

**CASCADE SHORES HOMEOWNERS ASSOCIATION
BY-LAWS**

Revised 4/6/1974, 4/1/1978, 4/3/1993, 4/5/1997, 11/3/2009 and 4/2/2016

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BY-LAWS
of
CASCADE SHORES HOMEOWNERS ASSOCIATION
A Non-Profit Corporation

ARTICLE I

Purposes

This corporation is a non-profit MUTUAL BENEFIT CORPORATION organized under the Non-Profit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law. The specific purposes of the Corporation are to hold, manage, operate, and maintain certain property located in the housing development known as Cascade Shores and Cascade Claims in the County of Nevada, State of California, as social and recreational facilities for the exclusive use and enjoyment of those property owners and residents of said developments and adjoining developments who are members of the corporation, and to take a public position on environmental and other matters affecting the quality of life in Cascade Shores and environs, etc. This corporation elects to be governed by all the provisions of the Non-Profit Corporation law of 1980 not otherwise applicable to it under Part 5.

ARTICLE II

Offices

The principal office of the corporation in the State of California shall be located in Nevada County.

ARTICLE III

Members

Section 1. Class of Members. The corporation shall have two (2) classes of members: owner members and renter members (includes non-rent paying tenants). **Section 2.** Membership. Each owner or renter of a lot or parcel of real property situated within those parts of the housing development known as Cascade Shores, located six (6) miles east of Nevada City, California, which is shown in Exhibit A hereof, and adjoining developments, may be a member of the corporation when he/she has paid the membership fee for the year. The Board of Directors may from time to time change the amount of the membership fee, which must be paid by each member by April first of each year as a condition to being a member.

Section 3. Voting Rights. Each member shall be entitled to one (1) vote on each matter submitted to the vote of the members. However, there shall be only one (1) vote per household.

Section 4. Termination of Membership. A member's membership shall terminate for non-payment of dues as of April first of the coming fiscal year.

ARTICLE IV

Meetings of Members

Section 1. Annual Meeting. An annual meeting of the members shall be held on the first Saturday in the month of April in each year at the hour of 1 :00 PM for the purpose of seating the elected directors and officers and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of California, such meeting shall be held on the next succeeding Saturday. The Board of Directors may designate any place within Nevada County as the place for the annual meeting.

Section 2. Special Meetings. Special meetings of the corporation may be called by the President, the Board of Directors, or ten percent (10%) of the members.

Section 4. Notice of Meeting. Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered either personally, electronically or by mail, to each member entitled to vote at such meeting. Members will receive at least a seven (7) day notice of such a meeting.

Section 5. Quorum. The members present at a meeting shall constitute a quorum. Every act or decision done or made by a majority of the members present at a meeting duly held shall be regarded as a valid act of the members, unless a greater number be required by law.

Section 6. Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

ARTICLE V

Board of Directors

Section 1. General Powers. Its Board of Directors shall manage the affairs of the corporation.

Section 2. Nomination of Directors. Beginning in 2017 in November the Board of Directors shall appoint a Nominating Committee. The committee will consist of three members in good standing and only one of such members will be a director of the corporation. Immediately afterwards the members of the corporation will be notified electronically of the names of the Nominating Committee members. Any member may declare him/herself as a candidate for election to the Board of Directors by filing a written statement with the chairperson of the Nominating Committee by February first.

Section 3. Number, Tenure, & Qualifications. The number of directors shall be no more than nine (9) nor less than (5). Beginning with the 2018 election there shall be two (2) classes of directors. After the election the directors will draw lots to determine who is in each class. Class 1 Directors will have a one⁵⁶ (1) year term and Class 2 Directors will have a two (2) year term of office. In 2019 the terms of the Class 1 Directors will change to two (2) years. The Board shall always be so constituted that a majority are owner members.

Section 4. Election of Board of Directors. Election of members of the Board of Directors shall be by a mail ballot sent to members with the Spring Newsletter. The Secretary of the Board, with the help of at least one non-Board member, shall be responsible for tabulating the results of the election.

Section 5. Meetings. Meetings of the Board of Directors may be called by or at the request of the president or any two (2) directors. The person or persons authorized to call a meeting of the Board may designate any place within Nevada County as the site for holding that meeting. The Board of Directors shall meet at least once per calendar quarter. All meetings will be open to all members, except executive sessions when confidential matters are on the agenda. Members who wish to present issues to the Board shall so advise the President by 3 days prior to the meeting.

Section 6. Notice. Notice of any special meeting of the Board of Directors shall be given at least twenty-four (24) hours previously thereto by written notice delivered personally, electronically or by mail to each director at the address shown in the records of the corporation. The business to be transacted at the meeting need not be specified in the notice of such meeting.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, a majority of directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Vacancies. The Board of Directors shall fill any vacancy occurring in the Board of Directors. A majority of the remaining directors, though less than a quorum, or a sole remaining director, may fill such vacancies. A director elected to fill a vacancy shall hold office during the unexpired term of his predecessor in office.

Section 10. Compensation. Directors shall not receive any salaries for their services.

Section 11. No Interest in Assets. No director shall possess any property right in or to the property of the corporation. In the event the corporation owns or holds any property upon its dissolution and winding up, after paying or adequately providing for its debts and obligations, the directors shall dispose of the remaining property in accordance with the provisions of the articles of incorporation.

Section 12. Action by Written Consent. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if a majority of the members of the Board shall individually or collectively consent in writing or electronically to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a majority vote of such directors. This section shall not authorize any committee of the Board of Directors to take action by written consent without a meeting.

ARTICLE VI

Officers

Section 1. Officers. The officers of the corporation shall be a president; one (1) or more vice presidents (the number thereof to be determined by the Board of Directors), a secretary, a treasurer and such other officers as- may be elected in accordance with the provisions of this article. Any two (2) or more offices may be held by the same person, except the offices of president and secretary. All officers shall be owner-members.

Section 2. Election and Term of Office. Those members elected as directors for the coming year will hold a meeting prior to the annual meeting for the purpose of electing the officers. The new directors and officers shall be seated and assume their duties at the annual meeting. Each officer shall hold office until a successor has been elected.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors.

Section 5. President. The president shall be the chief executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He/she shall preside at all meetings of the members or of the Board of Directors. He/she may sign, with the secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws or by statute to some other officer or agent of the Corporation, and in general he/she shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors.

Section 6. Vice President. In the absence of the president or in the event of his/her inability or refusal to act, the vice president, or in the event there be more than one (1) vice president, the vice presidents in order of seniority, shall perform the duties of the president, and when so acting shall have all the powers of, and

be subject to all the restrictions of, the president. Any vice president shall perform such other duties as may be assigned by the president or the Board of Directors.

Section 7. Treasurer. He/she shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors, file the FTB 199N and ST 100 with the Franchise Tax Board each year and in general perform all the duties incident to the office of treasurer and such other duties as may be assigned by the president or the Board of Directors.

Section 8. Secretary. The secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of the By-laws or as required by law; be custodian of the corporate records and in general perform all duties incident to the office of secretary and such other duties as may be assigned by the president or the Board of Directors.

ARTICLE VII

Committees

Section 1. A Membership Committee shall be annually appointed by the Board of Directors. The chairperson shall have been a committee member for at least one (1) year. When possible, no more than half of the members shall be replaced in any one year. The committee shall be responsible for all matters having to do with managing the membership roster and recruiting new members

Section 2. A Nominating Committee shall be appointed and have the duties as stated in Article V, section 2.

ARTICLE VIII

Contracts, Checks, Deposits, and Funds

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the corporation shall be signed by the treasurer or the president.

Section 3. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or device for the general purpose or for any special purpose of the corporation.

ARTICLE IX

Books and Records

Section 1. All books and records of the corporation may be inspected by any member, or his agent, or attorney for any proper purpose at any reasonable time.

Section 2. The financial records of the corporation will be reviewed by two members of the Board of Directors, not including the Treasurer, in March of each year and a report thereof presented to the membership at the Annual Meeting.

ARTICLE X

Fiscal year

Fiscal Year. The fiscal year of the corporation shall begin the first day of April and end on the last day of March in each year.

ARTICLE XI

Use of Corporation Properties

Each member and his/her guests shall be entitled to use all properties owned by the corporation, subject to such reasonable rules and regulations as may be adopted from time to time by the Board of Directors. The Board of Directors may from time to time adopt such reasonable rules and regulations governing the use of the corporation's property as are appropriate for the preservation and enjoyment of such property. The Board may also grant such licenses, easements, and right-of-way over such properties on behalf of and in the name of the corporation as may be necessary and appropriate for the orderly maintenance, preservation, and enjoyment of such properties, or for the preservation of the health, safety, convenience, or welfare of the members. In no event shall any portion of such properties be sold, transferred, or conveyed to any person, firm or corporation or to any city, county or other municipal corporation without the prior consent of a majority of the owner members.

ARTICLE XII

Waiver of Notice

Whenever any notice is required to be given under the provisions of the General Non-Profit Corporation Law of California or under the provisions of the articles of incorporation or the by-laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII

Amendments to the By-Laws

Section 1. These by-laws may be adopted, amended, or repealed by the affirmative vote of a majority of the members present in person or by written proxy at a meeting of the members called for such purpose. A copy of the proposed amendment or new by-law shall be included in the notice of the meeting given to each member.

Section 2. These by-laws shall supersede and render null and void any former by-laws of this association.

EXHIBIT "A" TO BY LAWS
CASCADE SHORES HOMEOWNERS' ASSOCIATION

