations concerning the election of Officers and Directors in compliance with these Bylaws.

SECTION 7: The Board, by majority vote, may fill vacancies of Officers or Directors as determined necessary or expedient, consistent with these provisions.

ARTICLE VIII: DUTIES OF OFFICERS

SECTION 1: The President shall preside at all general and Board meetings, appoint committees, supervise the General Manager, and coordinate and expedite the functions of the Association as required by the business of the Association.

SECTION 2: The Vice-President shall assume the duties of the President during his/her absence or should the office of President become vacant.

SECTION 3: The treasurer shall be responsible for collecting dues and receiving all monies due the Association from whatever source, shall keep an accounting of such monies, and shall present a report at each general meeting providing a written financial statement to members in attendance. He/She shall maintain an itemized account of all Association funds and deposit all income into the Association's account maintained in an authorized bank. At the end of the summer he/she shall prepare a written inventory of all Association physical property for the Board. If required by the Board, the Treasurer shall give the Association a bond. Check writing authority may be determined by the Board; in the absence of such direction, each check shall be signed by the treasurer and another Board member. Subject to Board approval, the Treasurer may delegate any of the above duties to the Office Manager or a member of the Association.

SECTION 4: The Secretary shall record the deliberations of regular meetings and Board Meetings, including specific votes cast by each Director and Officer at such meetings. Subject to Board approval, the Secretary may delegate any of the above duties to the Office Manager or a member of the Association.

ARTICLE IX: AMENDMENTS TO THE BYLAWS

SECTION 1: These Bylaws may be amended by two-thirds affirmative vote of the membership.

SECTION 2: A proposed amendment, to be duly recognized in the order of business:

- a) may be proposed by a Board member and supported by a majority of the Board, or
- b) may be proposed by an Association member in writing by mailing to the President at the Association's official address together with signatures in support thereof by at least ten percent (10%) of the members.

The actions described in subsections (a) and (b) above shall occur no later than sixty (60) days prior to the meeting at which the proposal is to be considered. The President shall then direct that copies of the proposed amendment be mailed to the membership at least thirty (30) days prior to the membership meeting at which action is to be taken. A brief statement from a Board member or other member of the Association supporting the proposed amendment and one opposing shall be included in the mailing upon request of any Board member.

SECTION 3: It shall be expressly understood that all amendments duly passed shall supersede all previous Bylaws or amendments to which they specifically refer.

ARTICLE X: MISCELLANEOUS

SECTION 1: The Board may promulgate reasonable rules and regulations governing membership and the use of the Association's facilities, including without limitation, operation and storage of sail, motor, or other watercraft, including canoes, kayaks, and rafts, by members, their guests and renters, in the vicinity of the Association's beach, as well as other rules relating to Association business. Such rules and/or amendments to rules shall be effective upon their mailing to the members. If within thirty (30) days after the mailing, at least twenty percent (20%) of the membership submits to the President written protests to any particular rule, the rule shall nonetheless be operative for sixty (60) days following its mailing pending a membership vote on the rule.

SECTION 2: As a condition of membership remaining in good standing, each member shall comply with rules adopted by the Board, and shall make reasonable efforts to see that their guests and renters comply with such rules. The membership and/or membership privileges of any member may be suspended or revoked by the Board if the member fails to take such reasonable efforts both as to him/herself or as to his/her renters or guests.

SECTION 3: Wherever it is mentioned in these Bylaws that proposals shall be passed by majority, two thirds (2/3), or some other supermajority, whether in Board meetings or general meetings, such majorities or supermajorities shall be of those voting on the issue.

SECTION 4: Each membership is entitled to one (1) vote.

SECTION 5: Each member shall be liable to the Association for any damage to Association property caused by the negligence or willful misconduct of the member, his or her family, and their guests and renters.

SECTION 6: For all violations of the Association Bylaws and rules, except where the only infraction is failure to pay dues on time, no membership may be suspended or revoked except upon two-thirds vote of the Board. A personal appearance and presentation before the Board, if requested in writing to the Association's principal office by the member within ten (10) days of the Board's issuance of a notice to the member of its intention to revoke or suspend membership, shall be granted to the member prior to any vote to suspend or revoke. Failure to pay dues in a timely fashion in accordance with these Bylaws shall result in an automatic suspension of that member's good standing and does not require Board approval.

SECTION 7: No member of the Board of Directors or Officer or employee of the Association shall be personally liable to any of the Association's members or to any other person for any error or omission of the Association, its agents, representatives, and employees provided that such Board member, officer, employee, have upon the basis of such information as may be possessed by him/her, acted in good faith.

SECTION 8: For purposes herein, a bona fide owner is defined as:

- a) a natural person holding record title to at least a twenty percent (20%) ownership interest in a parcel of real property eligible for membership in accordance with the Bylaws; or
- b) a natural person holding at least a twenty percent (20%) beneficial or ownership interest in an entity holding record title to a parcel of real property eligible for membership in accordance with the Bylaws.

SECTION 9: For purposes herein, immediate family is defined as the Member's spouse, the parents of the member, the parents of the Member's spouse, the Member's children, the spouses of the Member's children, and the grandchildren of the Member.

SECTION 10: Subject to Article III, Section 6, any membership that becomes "non-conforming" according to these Bylaws, such as having too many memberships per parcel, shall remain in effect until title to the parcel on which membership is granted is modified. This Section does not change the identification of parcels deemed to be within the Association's boundaries pursuant to Article III, in that such parcels continue to be within the Association's boundaries regardless of transfer of title and shall not be deemed "nonconforming."

Bylaws amended: July, 2016