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**BYLAWS**

**FOR**

**CLARK-HARKNESS**  
**HOMEOWNERS' ASSOCIATION**

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## Article 1. NAME OF ASSOCIATION

The name of this association is Harkness-Clark Homeowners' Association, and shall be referred to herein as the "Association".

## Article 2. PRINCIPAL OFFICE

Section 2.01. Location of Principal Office. The principal office of the Association will be located at such place within the County as the Board may from time to time designate by resolution.

## Article 3. DEFINITIONS

The definitions contained in Article I of the Declaration of Covenants, Conditions, and Restrictions (the "Declaration"), recorded on March 22, 2023, as Instrument No. 20230182353 in the Office of the County Recorder of Los Angeles County, California, are incorporated by reference and shall apply to those same terms as they may appear in these Bylaws.

## Article 4. MEMBERSHIP AND VOTING RIGHTS

The membership and voting rights provisions contained in Article III of the Declaration are incorporated by reference.

## Article 5. MEETINGS OF MEMBERS

5.01. Place of Meetings. All meeting of the members, annual and special, shall be held at a place within the Project as designated by the Board, provided that if there is not an available or appropriate place within the Project, the Board shall designate a meeting place as close as possible to the project but in no event outside the County unless unusual conditions exist. In the absence of any designation, the meetings of members shall be held at the principal office of the Association.

5.02. Annual Meetings. The first annual meeting of members of the Association shall be held within six months after the closing and recording of the sale of the first Condominium. Thereafter, the annual meeting of the members of the Association shall be held each year on the Monday immediately preceding the anniversary date of the first annual meeting at 8:00 p.m., or at such other date or time as may be fixed by the Board but in no event shall an annual meeting be held less than once each calendar year. If the scheduled date of the annual meeting falls on a legal holiday, the meeting shall be held at the same time on the next business day.

5.03. Special Meetings. Special meetings of the members may be called for any lawful purpose by the Board, the president, or by written request signed by members representing at least five percent of the total voting power of the Association. A special meeting called by any person (other than the Board) entitled to call a meeting shall be made by submitting a written request specifying the general nature of the business to be transacted to the president, any vice president, or secretary of the Association. The officer receiving the notice shall promptly cause notice to be given the members in the manner required by Section 5.04 that a meeting will be held at a date,

time, and place fixed by the Board, which meeting shall be held not less than 10 days nor more than 90 days after receipt of the request. If the notice is not given within 20 days after the receipt of the request, the person or persons requesting the meeting may give the notice.

5.04. Notice of Meetings. Notice of all members' meetings, annual or special shall be given not less than 10 nor more than 90 days before the date of the meeting to each member and to any Mortgagee who has requested in writing to receive such notice. Any Mortgagee, or its designated representative, shall be entitled to attend any such meeting, but shall not be entitled to vote at the meeting. The notice shall be given personally, or by first-class, registered, or certified mail addressed to the member or Mortgagee at the address of such member or Mortgagee appearing on the books of the Association or given by the member or Mortgagee to the Association for purpose of notice. If no address appears or is given for any member, notice may be given at the Association's principal office or by publication at least once in a newspaper of general circulation.

The notice shall state the place, date, and time of the meeting. If directors are to be elected at the meeting, the notice shall include the names of all those who are nominees at the time notice is given. In the case of a special meeting, the notice shall state the general nature of the business to be transacted and no other business may be transacted. In the case of the annual meeting, the notice shall state those matters that the Board intends, at the time the notice is given, to present to the members for action, but any proper matter may be presented at the meeting for action subject to the special notice requirements described in Section 5.05 of these Bylaws. Notwithstanding the foregoing, the members may vote only on those matters for which notice was given in any meeting where the quorum requirement as described in Section 5.08 of these Bylaws is less than fifty-one percent (51%) of the voting power of the Association and members holding less than fifty-one percent (51%) actually attend.

5.05. Special Notice Requirements. Approval by the members of any of the following proposals, other than by unanimous approval of those members entitled to vote, shall not be valid unless the general nature of the proposal was stated in the notice or in any written waiver of the notice:

- (a) removing a director without cause;
- (b) filling vacancies on the Board;
- (c) amending the Articles;
- (d) approving a contract or transaction between the Association and one or more directors, or between the Association and any entity in which a director has a material financial interest;
- (e) electing to wind up and dissolve the Association; or

(f) approving a plan of distribution of assets, other than money, not in accordance with the liquidation rights of any class of members (applicable only if the Association is in the process of winding up and there is more than one class of membership outstanding at the time).

5.06 Waiver of Notice or Consent. The transactions of any meeting of members, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or propose to be taken for approval of any of those matters specified in Section 5.05 of these Bylaws, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance of a member at a meeting shall also constitute a waiver of notice of and presence at that meeting. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

5.07. Proof of Membership and Record Date. A person shall not be entitled to exercise the rights of a Member until such person has advised the Secretary in writing that he or she is qualified to be a Member under Article III of the Declaration and, if requested by the Secretary, has provided the Secretary with evidence of such qualification in the form of a copy of a recorded grant deed (certified by the Office of the Recorder) or a currently effective policy of title insurance. Exercise of membership rights shall be further subject to the rules regarding record dates for notice, voting, and actions by written ballot and eligibility for voting set forth in Article III of the Declaration.

For the purpose of determining the members entitled to notice of any meeting, to vote, or to exercise any other rights in respect of any lawful action, the Board may fix, in advance, a record date as follows: (a) the record date for notices shall be not more than 90 nor less than 10 days before the date of the meeting, (b) the record date for voting shall not be more than 60 days before the date of the meeting or before the date on which the first written ballot is mailed or solicited, and (c) the record date for any other action shall not be more than 60 days before the date of such action. If no record date is fixed by the Board, the record date shall be determined in accordance with California Corporations Code Section 7611. A person holding a membership as of the close of business on the record date shall be a member of record.

5.08 Quorum. The presence at any meeting in person or by proxy of members entitled to cast at least fifty-one percent (51%) of the total votes of all members shall constitute a quorum. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time for any reason by a vote of the member representing a majority of the voting power of the members present at the meeting, either in person or by proxy, to another time not less than five days nor more

than 30 days from the date of the original meeting. If the time and place of the adjourned meeting is announced prior to the adjournment of the original meeting, no notice of the adjourned meeting is required, provided that if a new date is fixed for the adjourned meeting after the adjournment of the original meeting, notice of the date, time and place of the adjourned meeting shall be given to members in the manner prescribed in Section 5.04 of these Bylaws. Any business that may have been transacted at the original meeting may be transacted at the adjourned meeting. In the absence of a quorum no business may be transacted at the meeting other than to adjourn the meeting to another time. If a meeting is adjourned because a quorum is not present, the quorum requirement at the adjourned meeting shall be fifty-one percent (51%) of the total voting power of the members.

The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by a least a majority of the members required to constitute a quorum.

#### 5.09. Proxies.

(a) Proxies Generally. Any Member entitled to vote may do so either in person or by one or more agents authorized by a written proxy signed by the Member and filed with the Secretary of the Association. Any proxy shall be for a term not to exceed eleven (11) months from the date of issuance, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three years from the date of execution. Proxy forms shall be dated to assist in verifying their validity.

(b) Effectiveness of Proxies. Every proxy continues in full force and effect until revoked by the issuing member prior to the vote pursuant thereto subject to the maximum term of a proxy set for in subparagraph (a), above. Any proxy issued hereunder shall be revocable by the person executing such proxy at any time prior to the vote pursuant thereto, by (i) delivery to the secretary of a written notice of revocation, (ii) a subsequent proxy executed by the Member executing the prior proxy and presented to the meeting, or (iii) as to any meeting, by attendance at such meeting and voting in person by the Member executing the proxy. The dates shown on the forms of proxy presumptively determine the order of execution, regardless of the postmarks shown on the envelopes in which they are mailed. A proxy shall be deemed revoked when the secretary shall receive actual notice of the death or judicially declared incompetence of the Member issuing the proxy, or upon termination of such Member's status as an Owner of a Unit as provided in Article III of the Declaration.

(c) Validity of Proxies With Respect to Certain Material Transactions. Any proxy given with respect to any of the matters described in this subparagraph (c) shall be valid only if the proxy form sets forth a general description of the nature of the matter to be voted on. The matters subject to this requirement are:

- (i) Removal of directors without cause;
- (ii) Filling of vacancies on the Board;



(iii) Approval of contracts or transactions between the Association and one or more of its directors, or between the Association and a corporation, firm or association in which one or more of its directors has a material financial interest;

(iv) Amendment of the Articles of Association, these Bylaws, or the Declaration;

(v) Action to change any Association assessments in a manner requiring membership approval under the Declaration;

(vi) Sale, lease, exchange, transfer or the disposition of all or substantially all of the Association's assets otherwise than in the regular course of the Association's activities;

(vii) Merger of the Association or an amendment to an agreement of merger; and

(viii) Voluntary dissolution of the Association.

(d) Limited Proxies.

(i) If the form of proxy lists one or more matters to be acted upon and the issuer of the proxy has specified a choice with respect to any such matter (including a preference in voting for candidates for election to the Board), the proxy holder shall be obligated to cast the vote represented by the proxy in accordance with the issuer's designated preference.

(ii) If a proxy form issued in connection with the election of directors lists the candidates' names and the proxy is marked by a Member "withhold" or otherwise marked in a manner indicated that the authority to vote for the election of directors is withheld, the proxy holder shall not vote the proxy either for or against the election of a director. If any proxy issued in connection with the election of directors is marked so as to direct the proxy holder to vote the proxy for a specified candidate or candidates, the proxy holder shall vote in accordance with the direction of the proxy issuer.

(e) Restriction or Elimination of Proxy Rights: Limitation on Authority. No amendment of the Articles or Bylaws repealing, restricting, or expanding proxy rights may be adopted without approval by the affirmative vote of a majority of the voting power of each class of Member represented and voting at a duly held meeting at which a quorum is present, or the affirmative vote of a majority of the voting power of Members by written ballot as provided in Article III of the Declaration.

(f) Proxy Rules for Memberships Held by More Than One Person. Where two or more persons constitute a Member, any proxy with respect to the vote of such Member shall be signed by all such persons. All such persons may attend meetings, but no vote of such Member shall be cast without the unanimous consent of all persons present at such meeting constituting each Member.

(g) No Proxy Voting in Connection With Written Ballots. Proxy voting shall not be allowed when Members' votes are solicited by written ballot in accordance with Article 5, Section 5.13.

(h) Revocation of Proxies. Any proxy issued hereunder shall be revocable by the Member executing such proxy at any time prior to the vote pursuant thereto, by (i) delivery to the Secretary of a written notice of revocation; or (ii) as to any meeting, by attendance at such meeting and voting in person by the Member executing the proxy. A proxy shall be deemed revoked when the Secretary receives actual notice of the death or judicially declared incompetence of the issuing Member, or upon termination of such Member's status as an Owner of a Unit as provided in Article III of the Declaration.

#### 5.10. Order of Business

The order of business of all meetings of the members shall be as follows:

- (a) roll call;
- (b) proof or notice of meeting or waiver of notice;
- (c) reading of minutes of preceding meeting;
- (d) reports of board and officer;
- (e) election of directors, if any are to be elected;
- (f) unfinished business; and
- (g) new business.

5.11. Parliamentary Procedure. All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

5.12. Action by Unanimous Consent. Any action required or permitted to be taken by the members may be taken without a meeting if all the Members consent in writing to the action. The written consent shall have the same force and effect as the unanimous vote of the Members. The written consents shall be filed with the minutes of the proceedings of the Members.

#### 5.13. Action by Written Ballot Without a Meeting.

(a) Definition of Written Ballot. A "written ballot" is a ballot that is mailed or otherwise distributed to every member entitled to vote on the matter and that complies with the requirements of this Section 5.13. The term "written ballot" does not include a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting.

(b) Written Ballots Generally. Any matter or issue requiring the vote of the Members, other than the election of directors, may be submitted for vote by written ballot without the necessity of calling a meeting of the Members, so long as the requirements for action by written ballot set forth in this Section 5.13 are met. The determination to seek Member approval for Association actions in this fashion shall be made by a majority vote of the Board. Once the determination is made to seek Member approval by written ballot, the Board shall establish a record date and distribute a written ballot to every member entitled to vote on the matter. This distribution shall be made consistent with the time requirements specified in subparagraph (d) below.

(c) Content of Written Ballots. Any written ballot distributed to the Members to vote on any issue other than the election of directors shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal.

(d) Balloting Time Requirements. Written ballots shall be distributed to all eligible Members at least 30 days prior to the final date the written ballots must be received by the Association in order to be counted.

All written ballots shall provide a reasonable time within which to return the written ballot to the Association and shall state on the face of the ballot or in an accompanying notice the date by which the written ballot must be returned in order to be counted.

The time fixed for the return of written ballots may be extended only if the Board so notifies the Members in the balloting solicitation materials originally sent to members and then for no more than two successive periods of ten days each.

(e) Requirements for Valid Member Action by Written Ballot. Membership approval by written ballot shall be valid only if (i) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds the quorum (as specified in Article 5, Section 5.08) that would have been required to be present at a membership meeting if such a meeting had been convened to vote on the proposal; and (ii) the number of affirmative votes equals or exceeds the number of affirmative votes that would have been required to approve the action at such a meeting.

(f) Solicitation Rules. Written ballots shall be solicited in a manner consistent with the requirements of Article 5, Section 5.04, pertaining to issuance of notices of Members' meetings. All solicitations of written ballots shall indicate (i) the number of responses needed to meeting the quorum requirements for valid action, (ii) the time by which the written ballot must be received by the Association in order to be counted, and (iii) the percentage of affirmative votes necessary to approve the measure. If the period for the return of written ballots is extended under subparagraph (d), the Board shall be entitled to announce to the Members the aggregate votes for or against the proposal received as of the extension date.

(g) Additional Balloting Procedures. If deemed necessary by the Board, the written ballot shall be conducted in accordance with such additional procedures, not inconsistent with the provisions of this section, as may be prescribed by a firm of public accountants of good repute who may also be retained to supervise the secrecy and conduct of the balloting process.

(h) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within 30 days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements, the Board shall so notify the Members.

(i) Prohibition of Revocation. Once exercised, a written ballot may not be revoked.

#### Article 6. ELECTION AND TERM OF OFFICE OF MEMBERS OF THE BOARD OF DIRECTORS

6.01. Number. The Board shall consist of two (2) directors who shall, with the exception of the Initial Directors elected pursuant to Section 6.03 of these Bylaws, be members of the Association.

6.02. Nomination. Except for the initial directors selected pursuant to Section 6.03 of these Bylaws, nomination for election to the Board may be made by self-nomination of a Member or by a nominating committee consisting of three persons. The nominating committee, if formed, shall consist of a chairman, who shall be a director, and two other persons who may either be members of the Association or representatives of Declarant. Each member of the nominating committee shall be appointed by the Board to serve for a period of one year, and vacancies thereon shall be filled by the Board. The nominating committee may make as many nominations as it desires but not less than the number of positions to be filled. Nominations may be made from among members or nonmembers.

Notwithstanding the foregoing, any member present in person or by proxy at a meeting in which a director or directors are to be elected may place a name in nomination at the meeting prior to the vote.

The Board shall adopt procedures that provide for a reasonable opportunity for nominees to communicate their qualifications and reasons for candidacy to the members and to solicit votes, and for a reasonable opportunity for all members to choose among the nominees. Without authorization of the Board, no Association funds may be expended to support a nominee for director after there are more nominees than can be elected.

6.03. Election of Directors. The initial directors shall be elected either by the Declarant or by the members as soon as practical after the formation of the Association, and shall hold office until the first meeting of the members as specified in Section 5.02 of these Bylaws. At the first annual meeting, the members shall elect directors to fill all the positions on the Board. Unless the office is vacated sooner as provided in Section 6.06 of these Bylaws, each director shall hold office until his or her term expires and a successor has been elected and qualified. The term shall be for one year. Successor directors shall be elected at each annual meeting thereafter.

The election of directors shall be by secret written ballot, and subject to the provision regarding specially elected Directors in Section 6.05 of these Bylaws, the persons receiving the highest number of votes up to the number of positions to be filled shall be elected.

Any director may resign effective on giving written notice to the president, the secretary, or the Board, unless the notice specifies a later time of the effectiveness of such resignation.

6.04. Cumulative Voting. The election of members to the Board may be by cumulative voting as described herein, provided a member has placed a candidate's name in nomination prior to the voting and given notice at the meeting prior to the voting of the member's intention to cumulate votes. If any member has given such notice, then all members shall have the right to cumulate their votes for candidates in nomination. Under cumulative voting, each member, either in person or by proxy, may give a single candidate the number of votes equal to the number of directors to be elected multiplied by the number of votes and the member is entitled to exercise under these Bylaws, or the member may distribute these cumulated votes among any two or more candidates as the member desires. The candidates receiving the highest number of votes up to the number of Board members to be elected shall be elected. These cumulative voting provisions do not apply to the election of special directors by members other than the Declarant.

6.05. Specially Elected Directors. As long as a majority of the voting power of the Association resides in the Declarant, or as long as there are two outstanding classes of membership in the Association, no less than 20 percent of the directors shall be elected by members other than Declarant. If members other than Declarant are unable to elect at least 20 percent of the directors by the exercise of cumulative voting or otherwise, the number of positions on the Board necessary to meet the 20 percent requirement shall be filled by nominees elected by members other than Declarant (the "specially elected" directors). Nominations for specially elected directors may be made by any member other than Declarant by submitting a written nomination before the meeting to the secretary of the Association, or by placing a name in nomination at the meeting prior to the vote. A specially elected director may be removed prior to the expiration of his or her term only by the vote or written assent of members other than Declarant who hold a majority of the voting rights other than the voting rights held by Declarant. In case of the death, resignation, or removal of a specially elected director, a successor shall be elected by members other than Declarant to hold office for the unexpired term of his or her predecessor and until a successor has been elected and qualified. Except as otherwise provided in this section, the provisions of this Declaration, the Articles, and the Bylaws, applicable to directors, including their election, removal, rights, and duties, shall apply to specially elected directors.

6.06. Vacancies. A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (i) the death of any director, (ii) the effective date of any director's resignation, (iii) the removal of a director by vote of the members, or by vote of a majority of all the votes entitled to be cast by all the members if the Association has less than 50 members, provided that, if applicable, the vote for removal satisfied the requirements contained in the cumulative voting or specially elected director provisions in Sections 6.04 and 6.05 of these Bylaws, (iv) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, (v) the increase in the authorized number of

directors, or (vi) the failure of the members, at any meeting of the members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

Any vacancy on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director, except for a vacancy created by removal of a director by vote of the members or a vacancy of a specially elected director position, which vacancies shall be filled by the members. In addition, the members may fill any vacancy not filled by the directors. Any director elected to fill a vacancy shall hold office until the expiration of the term of his or her predecessor and until a successor has been elected and qualified.

6.07. Compensation. A Director shall not receive any compensation for any services rendered to the Association as a director; provided that directors may be reimbursed for actual out-of-pocket expenses incurred in the performance of his or her duties.

6.08. Removal from Office. Unless the entire Board is removed from office by the vote of members of the Association, no individual Board member shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect the Board member if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Board members authorized at the time of the most recent election of the Board member were then being elect

#### Article 7. MEETINGS OF DIRECTORS

7.01. Place of Meetings. Meetings of the Board shall be held at any place within the Project designated by the Board or described in the notice of the meeting. In the absence of any designation or notice, meetings shall be held at the principal office of the Association.

7.02. Regular Meetings. Regular meetings of the Board shall be held monthly at such time and place within the development as may be fixed from time to time by resolution of the Board, provided that if the business to be transacted by the Board does not require monthly meetings, regular meetings may be held less frequently but no less than one regular meeting every six months. If, in the judgment of the Board, a larger meeting room is required than exists within the development, the meeting room selected shall be as close as possible to the development. If a regular meeting falls on a legal holiday, the meeting shall be held at the same time on the next business day. Notice of the time and place of any regular meeting shall be posted at a prominent place or places within the common area and shall be communicated to each director not less than four days prior to the meeting; provided, however, that notice need not be given to any director who signs a waiver of notice or written consent to the holding of the meeting. Regular meetings of the Board shall be governed by the provisions of Section 4900 through 4955 of the Civil Code.

7.03. Special Meetings. Special Meetings of the Board may be called by written notice signed by the president of the Association, or by any two directors other than the president. The notice shall specify the time and place of the meeting and the nature of any special business to be considered, shall be posted or communicated in a manner prescribed for notice of regular meetings, and shall be sent to all directors not less than 72 hours prior to the scheduled time of the meeting,

provided that notice need not be given to any director who signed a waiver of notice or a written consent to the holding of the meeting. Special meetings of the Board shall be governed by the provisions of Section 4900 through 4955 of the Civil Code.

7.04. Emergency Meetings. An emergency meeting of the Board may be called by the president of the association, or by any two members of the governing body other than the president, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the board, and which of necessity make it impracticable to provide notice as required by Section 4900 through 4955 of the Civil Code.

7.05. Open Meetings. Regular and special meetings shall be open to all members. The Board of Directors shall permit any member of the Association to speak at any meeting of the Association or the Board of Directors, except for meetings of the Board held in executive session. A reasonable time limit for all members of the Association to speak to the Board of Directors or before a meeting of the Association shall be established by the Board of Directors. The Board may, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, matters relating to the formation of contracts with third parties, member discipline, and litigation in which the Association is or may become involved. The nature of any and all business to be considered in executive session shall first be announced in open session.

7.06. Quorum Requirements. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, subject to the requirements of California Corporations Code Section 7211(a)(8), including, without limitation, the requirements relating to (i) approval of contract or transactions between the Association and one or more directors or between the Association and any entity in which a director has a material financial interest, (ii) creation of an appointments to committees of the Board, and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

7.07. Adjourned Meetings. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

7.08. Action Taken Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting, if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of any action so approved shall be posted at a

prominent place or places within the Common Area within three days after the written consents of all the directors have been obtained.

7.09. Waiver of Notice. Notice of a meeting need not be given any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the association's records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice of him or her.

7.10. Executive Session. The Board shall meet in executive session if requested by a member who may be subject to a fine, penalty, or other penalty, or other form of discipline, and the member shall be entitled to attend the executive session.

## Article 8. GOVERNING BOARD POWERS AND LIMITATIONS

### 8.01. Powers and Limitations.

(a) The Board's powers and duties shall include, but shall not be limited to, the following:

(i) Enforcement of applicable provisions of the CC&R's, Articles, Bylaws and other instruments for the ownership, management and control of the subdivision.

(ii) Payment of taxes and assessments which are, or could become a lien on the common area or a portion thereof.

(iii) Contracting for casualty, liability and other insurance on behalf of the Association of not to exceed three years duration provided that the policy permits short rate cancellation by the insured.

(iv) Contracting for goods and/or services for the common areas, facilities, and interests of the Association subject to the limitations set for below.

(v) Delegation of its powers to committees, officers or employees of the Association as expressly authorized by the governing instruments.

(vi) Preparation of budgets and financial statements for the Association as prescribed in the governing instruments.

(vii) Formulation of rules of operation of the common areas and facilities owned or controlled by the Association.



(viii) Initiation and execution of disciplinary proceedings against members of the Association for violations of provisions of the governing instruments in accordance with procedures set forth in the governing instruments.

(ix) Entering upon any privately-owned subdivision interest as necessary in connection with construction, maintenance, or emergency repair for the benefit of the common area or the owners in common.

(x) Election of officers of the Board.

(xi) Filling of vacancies on the Board except for a vacancy created by the removal of a Board member.

(b) The Board of the Association shall ordinarily be prohibited from taking any of the following actions except with the assent, by vote at a meeting of the Association or by written ballot without a meeting pursuant to Corporations Code Section 7513, of a simple majority of the members other than the subdivider, constituting a quorum consisting of more than 50% (fifty percent) of the voting power of the Association residing in members other than the subdivider:

(i) Entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the owners' Association for a term longer than one year with the following exceptions:

(A) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

(B) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(C) Prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits short rate cancellation by the insured.

(D) Lease agreements for laundry room fixtures and equipment of not to exceed five years duration provided that the lessor under the agreement is not an entity in which the subdivider has a direct or indirect ownership interest of 10 percent or more.

(E) Agreements for cable television services and equipment or satellite television services and equipment of not to exceed five years duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of 10 percent or more.

(F) Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five years duration provided that the supplier or suppliers are not entities in which the subdivider has a direct or indirect ownership interest of 10 percent or more.

(G) A contract for a term not to exceed three years that is terminable by the Association after no longer than one year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.

(ii) Incurring aggregate expenditures for capital improvements to the common area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year.

(iii) Selling during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year.

(iv) Paying compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business provided, however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

(c) The Board is authorized, but not required, to perform any act reasonably necessary to resolve any civil claim or action through alternative dispute resolution proceedings such as mediation, binding arbitration, or non-binding arbitration proceedings. The Board is also authorized, but not required, to perform the following acts:

(i) Providing, or in good faith attempting to provide, one hundred twenty (120) days advance notice of the Board's intent to initiate the prosecution of any civil action and of the nature and basis of the claim to every member of the Association and every entity or person who is a prospective party to the civil action, provided that notice can be given (A) more than one hundred twenty (120) days prior to the expiration of any pertinent statute of limitations, and (B) without prejudice to the Association's right to enforce the governing documents, and further provided that no such notice need be given prior to the filing of an action in small claims court or an action solely to enforce assessment obligations.

(ii) Prior to initiating the prosecution of a civil action solely for declaratory relief or injunctive relief to enforce the governing documents, or for declaratory relief or injunctive relief to enforce the governing documents in conjunction with a claim for monetary damages not in excess of five thousand dollars (\$5,000), to endeavor to submit the matter to alternative dispute resolution in compliance with the provisions of Section 5975 of the Civil Code.

(iii) Immediately after initiating the prosecution or defense of any civil action, making a reasonable effort, in good faith, to meet and confer with every person who is a

party concerning appropriate processes for resolving the civil action, including available alternative dispute resolution proceedings; concerning appropriate processes for avoiding or reducing costs or losses by the parties associated with the action; providing an opportunity to cure any alleged defect in common areas or facilities which is the basis for the action; and providing for the scope of discovery, if any, to be conducted prior to the inception of any alternative dispute resolution procedure.

(iv) Considering diversion of the prosecution or defense of any civil action to alternative dispute resolution proceedings such as mediation, non-binding arbitration, or binding arbitration.

(v) Agreeing to participate and participating fully and in good faith in the resolution of any civil action through any alternative dispute resolution proceedings, including but not limited to mediation, non-binding arbitration, and binding arbitration, and paying costs reasonably incurred by the Association on account of those alternative dispute resolution proceedings.

#### 8.02. Budgets and Financial Statements.

(a) The following financial and related information shall be regularly prepared and distributed by the Board to all members of the Association, and must be prepared and distributed prior to any increase in assessments:

(i) A pro forma operating budget for the immediately ensuing fiscal year consisting of at least the following information shall be distributed not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the fiscal year.

(A) Estimated revenue and expenses on an accrual basis.

(B) A summary of the Association's reserve based upon the most recent review or study conducted pursuant to Section 5550 through 5560 of the Civil Code, based only on assets held in cash or cash equivalents, which shall be printed in bold type and include all of the following:

(1) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component.

(2) As of the end of the fiscal year for which the study is prepared:

1. The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain major components.

2. The current amount of accumulated cash reserves actually set aside to repair, replace, restore or maintain major components.

3. If applicable, the amount of funds received from either a compensatory damage award or settlement to an association from any person or entity for injuries to property, real or personal, arising out of any construction or design defects, and the expenditures or disposition of funds, including the amounts expended for the direct and indirect costs of repair of construction or design defects. These amounts shall be reported at the end of the fiscal year for which the study is prepared as separate line items under cash reserves pursuant to item 2 above.

(3) The percentage that accumulated cash reserves actually set aside is of the current estimate of cash reserves necessary.

(4) The current deficiency in reserve funding expressed on a per unit basis. The figure shall be calculated by subtracting the amount determined for purposes of clause 2 of subparagraph (ii) from the amount determined for purposes of clause 1 of subparagraph (ii) and then dividing the result by the number of separate interests within the Association, except that if assessments vary by the size or type of ownership interest, then the Association shall calculate the current deficiency in a manner that reflects the variation.

(C) A statement as to all of the following:

(1) Whether the Board of Directors of the Association, has determined to defer or not undertake repairs or replacement of any major component with a remaining life of thirty (30) years or less, including a justification for the deferral or decision not to undertake the repairs or replacement.

(2) Whether the Board of the Association has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.

(3) The mechanism or mechanisms by which the Board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacement or repairs, or alternative mechanisms.

(4) Whether the Association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired.

(D) A general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible. The report shall include, but need not be limited to, those provisions of Civil Code Section 5300.

(E) A general statement regarding the Member's right to have copies of the minutes of meetings of the Board of Directors and how and when these minutes may be obtained.

(ii) A balance sheet - as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of an interest in the subdivision - and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and name of the entity assessed.

(iii) A report consisting of the following shall be distributed within 120 days after the close of the fiscal year.

(A) A balance sheet as of the end of the fiscal year.

(B) An operating (income) statement for the fiscal year.

(C) A statement of changes in financial position for the fiscal year.

(D) For any fiscal year in which the gross income to the Association exceeds \$75,000, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy.

(b) If the report referred to in (a)(iii) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

(c) In lieu of the distribution of the proforma operating budget required by subdivision (a), the Board may elect to distribute a summary of the items described in Section (a)(i)(A),(B), (C) and (D) to all members of the Association with a written notice that the budget is available at the business office of the Association or at another suitable location within the boundaries of the

development and that copies will be provided upon request and at the expense of the Association. If any member requests copies of the pro forma operating budget including the items described in Section (a)(i)(A),(B),(C) and (D) to be mailed to the member, the Association shall provide such copies to the member by first-class United States mail at the expense of the Association and mailed within five days. The written notice that is distributed to each of the Association members shall be in at least 10-point bold type on the front page of the summary of the statements.

(d) In addition to financial statements, the Board shall annually distribute not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the fiscal year, a statement of the Association's policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against members' subdivision interest.

(e) The Board shall do the following not less frequently than quarterly:

(i) Cause a current reconciliation of the Association's operating accounts to be made and review the same.

(ii) Cause a current reconciliation of the Association's reserve accounts to be made and review the same.

(iii) Review the current year's actual reserve revenues and expenses compared to the current year's budget.

(iv) Review the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts.

(v) Review an income and expense statement for the Association's operating and reserve accounts.

(f) Withdrawal of funds from the Association's reserve account shall require the signatures of either:

(i) Two members of the Board or;

(ii) One member of the Board and an officer of the Association who is not also a member of the Board.

8.03. Standard of Care. Each director shall perform his or her duties as a director, including the duties as a member of any committee of the Board on which the director serves, in good faith, in a manner such director believes to be in the best interests of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

8.04. Committees of the Board. The Board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more directors and no persons who are not directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

(a) take any final action on any matter which, under the Declaration or the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;

(b) fill vacancies on the Board or on any committee which has the authority of the Board;

(c) amend or repeal these Bylaws or adopt new bylaws;

(d) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

(e) appoint any other committees of the Board of Directors or the members of those committees;

(f) approve any transaction to which the Association is a party and in which one (1) or more Directors have a material financial interest.

Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with, the provisions of these Bylaws concerning meetings and other actions of the Board, except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by resolution of the Board or, in the absence of a Board resolution, by resolution of the committee. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws, or in the absence of rules adopted by the Board, the committee may adopt such rules.

8.05. Due Process Requirements. Before the Board imposes any monetary penalties, or suspensions of membership rights or Common Area use privileges against any Member for failure to comply with the Declaration, these Bylaws, or Association Rules, the Board must act in good faith and must satisfy each of the following requirements;

(a) The member is given 15 days prior notice of the discipline to be imposed and the reasons for the imposition of the discipline. The notice may be given by any method reasonably calculated to give actual notice. If the notice is given by mail, it must be sent by first class or registered mail to the last address of the member as shown on the Association's records.

(b) The member is given an opportunity to be heard, orally or in writing, by the Board, not less than five days before the effective date of the imposition of the discipline.

## Article 9. OFFICERS AND THEIR DUTIES

9.01. Officers and the Association. The officers and the Association shall be a president, a secretary, and a chief financial officer. The Association may also have, at the discretion of the Board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 9.03 of these Bylaws. Any number of offices may be held by the same person.

9.02. Election of Officers. The officers, except those appointed under Section 9.03 of these Bylaws, shall be chosen annually by the Board and shall serve at the pleasure of the Board. The Board shall appoint one of its directors as president and one as the chief financial officer; the other officers need not be directors.

9.03. Other Officers. The Board may appoint and may authorize the president, or another officer, to appoint any other officers that the Association may require. Each officer so appointed shall have the title, hold office for the period, have the authority and perform the duties specified in these Bylaws or determined from time to time by the Board.

9.04. Removal or Resignation of Officers. Any officer may be removed with or without cause by the Board, and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer that power of removal. Any officer may resign at any time by giving written notice to the Association. Any such resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

9.05. Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that vacancies need not be filled on an annual basis.

9.06. Duties. The duties of the officers shall be as follows:

(a) President. The president shall be the general manager and chief executive officer of the Association and generally supervise, direct, and control the Association's activities, affairs, and officers. The president shall preside at all meetings of members and at all meetings of the Board. The president shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

(b) Vice Presidents. In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the Board or, if not ranked, a vice president designated by the Board, shall perform all of the duties of the president. When so acting, a vice president shall have



all of the powers of and be subject to all of the restrictions on the president. The vice presidents shall have such other powers and perform such other duties as prescribed by the Board or these Bylaws.

(c) Secretary. The secretary shall keep or cause to be kept, at the Association's principal office, the following:

(i) A book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members. The minutes of meetings shall include the time and place of holding, whether annual, regular, or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings, and the number of members present or represented at members' meetings.

(ii) A copy of the Articles and Bylaws, as amended to date.

(iii) A record of the members, showing the names of all members, their addresses and the class of membership held by each.

Except as otherwise provided in these Bylaws, the secretary shall give, or cause to be given, the notices required by these Bylaws for meetings of members, of the Board and of committees of the Board. The secretary shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

(d) Chief Financial Officer. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and transactions of the Association, and shall send or cause to be sent to the members and directors such financial statements and reports as are required by law, the Declaration, these Bylaws, or the Board. The books of account shall be open to inspection by any director at all reasonable times.

The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board, shall disburse the funds of the Association as may be ordered by the Board, shall render to the president and the Board, when requested, an account of all transactions made on behalf of the Association and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

9.07. Joint Signatures. Unless the Board authorizes otherwise, any check or other negotiable instrument issued by the Association shall require the joint signatures of any two of the following officers: the president, the chief financial officer, and/or the secretary.

9.08. Compensation. Officers shall not receive any compensation for any service rendered to the Association as an officer, provided that any officer may be reimbursed for actual out-of-pocket expenses incurred in the performance of his or her duties.

## Article 10. INDEMNIFICATION AND INSURANCE

10.01. Indemnification Right and Power. The Association shall indemnify any agent of the Association who was a party to any proceeding by reason of the fact that the person is or was an agent of the Association against expenses actually and reasonably incurred in any proceeding to the extent that the agent was successful on the merits in defense of the proceeding or in defense of any claim, issue, or matter therein. Expenses shall include any attorneys' fees and any other expenses of establishing a right to indemnification.

The Association may indemnify any agent of the Association who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was an agent of the Association, against expenses actually and reasonably incurred in connection with such proceeding provided the approval requirements described in Section 10.02 of these Bylaws have been satisfied.

For purposes of Sections 10.01-10.05 of these Bylaws, the term "agent" means any present or former director, officer, employee, or other agent of the association, the term "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, and the term "expenses" includes judgments, fines, or settlements occurring in any proceeding other than a proceeding brought by or on behalf of the Association.

10.02. Indemnification Approval. Unless indemnification is required as provided in Section 10.01 of these Bylaws, indemnification shall be made only if authorized in the specific case on a determination that indemnification is proper in the circumstances because the agent satisfied the appropriate standard of care described in Section 10.03 of these Bylaws. The determination must be made by one of the following methods:

(a) A majority vote of a quorum of the Board consisting of directors who are not parties to the proceeding.

(b) The affirmative vote of a majority of the voting power of the members entitled to vote at a duly held members' meeting in which a quorum was present, or the approval by written ballot under the procedures described in Paragraph 5.13 of these Bylaws, provided that if the agent to be indemnified is a member, the agent shall not be entitled to vote.

(c) The court in which such proceeding is or was pending on application made by the Association or the agent of the attorney or other person rendering services in connection with the defense, whether or not the application is opposed by the Association.

Notwithstanding the foregoing, any indemnification in any proceeding brought by or on behalf of the Association shall be subject to the restrictions contained in California Corporation Code Section 7237(c).

10.03. Standard of Care. In any proceeding brought by or on behalf of the Association, the applicable standard of care shall require that the agent acted in good faith, in a manner the agent

believed to be in the best interests of the Association and with the care, including reasonable inquiry, that an ordinarily prudent person in like position would use under similar circumstances. In all other proceedings, the agent must have acted in good faith, in a manner the agent believed to be in the best interest of the Association and, in the cause of a criminal proceeding, had not reasonable cause to believe that his or her conduct was unlawful.

10.04. Advancement of Expenses. On approval of the Board, expenses incurred in defending any proceeding may be advanced by the Association prior to the final disposition of the proceeding, provided the Association receives an undertaking by or on behalf of the agent that the advances will be repaid unless it is ultimately determined that the agent was entitled to indemnification as required or authorized by these Bylaws.

10.05. Insurance. The Association shall have the power to purchase and maintain insurance on behalf of its agents, against any liability asserted against or incurred by any agent in such capacity of arising out of the agent's status as such whether or not the Association would have the power to indemnify the agent against such liability under Sections 10.01-10.04 of these Bylaws.

## Article 11. AMENDMENTS

11.01. Amending the Bylaws. If a two-class voting system is in effect, these Bylaws may be amended by vote or written assent of a majority of the voting power of all of the members of each class.

If a one-class voting system is in effect, these Bylaws may be amended by the vote or written assent of a majority of the voting power of all the members, and a majority of voting power of all of the Members of the Association other than Declarant.

11.02. Amending the Articles. If a two-class voting system is in effect, the Articles may be amended by an affirmative vote of a majority of the Board and by the affirmative vote of a majority of each class of membership.

If a one-class voting system is in effect, the Articles may be amended by a majority vote of the Board, a majority of the voting power of all the members, and a majority of the voting power of all the members other than Declarant.

11.03. Amendment Restrictions. Notwithstanding the amendment requirements contained in Section 11.01 and 11.02 of these Bylaws, the percentage of the voting power of the Association or of members other than the Declarant necessary to amend a specific clause or provision in these Bylaws or the Articles shall not be less than the prescribed percentage of affirmative votes required for action to be taken under the clause or provision; and, if applicable, any amendments to the Articles or Bylaws shall satisfy the requirements of California Business and Professions Code Section 11018.7, the requirements of Article XV of the Declaration regarding the consent of first Mortgagees.

## Article 12. GENERAL PROVISIONS

12.01. Conflict with Declaration. If any provision of these Bylaws conflicts with any provision of the Declaration, the Declaration shall control to the extent of any such conflict.

12.02. Fiscal Year. Unless the Board determines otherwise, the fiscal year of the Association shall be a calendar year.

12.03. Records. The Association shall maintain the following records:

- (a) Adequate and correct books and records of account;
- (b) written minutes of the proceedings of its members, Board and committees of the Board; and
- (c) a record of its members, giving their names and addresses and the class of membership held by each.

The Association shall keep at its principal office the original or a copy of the Declaration, the Articles and these Bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours.

12.04. Inspection of Association's Books and Records.

(a) Commencing not later than ninety (90) days after the close of escrow of the first interest in the subdivision, copies of the documents listed below, as soon as readily obtainable, shall be delivered by the subdivider to the Board of the Association at the office of the Association, or at such other place as the Board of the Association shall prescribe. The obligation to deliver the documents listed below shall apply to any documents obtained by the subdivider no matter when obtained, provided, however, such obligation shall terminate upon the earlier of (1) the conveyance of the last subdivision interest covered by a subdivision public report or (2) three years after the expiration of the most recent public report on the subdivision:

- (i) The recorded subdivision map or maps for the project.
- (ii) The recorded condominium plan, if any, and all amendments thereto.
- (iii) The deeds and easements executed by the subdivider conveying the common area or other interest to the Association, if applicable.
- (iv) The recorded covenants, conditions and restrictions for the subdivision, including all amendments and annexations thereto.
- (v) The Association's filed articles of incorporation, if any, and all amendments thereto.

- (vi) The Association's bylaws and all amendments thereto.
  - (vii) All architectural guidelines and all other rules regulating the use of an owner's interest in the subdivision or use of the common area which have been promulgated by the Association.
  - (viii) The plans approved by the local agency or county where the subdivision is located for the construction or improvement of facilities that the Association is obligated to maintain or repair; provided, however, that the plans need not be as-built plans and that the plans may bear appropriate restrictions on their commercial exploitation or use and may contain appropriate disclaimers regarding their accuracy.
  - (ix) All notice of completion certificates issued for common area improvements (other than residential structures).
  - (x) Any bond or other security device in which the Association is the beneficiary.
  - (xi) Any written warranty being transferred to the Association for common area equipment, fixtures or improvements.
  - (xii) Any insurance policy procured for the benefit of the Association, its Board or the common area.
  - (xiii) Any lease or contract to which the Association is a party.
  - (xiv) The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the members, of the Board and of committees of the Board of the Association.
  - (xv) Any instrument referred to in Section 11018.6(d) but not described above which establishes or defines the common, mutual or reciprocal rights or responsibilities of members of the Association.
- (b) The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the members, of the Board and of committees of the Board of the Association shall be made available for inspection and copying by any member of the Association, or by his duly-appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the subdivision as the Board shall prescribe.
- (c) (i) In the case of the minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board , other than an

executive session, shall be available to members within 30 days of the meeting and shall be distributed to only members upon request and payment of the fee prescribed in (d)(3) below.

(ii) At the time the pro forma operating budget is distributed as required by Section 8.02 of these Bylaws or at the time of any general mailing, members of the Association shall be notified in writing of their right to have copies of the minutes of meetings of the Board and as to how and where those minutes may be obtained and the cost of obtaining such copies.

(d) The Board shall establish reasonable rules with respect to:

(i) Notice to be given to the custodian of the records by the member desiring to make the inspection.

(ii) Hours and days of the week when such an inspection may be made.

(iii) Payment of the cost of reproducing copies of documents requested by a member.

(e) Every member of the Board shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a member of the Board includes the right to make extracts and copies of documents.

#### CERTIFICATE OF SECRETARY

I, the undersigned secretary, certify that the foregoing Bylaws have been approved by a majority of the members of the Association.



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