

M-24 RANCH ASSOCIATION

BY-LAWS

(AS OF AUGUST 2000)

ARTICLE I – PHYSICAL LOCATION & OFFICES – NAME & GOVERNING DOCUMENTS

Section 1 – The name of the corporation shall be the M-24 Ranch Association. Its governing documents shall be its Articles of Incorporation, Declaration of Covenants, Conditions, and Restrictions, these By-Laws and the California Civil Code.

ARTICLE II – PHYSICAL LOCATION & OFFICES

Section 1 – The physical address of the M-24 Ranch Association is 7825 Sheep Ranch Road, Mountain Ranch, California. The principal office for the transaction of the corporation is located in the County of Calaveras, State of California and is fixed by the Board of Directors. The mailing address is P.O. Box 81, Mountain Ranch, California 95246.

ARTICLE III – MEMBERSHIP

Section 1 – Membership in the Corporation shall be those persons who hold title to a legal lot within the M-24 Ranch. Membership is automatic and mandatory upon purchase of property as Calaveras County records.

Section 2 - A member in good standing is one whose dues and assessment are current.

Section 3 – No property shall be sold and no purchase of property shall be admitted to membership in the Association unless and until all dues and assessments payable in connection with such property have been paid to the Association.

Section 4 – Memberships shall terminate when the person holding a membership is no longer the owner of the property which qualified him or her for membership.

Section 5 - The reinstatement fee for lots previously withdrawn shall be \$500.00 plus prorated dues to the beginning of the next fiscal year.

ARTICLE IV – BOARD OF DIRECTORS

Section 1 – There shall be five (5) officers on the Board of Directors as follows: President, Vice-President, Secretary, Treasurer and Associate Director. The President and Treasurer shall be elected in even-numbered years, the Vice-President and Secretary in odd-numbered years and the Associate Director each year.

Section 2 – Board members shall be elected by the general membership by a mailed secret ballot.

Section 3 – Each member of the Board of Directors shall at the time of election be a member in good standing. Failure to remain a member in good standing shall cause automatic removal from office.

Section 4 – In the event of a vacancy on the Board of Directors, if the unexpired term exceeds six months, a special election by the general membership shall be held to fill the vacancy. Otherwise the remaining Board members shall elect a replacement to fill the unexpired term.

Section 5 – The Board of Directors shall serve without compensation. The Association shall provide Directors and Officers liability insurance paid for from general funds.

Section 6 – A quorum of the Board of Directors shall consist of three (3) board members.

Section 7 – The Board of Directors shall have the power to conduct and manage the affairs and business of the M-24 Ranch Association. The Board shall be bound by the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions, the California Civil Code and these By-Laws.

Section 8 – In compliance with the California Civil Code, the Board of Directors shall submit to the general membership an annual proposed budget and a quarterly financial report.

Section 9 – The Board of Directors shall not initiate any legal action or law suits other than those authorized by the Articles of Incorporation and the By-Laws with the approval of a majority of those responding to a mailed ballot to the general membership.

Section 10 – When suits are filed by members of the M-24 Ranch Association against the officers, the Board of Directors, or against the M-24 Ranch Association and such suits do not prevail, the plaintiff shall pay all court costs and attorney fees of the defendants.

ARTICLE V – VOTING

Section 1 – Voting rights and procedures are set forth in the Articles of Incorporation of the M-24 Ranch Association, and all voting shall comply with that provision.

Section 2 – Only a member in good standing shall be entitled to vote.

ARTICLE VI – MEMBERSHIP MEETINGS

Section 1 – All members shall be notified by the Board of Directors of meetings in writing, indicating time, place and purpose of such meeting. Such notice shall be given not less than seven (7) days prior to meetings.

Section 2 – An annual meeting for all members shall be held at 1:00 PM on the first Saturday of the month of July, or at such other time as the Board of Directors may advise in the Notice of Meeting.

Section 3 – Special membership meetings may be called by the President or upon written request to the President by two (2) Board members or by ten (10) members in good standing. The President must respond to such requests within two (2) weeks.

Section 4 – All membership meetings shall be held on Association Common Property at such a place as the Directors may designate.

Section 5 – A quorum shall consist of not less than twenty-five percent (25%) of the membership, either present or represented by proxy. Issues at membership meetings (other than By-Laws amendments) shall be passed by a positive vote of a majority of the votes present and represented.

Section 6 – Voting by proxy shall be allowed upon presentation of a notarized statement, signed by a property owner, to a member in good standing who shall be authorized to vote on all issues on behalf of said property owner except By-Law amendments.

ARTICLE VII – DUES AND ASSESSMENTS

Section 1 – Pursuant to Article IV of the Articles of Incorporation, the Board of Directors shall have power to levy and collect dues and assessments, fines and other charges that are necessary, within the constraints of the California Civil Code which provides that the Board of Directors may not impose a regular assessment (dues) that is more than twenty percent (20%) greater than the regular assessment for the association's preceding fiscal year or impose special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year without the approval of a majority of the membership through a mail vote.

Section 2 – Each parcel within M-24 Ranch Association shall be subject to dues and assessments.

Section 3 – Dues that are not paid by September 1, will be delinquent. Such dues and assessments shall become a lien upon the property of the member and the Board of Directors shall have the

authority to institute appropriate legal action for the collection thereof, either by personal action against the delinquent member or by proceeding to foreclose the lien. It is understood that all such liens are subject to the limitations stated in the Articles of Incorporation.

Section 4 – If any portion of a lot is sold during the year the new membership shall be subject to prorated dues from the date of purchase to the beginning of the next dues year.

ARTICLE VIII – PROPERTY OF THE ASSOCIATION

Section 1 – No portion of the Association's property can be sold or leased, but shall be reserved for the common use of all the members.

Section 2 – The Board of Directors shall have authority to make reasonable rules for the use of the common property, provided that such Standing Rules shall include provisions prohibiting the use of gas, electric or power boats upon the lake and the use of live bait while fishing in the lake.

Standing Rules may also be duly enacted by the Association membership, either at a meeting or by a mail vote and they shall take priority over Board Rules in the event of differing views.

Section 3 – The pumping of water from the lake or any minor construction on Association property must have prior written approval of the Board of Directors. Any major construction on Association property must be approved by a majority vote of the Association membership through a written ballot.

ARTICLE IX – AMENDMENTS

Section 1 – The By-Laws may be amended or new By-Laws may be adopted by written ballot by a majority vote provided fifty-five percent (55%) of the membership has responded on the issue.

ARTICLE X – PARLIAMENTARY LAW

Section 1 – Robert's Rules of Order (Newly Revised) shall be the authority on all points of order.