

Bylaws of the Mount Laguna Improvement Association

ARTICLE 1

NAME

The name of this California Nonprofit Mutual Benefit Corporation shall be the MOUNT LAGUNA IMPROVEMENT ASSOCIATION (MLIA).

ARTICLE 2

OBJECTIVES AND POLICIES

The objectives and policies of the MLIA shall be:

- SECTION 2.01. Form an organization of lot holders and Recreation Residence permit holders from the Forest Service cabin sites in the Laguna Mountain Recreation Area of the Cleveland National Forest, State of California.
- SECTION 2.02. Improve conditions on the cabin tracts by installing and operating a potable water system.
- SECTION 2.03. Promote cooperation of permit holders with the Forest Service in- following the rules required for proper use and maintenance of recreation residences on National Forest lands.
- SECTION 2.04 Follow all pertinent rules outlined in the Forest Service Special Use Permit for the MLIA water system, including well, pipelines, pump house, water storage tanks and necessary access.
- SECTION 2.05 Follow all pertinent rules required by the State of California and the County of San Diego to operate and maintain a potable water system.
- SECTION 2.06 Promote and encourage any and all things lawful, just and necessary to further the interests of MLIA as the need presents itself.

ARTICLE 3

MEMBERSHIP

- SECTION 3.01. One person from each permitted lot on said area on which a recreation residence is erected under permit from the Forest Service may become a voting member of MLIA by agreeing to support and abide by the Bylaws and payment of the initiation fee (See Article 9). Members must sign the MLIA Member Agreement. Such members shall be entitled to one vote per residence.
- SECTION 3.02. When a property is held in more than one name, the designated voting member shall be responsible for casting the vote. If the owner is an entity, the entity may be required to provide to the Secretary of the MLIA documentation of the person designated by the member to vote on Member's behalf. If the designated voting member is not available, any other of the owners may cast one vote for that property. One vote binds all owners of a property. In case of a disagreement among owners, the majority shall cast the vote. In the event conflicting votes are cast for one membership, no votes will be counted for that membership, and the membership will be counted only for purposes of achieving quorum.

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SECTION 3.03. Any member who transfers or relinquishes a permit for a lot in the Laguna Recreation Area shall automatically and immediately cease to be a member of MLIA.

SECTION 3.04. New permit holders may become members of MLIA providing:

- A. They have purchased a permitted Forest Service Recreation Residence in the Laguna Mountain Recreation Area of the Cleveland National Forest.
- B. They agree to support and abide by these Bylaws and sign the MLIA Member Agreement.

ARTICLE 4 OFFICERS AND DIRECTORS

SECTION 4.01. Officers of the MLIA shall consist of President, Vice President, Secretary and Treasurer. The officers shall constitute the Executive Committee of the MLIA, and must be elected or appointed Directors.

SECTION 4.02. The Board of Directors shall be composed of the Officers and *five* additional elected members (the "Directors").

SECTION 4.03. The President of the MLIA shall be the Chairman of the Executive Committee and the Board of Directors.

SECTION 4.04. The President or Vice President and any other four members of the Board of Directors shall constitute a quorum of the Board of Directors.

SECTION 4.05. The general management and business of the MLIA shall be performed by the Board of Directors.

SECTION 4.06. President, Vice President, Secretary and Treasurer shall be bonded in the amount of One hundred thousand Dollars (\$100,000), fee being paid from MLIA general funds.

SECTION 4.07 **Personal Liability.** There shall be no personal liability to a third party on the part of a volunteer Director or volunteer Officer of the MLIA caused by the Director's or Officer's negligent act or omission in the performance of that person's duties as a Director or Officer, if all of the following conditions are met:

- a) The act or omission was within the scope of the Director's or Officer's duties;
- b) The act or omission was performed in good faith; and
- c) The act or omission was not reckless, wanton, intentional or grossly negligent.

SECTION 4.08 **Requirement to Obtain Liability Insurance.** In order to obtain the full benefit of the limitation of liability set forth in subsection 4.07, above, the MLIA shall obtain liability insurance in the form of a general liability policy for the MLIA and a Director's and Officer's errors and omissions liability policy.

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SECTION 4.09 **Indemnity for Litigation.** MLIA shall indemnify any person who was or is a party to any proceeding by reason of the fact that such person is or was a Director, Officer, employee or other agent (as defined in Section 7237 of the Nonprofit Benefit Corporation Law of the State of California) of the MLIA, to the full extent allowed under the provisions of said section 7237 relating to the power of a corporation to indemnify any such person. The amount of such indemnity shall be so much as the Board of Directors determines and finds to be reasonable, or, if required by said Section 7237, the amount of such indemnity shall be so much as the Court determines and finds to be reasonable.

ARTICLE 5 TERMS OF OFFICE

SECTION 5.01. Officers and Directors shall hold office for two years and may be re-elected. There shall be no term limits. Elections shall be staggered so that an odd number of directors is elected one year, and an even number of directors is elected in another year.

SECTION 5.02. Each elected Officer must serve as a Director for a one-year period of time prior to becoming an Officer.

SECTION 5.03. The Officers of the Association shall be elected annually by the general membership at the Annual Meeting, and each Officer shall hold office until such Officer shall resign or be removed or otherwise disqualified to serve or a successor shall be elected and qualified to serve.

SECTION 5.04. **Removal of Officers or Directors.** Upon an affirmative vote of a majority of the entire Board of Directors, any Officer or Director may be removed, either with or without cause. Any Officer or Director may resign at any time by giving written notice to the Board or to the President or Secretary of MLIA. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

SECTION 5.05. **Filling of Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. The period of time for any office filled in this manner shall be for the unexpired term of the Officer replaced.

SECTION 5.06 **Compensation.** No Officer or Director shall receive any compensation for services performed in the conduct of MLIA business, provided that (1) nothing herein contained shall be construed to preclude any officer from serving MLIA in some other capacity and receiving compensation therefor, and (2) any Officer may be reimbursed for the Officer's actual expenses incurred in the performance of such Officer's duties.

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ARTICLE 6 MEETINGS

- SECTION 6.01. The Annual Meeting of the MLIA shall be held at Mount Laguna, California on the third Saturday in September of each year or as established by the Executive Committee. Written notice of the Annual Meeting of the MLIA shall be sent to the last known address of each member by the Secretary at least thirty days before the day of such meeting. Any business pertinent to the MLIA may be discussed. All voting members must be in good standing. No member shall be considered in good standing who is more than thirty (30) days delinquent in payment of any dues or assessments.
- SECTION 6.02. Special meetings shall be held at such times and places as may be designated by the President or a majority of the Board of Directors. Written notice of all special meetings of the MLIA shall be sent to the last known address of each member by the secretary at least fourteen days before the day of such meeting. The notice shall specify the general nature of the business to be transacted and that no other business may be transacted. All voting members must be in good standing. No member shall be considered in good standing who is delinquent in payment of any dues or assessments.
- SECTION 6.03. Twenty-five (25) members of the MLIA shall constitute a quorum to transact business at the Annual Meeting or any special meeting of the general membership.
- SECTION 6.04. Any matter involving expenditure of operating funds in excess of Fifty-Thousand Dollars (\$50,000) shall require two-thirds majority of the quorum present.
- SECTION 6.05. Meetings of the Board of Directors shall be called by the President or any two directors. The Secretary shall send out written notice of such meetings, which may be via email, facsimile, postal mail or personal delivery.
- SECTION 6.06. Regular quarterly meetings of the Board of Directors shall take place unless otherwise arranged by the President and/or a majority of the Board of Directors.
- SECTION 6.07 **Place of General Membership Meetings.** The Annual Meeting and any special meetings of the general membership shall be held on Mount Laguna. If it is not possible to meet on Mount Laguna proper, the meeting may be held within the County of San Diego or via electronic means.
- The Annual Meeting and any special meetings of the general membership shall require presence in person, via electronic communications, or by written ballot submitted in advance of the meeting, in order for a member to be considered present.
- Any such meeting may also be held by conference telephone, electronic video screen communication, or other communications equipment, as long as the following apply:

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- a) A reliable electronic or telephone signal can be established.
- b) Each member participating in the meeting can communicate with all members concurrently.
- c) There is a means in place of verifying the identity of members participating remotely.

SECTION 6.08

Place of Board Meetings. Regular or special meetings of the MLIA Board of Directors shall take place on Mount Laguna, when possible or within the County of San Diego if it is not possible to meet on Mount Laguna proper. Any such meeting may also be held by conference telephone, electronic video screen communication, or other communications equipment, as long as the following apply:

- a) A reliable electronic or telephone signal can be established.
- b) Each member participating in the meeting can communicate with all members concurrently.
- c) There is a means in place of verifying the identity of directors participating remotely.
- d) Each member of the Board of Directors of the MLIA makes every reasonable effort to attend meetings in person, as a way of maintaining connection with the needs of the membership.

SECTION 6.09

Notice of meetings. Written notice shall be sent by email or other electronic means such as text or fax. Written notice may also be sent by first class mail, if necessary. If sent by electronic means or first class mail, the notice shall be considered delivered on its electronic transmission or deposit in the mail. Such notices shall be addressed to each member at his or her address as shown on the books of the corporation. Notice of meetings shall specify the place, day and hour of the meeting and in the case of a special meeting, the general nature of the business to be transacted, and that no other business may be transacted.

SECTION 6.10

Action By Unanimous Written Consent Without Meeting. Any action required of or allowed to the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board of Directors shall individually or collectively consent in writing 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 the unanimous vote of the Board of Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of the MLIA authorize the Board of Directors to so act, and such statement shall be prima facie evidence of such authority.

ARTICLE 7 ELECTIONS AND VOTING

SECTION 7.01.

The Officers and Directors shall be elected by ballot at the Annual Meeting, and must receive a majority of the quorum present in order to be considered elected. They shall assume office and duties at the close of the Annual Meeting of the MLIA and shall hold office until the term of

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office has completed or until their successors have been duly elected and installed.

SECTION 7.02. Vacancies in the Board of Directors caused by resignation shall be filled by Board action pending election by ballot at the next scheduled Annual Meeting. Vacancies caused by recall vote of the members may only be filled by vote of the members.

SECTION 7.03. Following an annual election, the past President shall remain on the Board of Directors as advisor/counselor with no vote (except as a tiebreaker) for a period of two years.

SECTION 7.04 Members may vote at the Annual Meeting or any special meeting of the general membership in the following ways:

- a) By written ballot. Ballot to be delivered to members by email, fax, postal service or personal delivery. Ballot to be signed or electronically verified and returned via electronic means or postal service and received prior to the meeting. Verified written ballots shall count towards the required quorum for a meeting.
- b) By attending the meeting in person.

ARTICLE 8 DUTIES OF OFFICERS

SECTION 8.01. The officers shall perform those duties pertaining to that office as defined in these Bylaws or as the MLIA may direct.

SECTION 8.02. The President shall:

- A. Preside at all annual, special and executive committee meetings.
- B. Be Chief Executive and representative spokesperson of the MLIA and have general supervision of its affairs and business, subject to approval of the Board.
- C. Direct the duties of other officers.
- D. Appoint standing or special committees except as may otherwise be stated in these By-Laws.
- E. Be an ex-officio member of all committees.
- F. Be responsible for reviewing financial records and reports quarterly.

SECTION 8.03. The Vice President shall:

- A. Assist the President and perform such duties as may be designated by the President of the Executive Committee.
- B. Perform all duties of the President in the absence of the President or his inability to act.
- G. Be responsible for reviewing financial records and reports quarterly.

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SECTION 8.04.

The Secretary shall:

- A. Record the proceedings of all meetings of the MLIA and the Executive Committee.
- B. Conduct the correspondence of the MLIA and be custodian of all related records.
- C. Report to the Forest Supervisor changes in the Executive Committee personnel and changes in the Bylaws.
- D. Send notice of all meetings to the appropriate recipients.
- H. Be responsible for reviewing financial records and reports quarterly.

SECTION 8.05.

The Treasurer shall:

- A. Record all receipts and disbursements, depositing all monies in depositories designated by the Board of Directors.
- B. Compile a record of assessments and institute collection of same for each member.
- C. Oversee distribution of MLIA funds, paying bills through conventional or electronic distribution and maintaining records of transactions.
- D. Prepare an itemized annual financial report with the CPA for presentation to members at the annual meeting.
- E. Present books for audit to the MLIA's designated persons. Such audit shall take place every five years unless determined otherwise by the Board of Directors. Auditors' findings are to be presented at the annual meeting.
- F. Treasurer's records shall be open for inspection by any MLIA member and the Supervisor of the Cleveland National Forest upon request. The Treasurer shall be bonded by the MLIA in an amount sufficient to cover funds for which responsible.
- G. Treasurer will provide updated, complete and accurate quarterly comprehensive unaudited financial reports to the board at all scheduled or special meetings.

SECTION 8.06.

The Directors shall:

- A. Attend quarterly meetings of the Board of Directors or other meetings as requested.
- B. Review minutes of the quarterly meetings and other documents as requested.
- C. Be prepared to make decisions affecting the MLIA and cabin owners.
- D. Actively participate in MLIA meetings and functions.

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- SECTION 8.07. It is important that board members attend board meetings as scheduled to conduct the business of the MLIA. If a board member misses two (2) consecutive regularly scheduled board meetings in one year, the Board may accept that as a resignation, upon motion of the Board, and the Board will appoint a new board member as outlined in Section 7.02. Members who have a legitimate reason for not attending a meeting shall notify the President in advance.

ARTICLE 9 FEES, DUES AND ASSESSMENTS

- SECTION 9.01. The specific amounts of the fees and assessments described in this Article [See attached Schedule of Dues, Fees and Assessments] are considered MLIA Board policy and not an integral part of these Bylaws. As such, normal fee changes do not require a vote of the membership. However, any increase in excess of 20% of total dues and fees in a calendar year must be approved by a two-thirds majority at a special or Annual meeting.
- SECTION 9.02. To provide for general expenses, an initial fee shall be charged to each incoming member, as designated by the Board of Directors. The fee shall be the prevailing fee in place at the time the new member becomes a member of MLIA.
- SECTION 9.03. Annual dues of each regular MLIA member shall be payable to the treasurer each year when invoiced in October.
- SECTION 9.04. An annual invoice will be issued to each cabin to provide funds for maintenance, operation, and capital requirements of the water system and programs outlined in Article 2 of these Bylaws. Charges will be made for water used and said programs.
- SECTION 9.05. All fees will be based on review of reasonable expenses involved.
- SECTION 9.06. Water service may be suspended for members delinquent in payment of the MLIA annual invoice if payment has not been made in full by 75 days after invoice date. To restart service, in addition to payment of delinquent amounts, a reconnection fee will be assessed. If a member's water service has been suspended twice in any three-year period, an additional fee/bond must be posted prior to reconnection. [See MLIA Policy "Addendum to Fee Schedule 2023".]
- SECTION 9.07. New members requesting a water connection where no connection has been present will be required to pay a new member fee, the cost of the water meter, a pro-rated assessment and the estimated time and material cost to furnish water prior to commencement of work. Any amounts above or below the estimate will be reconciled prior to final connection of water to the cabin. All work must require prior written approval of the Forest Service. If a cabin owner requests water directly through the MLIA, the President or a designated board member will contact the Forest Service to obtain approvals on behalf of the cabin owner.

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- SECTION 9.08 Other assessments and fees may be levied on the general membership of the MLIA as provided by Board policy and shown in the Schedule of Fees, Dues, and Assessments. Special assessments must be presented to the general membership and approved by a majority of the membership either at a meeting or by electronic ballot.
- SECTION 9.09 The Board of Directors may suspend the delinquent member's voting rights or pursue legal action to obtain compliance with the member's obligation to pay dues and assessments. A late charge will be added to all dues and assessments which are not paid within 30 days of becoming due. Should the MLIA pursue legal action to enforce a Member's obligations in this regard, the Association also shall be entitled to recover its collection costs including attorney fees.
- SECTION 9.10 Any cabin owner may bring a dispute regarding annual fees and assessments to the MLIA Board of Directors for review and consideration.

ARTICLE 10 AMENDMENTS

- SECTION 10.01. These Bylaws may be amended by a majority vote, if a quorum present, at the Annual Meeting or a special meeting called for that purpose.
- SECTION 10.02. An amendment may not be in conflict with any part of the existing Bylaws or rules and regulations of the Forest Service or California corporate code for mutual benefit corporations.
- SECTION 10.03 Periodically these Bylaws should be reviewed in their entirety for suitability and timeliness by a committee appointed by the Executive Committee. The revised Bylaws will be presented to the general membership at the Annual Meeting or a special meeting for approval.

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ARTICLE 11 ORDER OF BUSINESS

SECTION 11.01. Order of business for any MLIA meeting shall be:

- a Call to order*
- b Welcome/Introductions*
- c Roll call/quorum present*
- d Approval of Agenda*
- e Reading and approval of minutes of last meeting by Secretary*
- f Report by Treasurer*
- g Water System Report*
- h Report of President*
- j **Election of Directors and Officers*
- k **Installation of new Directors and Officers*
- m Report of standing committees*
- n Unfinished business*
- p New business*
- q Adjournment*

**Pertains to the agenda of the Annual Meeting

ARTICLE 12 PARLIAMENTARY AUTHORITY

Robert's Rules of Order, newly revised, shall be the Parliamentary Authority for all matters of procedure for the MLIA not specifically covered by its Bylaws.

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POLICY OF MOUNT LAGUNA IMPROVEMENT ASSOCIATION Schedule of Fees, Dues and Assessments Effective October 1, 2024

Number	Description	Ref. Section	Amount \$
A-1	Incoming Member Fee	9.02	100.00
A-2	Annual Member Dues	9.03	00
A-3	Minimum Water Usage Fee 0-5000 gallons of water per year	9.04	250.00
A-4	Gallons over 5000 < 10,000 per gallon	9.04	0.0100/gal
A-5	Gallons over 10,000 < 20,000 per gallon	9.04	0.0125/gal
A-6	Gallons over 20,000 < 60,000 per gallon	9.04	0.0150/gal
A-7	Gallons over 60,000 per gallon	9.04	0.0175/gal
A-8	Late Fee	9.06	25.00
A-9	Water meter disconnect plus reconnect fee	9.06	300.00
A-10	Water Meter Delinquency Bond Fee	9.06	500.00
A-11	New meter hook-up fee	9.07	100.00
A-12	Annual Operational Fee	9.08	105.00
A-13	Annual Maintenance Reserve	9.08	100.00
A-14	National Forest Homeowners' Dues	9.08	55.00
A-15	Special Assessment	9.08	As required

TOTAL MINIMUM BILL FOR CABIN OWNERS

MLIA Membership Dues	.00
NFH Membership Dues	55.00
Operational Fee	105.00
Maintenance Reserve	100.00
Minimum Water Usage	250.00
Minimum Total Fees, Dues and Assessments	510.00

**Note: This fee schedule is a policy of the MLIA and not an integral part of the Bylaws. As such, fee revisions may be made without approval of the full voting membership.
(Rates increase 20% 2023)**

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POLICY OF MOUNT LAGUNA IMPROVEMENT ASSOCIATION

Addendum to:

Schedule of Fees, Dues and Assessments

Effective October 1, 2023

- 1) Annual bills are sent out at the beginning of October.
- 2) Payment is due within 30 days of the date of the invoice.
- 3) After 30 days a late notice will be sent and a late fee charged. (currently \$25)
- 4) After 60 days a second late fee will be charged.
- 5) After 75 days, water service may be suspended until payment is received.
- 6) Disconnection and reconnection accrue another fee (currently \$300), which will be added to the bill prior to restoring service.
- 7) Disputes may be addressed to the MLIA Board of Directors c/o MLIA@mtlaguna.org