

2018 AMENDED AND RESTATED

BYLAWS OF

MISSION RIDGE CONDOMINIUM

ASSOCIATION

A California Non-Profit Mutual Benefit Corporation

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**2018 AMENDED AND RESTATED BYLAWS OF
MISSION RIDGE CONDOMINIUM ASSOCIATION
A California Non-Profit Mutual Benefit Corporation**

**ARTICLE 1
DEFINITIONS**

Section 1.1 Declaration. *Declaration* shall mean and refer to the 2018 Amended and Restated Declaration of Covenants, Conditions and Restrictions for Mission Ridge Condominiums, recorded August 22, 2019, as Document No. 2019-0357761 of Official Records of the County Recorder of San Diego County, and subsequent amendments thereto.

Section 1.2 Definitions. The definitions contained in the Declaration are incorporated by reference herein.

**ARTICLE 2
NAME AND LOCATION; CORPORATE POWERS**

Section 2.1 Name and Location. The name of the corporation is Mission Ridge Condominium Association, hereinafter referred to as the “Association.” The principal office of the Association shall be located in the County of San Diego, California.

Section 2.2 Corporate Powers. Subject to any limitations in the Governing Documents, the Association may exercise the powers granted to a nonprofit mutual benefit corporation, as enumerated in Section 7140 of the Corporations Code, as provided in, and subject to, the Governing Documents. The Association may also exercise the powers granted to an association in the Davis-Stirling Common Interest Development Act (Civil Code §4000 et. seq.).

Section 2.3 Corporate Powers Exercised by Board of Directors. The activities and affairs of this Association shall be administered and overseen by, and the powers of the Association exercised under the direction of, a Board of Directors. The Board may delegate the management activities to any management company or managing agent, provided, however, that the activities and affairs of the Association shall be directed, overseen, and managed, and the corporate powers exercised, under the ultimate direction of the Board [Corporations Code Sec. 7210].

ARTICLE 3 BOARD MEETINGS

Section 3.1 Board Meetings Generally.

The Board of Directors shall conduct the business of the Association as a group at Board Meetings; regular, special, or emergency meetings, or executive sessions. Regular Board Meetings shall be held monthly or quarterly at such place within the Project and at such hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at another date and time to be set by the Board [Corporations Code Sec. 7211(a)(2)]. Special Board Meetings shall be held when called by written notice to the Association's directors, signed by the president of the Association, or by any two (2) directors [Corporations Code Sec. 7211(a)(1)]. Emergency Board Meetings may be called by the president of the Association, or by any two (2) directors other than the president [Civil Code Sec. 4923].

Section 3.2 What Constitutes "Board Meetings." A "Board Meeting" means either of the following: (a) A congregation, at the same time and place, of a sufficient number of directors to establish a quorum of the Board, to hear, discuss, or deliberate upon any item of business that is within the authority of the Board, or (b) A teleconference, where a sufficient number of directors to establish a quorum of the Board, in different locations, are connected by electronic means, through audio or video, or both. A teleconference meeting shall be conducted in a manner that protects the rights of members of the Association and otherwise complies with the requirements of law. Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one physical location so that Members may attend, and at least one director or a person designated by the Board shall be present at that location. Participation by directors in a teleconference meeting constitutes presence at that meeting as long as all directors participating are able to hear one another, as well as Members of the Association speaking on matters before the Board [Civil Code Sec. 4090].

Section 3.3 Restriction on Actions Outside of Meetings.

The Board shall not take action on any item of business outside of a Board meeting. Notwithstanding Section 7211 of the Corporations Code, the Board shall not conduct a meeting via a series of electronic transmissions, including, but not limited to, electronic mail. Electronic transmissions may be used as a method of conducting an emergency Board meeting if all directors, individually or collectively, consent in writing to that action, and if the written consent

or consents are filed with the minutes of the Board meeting. These written consents may be transmitted electronically [Civil Code Sec. 4910].

Section 3.4 Notice of Meetings and Agenda.

Except for emergency meetings, the Association shall give notice of the time and place of a Board meeting at least four days before the meeting. If a Board meeting is an emergency meeting, the Association is not required to give notice of the time and place of the meeting. If a nonemergency Board meeting is held solely in executive session, the Association shall give notice of the time and place of the meeting at least two days prior to the meeting. Notice of Board meetings shall contain the agenda for the meeting.

Section 3.4.1 Notice to Directors.

Regular meetings of the Board may be held without notice to the directors only if the time and place of the meetings are fixed by the Board [Corporations Code Sec. 7211(a)(2)]. Otherwise, notice of Board meetings shall be given to directors by first class mail or 48 hours notice delivered personally or by telephone, including a voice messaging systems or by electronic transmission by the Association. All such notices shall be given or sent to the director's address, telephone number or e-mail address as shown on the records of the Association [Corporations Code Sec. 7211(a)(2)]. Notice of emergency Board meetings need not be communicated to Members, but shall be communicated to all directors in such a manner as is reasonable under the circumstances [Civil Code Sec. 4923]. Notice need not be given to any director who has signed a written waiver of notice or consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to that director. These waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes [Corporations Code Sec. 7211(a)(3)].

Section 3.4.2 Notice to Owners.

Notice of a Board meeting shall be given to Owners by general delivery pursuant to Civil Code Sec. 4045. Civil Code Sec. 4045 currently includes the following delivery methods:

- (1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the Association.

- (2) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.
- (3) Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this Section.
- (3) Posting the printed document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices by the Association in the annual policy statement, prepared pursuant to Section 5310.
- (4) If the Association broadcasts television programming for the purpose of distributing information on association business to its members, by inclusion in the programming.

Section 3.4.3 Notice of Adjourned Meeting.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of adjournment. [Corporations Code Sec. 7211(a)(4)]. Notice to members shall comply with Section 3.4.2 herein.

Section 3.5 Quorum for Board Meetings.

A majority of the directors then in office, not counting vacancies, shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by a majority of the required quorum for that meeting [Corporations Code Sec. 7211].

Section 3.6 Emergency Meetings.

An emergency meeting of the Board may be called by the president of the Association, or by any two members of the Board other than the president, without providing notice to the Members as set forth herein, if there are circumstances that would 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 herein [Civil Code Sec. 4923].

Section 3.7 Executive Sessions.

The Board may adjourn to, or meet solely in, executive session to consider litigation, matters relating to the formation of contracts with third parties, member discipline, personnel matters, or to meet with a Member, upon the Member's request, regarding the Member's payment of assessments. The Board shall adjourn to, or meet solely in, executive session to discuss Member discipline, if requested by the Member who is the subject of the discussion, and that Member shall be entitled to attend that portion of the executive session. The Board shall also adjourn to, or meet solely in, executive session to discuss assessment payment plans and to decide whether to foreclose on a lien. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following meeting that is open to the entire membership.

Section 3.8 Owner Attendance at Board Meetings.

Any Member may attend Board meetings, except when the Board adjourns to, or meets solely in, executive session. A Member shall be entitled to attend a teleconference meeting or the portion of a teleconference meeting that is open to Members, and that meeting or portion of the meeting shall be audible to the Members in a location specified in the notice of the meeting. The Board shall permit any Member to speak at any meeting of the Board, except for meetings of the Board held in executive session. A reasonable time limit for all Members to speak to the Board shall be established by the Board [Civil Code Sec. 4925].

Section 3.9 Discussion Limited to Agenda Items; Prohibition of Discussion of Non-Agenda Items.

Except as described herein, the Board may not discuss or take action on any item at a nonemergency meeting unless the item was placed on the agenda included in the notice. This provision does not prohibit a Member who is not a member of the Board from speaking on issues not on the agenda [Civil Code Sec. 4930(a)].

Section 3.9.1 Non-Agenda Items that may be Discussed.

Notwithstanding the above, a member of the Board or its managing agent may (a) briefly respond to statements made or questions posed by a Member speaking at a meeting, or (b) ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities, whether in response to questions posed by a Member or based upon his or her own initiative [Civil Code Sec. 4930(b)].

Section 3.9.2 Direction for Future Discussion of Non-Agenda Item.

Notwithstanding the above, the Board of Directors or a member of the Board, subject to rules or procedures of the Board, may (a) provide a reference to, or provide

other resources for factual information to, its managing agent or other agents or staff, (b) request its managing agent or other agents or staff to report back to the Board at a subsequent meeting concerning any matter, or take action to direct its managing agent or other agents or staff to place a matter of business on a future agenda, or (c) direct its managing agent or other agents or staff to perform administrative tasks that are necessary to carry out this subdivision.

Section 3.9.3 Permissible Action on Non-Agenda Item.

Notwithstanding the above, the Board may take action on any item of business not appearing on the agenda (i) upon a determination made by a majority of the directors present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the Board, that require immediate attention and possible action by the Board, and that, of necessity, make it impracticable to provide notice, (ii) upon a determination made by the Board by a vote of two-thirds of the directors present, or, if less than two-thirds of total number of directors is present at the meeting, by a unanimous vote of the directors present, that there is a need to take immediate action and that the need for action came to the attention of the board after the agenda was posted and distributed, or (iii) the item appeared on an agenda that was posted and distributed as required for a prior meeting of the Board that occurred not more than thirty (30) calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken. Before discussing any item pursuant to this paragraph, the Board shall openly identify the item to the Members in attendance at the meeting.

**ARTICLE 4
MEMBER MEETINGS**

Section 4.1 Meetings of Members Generally; Place of Meeting.

The Association shall hold meetings of the Members, either annual or special, to conduct such business as required under the Governing Documents or by law. Meetings of the Members shall be held within the community or at such other reasonable place within San Diego County and at such time as may be designated by the Board in the notice of the meeting [Corporations Code 7510].

Section 4.2 Annual Meetings.

There shall be an annual meeting of the Members each year. The date, time and location of the meeting shall be established by the Board and set forth in the notice of meeting sent to the Members [Corporations Code Sec. 7510(b)].

Section 4.3 Special Meetings.

Special meetings of the members shall be called at any time by a majority of the Board of Directors, or by the president, or upon written request of the Members representing at least five percent (5%) of the total voting power of the Association [Corporations Code Sec. 7510(e)].

Section 4.4 Notice of Meetings.

Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary by mailing a copy of such notice, first class mail, postage prepaid, at least ten (10) but not more than ninety (90) days before such meeting to all Members, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Notice pursuant to this Section may also be given to Members by electronic or other popular means of communication if acceptable to the Association, allowed by law, and authorized by Members on an individual basis, in writing, on a form provided by the Association. Such notice shall specify the place, day and hour of the meeting, along with those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Except as otherwise provided by law, Members at special meetings may only act on those matters which have been listed in the meeting's notice.

If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s): (a) removing a director without cause; (b) filling vacancies in the Board of Directors by the members; (c) amending the Articles of Incorporation; (d) approving a contract or transaction in which a director has a material financial interest [Corporations Code Sec. 7511].

Section 4.5 Quorum Requirements.

Section 4.5.1 Quorum Requirements Generally.

The following quorum requirements must be satisfied in order to take valid action at any meeting of the Members or by written ballot:

Section 4.5.1.1 Quorum for Valid Action on Association Matters.

Except as otherwise provided by law, in the case of a membership meeting or written ballot, the quorum shall be thirty-three and one-third (33 1/3%) percent of the Members eligible to vote and represented in person or by ballot [Corporations Code Sec. 7512(a)];

Section 4.5.1.2 Reduction in Quorum Percentage for Action on General Matters.

If the minimum quorum percentage specified in subparagraph 4.5.1.1 above is not satisfied, the meeting may be adjourned to another time or place, and at the reconvened meeting the quorum percentage shall be reduced to twenty-five percent (25%) of the voting power of the Members. If this reconvened meeting is attended by less than one-third of the voting power of the Members (but a quorum is present) the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting [Corporations Code Sec. 7512(d)]; and

Section 4.5.2 Members Represented by Ballot.

Members present at a membership meeting by ballot shall be counted toward satisfaction of the quorum requirements specified herein [Civil Code Sec. 5115(b)].

Section 4.5.3 Failure to Achieve Quorum.

If a quorum is never established for the meeting, a majority of those Members who are present in person may vote to adjourn the meeting for lack of a quorum, but no other action may be taken or business transacted [Corporations Code Sec. 7512(d)].

Section 4.5.4 Effect of Departure of Members from Meeting.

The Members present in person or by ballot at a duly called or duly 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, so long as any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum [Corporations Code Sec. 7512(c)].

Section 4.6 Adjourned Meeting [Corporations Code Sec. 7511(d)].

Section 4.6.1 Adjournment Generally.

Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another place and/or time (but not for more than forty-five (45) days) by the vote of the majority of Members present at the meeting. Unless there is an absence of a quorum (in which case no business other than adjournment may be transacted), the reconvened meeting may take any action that might have been transacted at the original meeting.

Section 4.6.2 Notice Requirements for Adjourned Meetings.

When a Members' meeting is adjourned to another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date is fixed for notice or voting, a notice of the rescheduled meeting must be given to each Member who on the record date for notice of the meeting is entitled to vote thereat.

Section 4.7 Parliamentary Procedure [Civil Code Sec. 5000(a)].

Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or any parliamentary procedures the Association may adopt.

Section 4.8 Member Speaking Rights [Civil Code Sec. 5000(b)].

The Board shall permit any Member to speak at any meeting of the membership of the Association. A reasonable time limit for all Members to speak at a meeting of the Association shall be established by the Board.

**ARTICLE 5
MEMBER ELECTIONS AND VOTING**

Section 5.1 Elections and Voting Generally.

Notwithstanding any other law or provision of the Governing Documents, elections regarding assessments legally requiring a vote, election and removal of members of the Board, amendments to the Governing Documents, or the grant of exclusive use of Common Area property shall be held by secret ballot in accordance with the procedures set forth in this Article.

Section 5.2 Membership; Voting Rights.

Membership shall be held as provided in the Declaration. The Members shall be Owners and shall be entitled to one (1) vote per each Unit on each matter submitted to a vote of the

Members [Corporations Code Sec. 7610]. Only Members in good standing as more fully defined herein shall be entitled to vote. When more than one person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit [Corporations Code Sec. 7612]. The vote of a majority of votes at a meeting where a quorum is present, in person or by ballot, shall decide any question brought before such meeting, unless the question is one upon which, by the express provision of statute or the Declaration, the Articles of Incorporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control [Corporations Code Sec. 5034].

Section 5.3 Eligibility to Vote.

Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's property and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Governing Documents. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to receive notice fifteen (15) days in advance of the effective date of the loss of voting privileges and may request a hearing in accordance with the Governing Documents [Corporations Code Sec. 7151(d)].

Section 5.4 Election and Meeting Rules.

Civil Code Sec. 5105 requires the Association to adopt rules with regard to elections. The provisions of this Section 5.4 are intended to meet the minimum statutory requirement. The Association may adopt further rules to clarify or augment these provisions.

Section 5.4.1 Access to Association Services.

If any candidate or Member advocating a point of view is provided access to any Association media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and Members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content.

Section 5.4.2 Access to Common Meeting Spaces.

Common Area meeting space, if any exists, during a campaign, will be available at no cost, to all candidates, including those who are not incumbents, and to all Members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election.

Section 5.4.3 Candidate Qualifications and Nomination Procedures.

The Governing Documents specify basic qualifications for candidates for the Board and any other elected position, and basic nomination procedures. The Board may enact further qualifications and procedures consistent with the Governing Documents, however, nomination or election procedures shall not be deemed reasonable if they disallow any Member from nominating himself or herself for election to the Board.

Section 5.4.4 Election Matters.

The Governing Documents specify the qualifications for voting, and the voting power of each membership; the inspectors of election may determine the authenticity, validity, and effect of proxies; and the Board may determine the voting period for elections, including the times at which polls (if any) will open and close.

Section 5.4.5 Inspectors of Election or Voting.

The Association may have one or three independent third parties as inspector, or inspectors, of election by one of the following methods: (a) appointment of the inspector or inspectors by the Board, (b) election of the inspector or inspectors by the Members of the Association, or (c) any other method for selecting the inspector or inspectors.

Section 5.4.6 Inspector Power to Appoint.

Any inspector, or inspectors, may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the inspector or inspectors deem appropriate, provided that the persons are independent third parties.

Section 5.5 Inspectors of Election.

The Association shall select an independent third party or parties as an inspector of election. The number of inspectors of election shall be one or three. For the purposes of this Section, an independent third party includes, but is not limited to, a volunteer poll worker with the County registrar of voters, a licensee of the California Board of Accountancy, or a notary public. An independent third party may be a Member of the Association, but may not be a

member of the Board or a candidate for the Board or related to a member of the Board or a candidate for the Board. An independent third party may be a person, business entity, or subdivision of a business entity, who is currently employed or under contract to the Association for any compensable services as expressly authorized hereunder.

An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. If there are three inspectors of election, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the inspector or inspectors of election is prima facie evidence of the facts stated in the report [Civil Code Sec. 5110].

Section 5.5.1 Powers of Inspectors.

The inspector or inspectors of election shall do all of the following [Civil Code Sec. 5110(c)(1-8)]:

- (A) Determine the number of memberships entitled to vote and the voting power of each.
- (B) Determine the authenticity, validity, and effect of proxies, if any.
- (C) Receive ballots. The sealed ballots at all times shall be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote, at which time custody shall be transferred to the Association.
- (D) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
- (E) Count and tabulate all votes. All votes shall be counted and tabulated by the inspector or inspectors of election, or his or her designee, in public at a properly noticed open meeting of the Board of Directors or Members. Any candidate or other Member of the Association may witness the counting and tabulation of the votes.
- (F) Determine when the polls shall close, consistent with the Governing Documents.

- (G) Determine the tabulated result of the election. The results of the election shall be promptly reported to the Board of Directors of the Association and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by Members of the Association.
- (H) Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with this Section, the Corporations Code, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with this Section.

Section 5.6 In-Meeting and Election Ballots (“Absentee Ballots”).

Ballots and two preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every Member not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, or Unit number on the ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including (1) the ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter shall sign his or her name, indicate his or her name, and indicate the address or separate interest identifier that entitles him or her to vote, and (2) the second envelope is addressed to the inspector or inspectors of election, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector or inspectors of election. The Member may request a receipt for delivery [Civil Code Sec. 5115].

No person, including a Member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. The inspector of elections, or his or her designee, may verify the Member’s information and signature on the outer envelope prior to the meeting at which ballots are tabulated. Once a secret ballot is received by the inspector of elections, it shall be irrevocable [Civil Code Sec. 5120].

Section 5.7 Announcement of Results.

The tabulated results of the election shall be promptly reported to the Board and shall be recorded in the minutes of the next meeting of the Board and shall be available for review by

Members. Within 15 days of the election, the Board shall publicize the tabulated results of an election in a communication directed to all Members [Civil Code Sec. 5120(b)].

Section 5.8 Election and Meeting Materials.

The sealed ballots at all times shall be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote, and until the time allowed by Section 7527 of the Corporations Code for challenging the election has expired, at which time custody shall be transferred to the Association. After the transfer of the ballots to the Association, the ballots shall be stored by the Association in a secure place for no less than one (1) year after the date of the election. If there is a recount or other challenge to the election process, the party with custody of the materials shall, upon written request, make the ballots available for inspection and review by a Member or his or her authorized representative. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote [Civil Code Sec. 5125].

Section 5.9 Necessity of Meeting.

Except for the meeting to count the votes as required hereinabove, a vote on the matters covered by this Article may be conducted entirely by mail unless otherwise specified in the Governing Documents or by law [Civil Code Sec. 5115(d)].

Section 5.10 Withdrawal of Proxy Voting Rights.

As allowed by Corporations Code Sec. 7613, and because the Civil Code requires most Member voting be by secret ballot, the right to vote by proxy is withdrawn. There shall be no voting by proxy.

Section 5.11 Action by Written Ballot without Meeting [Corporations Code Sec. 7513].

Section 5.11.1 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. The term *written ballot* does not include the in-meeting and mail ballots described in Section 5.6 herein which are used at a meeting for purposes of conducting a vote of the Members at such meeting. The *written ballot* described herein is not used in conjunction with an actual meeting of the Members.

Section 5.11.2 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 are met. The determination to seek Member approval for Association actions in this fashion shall be made by a majority vote of the Board.

Section 5.11.3 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.

Section 5.11.4 Balloting Time Requirements.

Written ballots shall be distributed to all eligible Members at least thirty (30) days prior to the deadline for voting. 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 twice, for a reasonable period of time as set by the Board, only if the Board so notifies the Members in the balloting solicitation materials originally sent to Members.

Section 5.11.5 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 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. If the time for returning written ballots is extended in accordance with subparagraph 5.11.4 above, the reduced quorum percentage specified in Section 4.5.1.2 shall apply during the extension period(s).

Section 5.11.6 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 fifteen (15) 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.

Section 5.11.7 Prohibition of Revocation.

Once exercised, a written ballot may not be revoked.

Section 5.11.8 Conduct of Informational Meetings.

Use of the written ballot procedures provided herein shall not preclude the Association from also conducting informational meetings of the Members or from scheduling a meeting to coincide with the culmination of the balloting period.

ARTICLE 6

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 6.1 Number; Qualifications.

The affairs of this Association shall be managed by a Board of five (5) directors, all of whom must be members of the Association and in good standing. For purposes of qualifying for the Board of Directors, “good standing” shall mean a member that is current in their assessments, not have any outstanding fines, penalties or violations, and not currently an adverse party against the Association in pending litigation [Corporations Code Sec. 7151].

Section 6.2 Terms of Office; Staggered Terms.

Directors shall be elected to two-year terms (three vacancies in odd-numbered years, two vacancies in even-numbered years). Unless sooner vacated, each Director shall hold office until the Director's term expires and a successor is elected [Corporations Code Sec. 7220].

Section 6.3 Nomination.

Nomination for election to the Board of Directors shall be made pursuant to reasonable procedures adopted by the Board of Directors from time to time. Absent any adopted procedures, the Association may solicit potential candidate interest, or qualified persons may submit their names to the Association, prior to preparation and mailing of the voting material. All candidates shall have reasonable opportunity to communicate their qualifications to Members and to solicit votes [Corporations Code Sec. 7520].

Section 6.4 Election.

The election of the Board shall be conducted at the annual meetings of the Association. At such election the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest

number of votes shall be elected. Members shall not be entitled to cumulate their votes; there shall be one (1) vote per Condominium Unit per vacant Director position. Voting for directors shall be by secret written ballot [Corporations Code Sec. 7615; Civil Code Sec. 5100(a)].

Section 6.5 Vacating the Position of Directors.

In addition to a vacancy due to ceasing to qualify for a position, any director's position on the Board may be vacated by any of the following methods:

Section 6.5.1 Vote of the Membership to Remove Directors.

Any or all directors may be removed without cause if such removal is approved by the affirmative vote of a majority of the voting power of the Association [Corporations Code Secs. 5033 & 7222].

Section 6.5.2 Declaration of Vacancy by Directors.

The Board of Directors shall have the power and authority to remove a director and declare his or her office vacant if he or she (i) has been declared of unsound mind by a final order of court; (ii) has been convicted of a felony; (iii) has been found by a final order or judgment of any court to have breached any duty under Corporations Code Sections 7233-7236 (relating to the standards of conduct of Directors); (iv) fails to attend three (3) unexcused consecutive regular meetings of the Board of Directors, or (v) is at any point ninety (90) days or more delinquent in payment of Assessments [Corporations Code Sec. 7221].

Section 6.5.3 Resignation of a Director

Any director may resign, and such resignation shall be effective on giving written notice to the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective [Corporations Code Sec. 7224(c)].

Section 6.6 Return of Association Materials

Upon removal, resignation, expiration of a directors' term, or other vacancy, the departing directors shall return to the Association those Association materials in their possession.

Section 6.7 Filling Vacant Director Positions.

In the event of a vacancy caused by any reason other than the removal of a director by the Members, his or her successor shall be filled by approval of the Board at a duly held meeting or by a sole remaining director, and shall serve for the unexpired term of his or her predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors. A

vacancy created by removal of a director by the Members can be filled only by election of the Members [Corporations Code Sec. 7224].

Section 6.8 Compensation.

No director shall receive compensation for any service he or she may render to the Association unless approved by a vote of the membership as provided in the Declaration. Any director may be reimbursed for his or her actual expenses, if reasonable, incurred in the performance of his or her duties [Corporations Code Sec. 7231.5].

Section 6.9 Indemnification of Officers and Directors.

To the fullest extent permitted by law, the Association shall indemnify its directors, officers, employees, and other agents described in Corporations Code §7237, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding” as that term is used in that statute and including an action by or in the right of the Association by reason of the fact that such person is or was a person described by that section. As used in this Section, the term “expenses” has the same meaning as in Corporations Code §7237(a).

On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine under Corporations Code §7237(e) whether the applicable standard of conduct set forth in §7237(b) or §7237(c) has been met, and if it has, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to the proceeding, the Board shall promptly call a meeting of Members. At that meeting, the Members shall determine under Corporations Code §7237(e) whether the applicable standard of conduct set forth in §7237(b) or §7237(c) has been met, and if it has, the Members present at the meeting in person or by ballot shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification hereunder in defending any proceeding covered by these Sections shall be advanced by the Association before final disposition of the proceeding on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid, unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

The Association shall have the power to purchase and maintain insurance on behalf of its directors, officers, employees, and other agents against other liability asserted against or incurred by any director, officer, employee, or agent in such capacity or arising out of the director's, officer's, employee's, or agent's status as such. [Corporations Code Sec. 7237].

ARTICLE 7 POWER AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers and Duties.

The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the properties and may do all such acts and things as are not prohibited by the Declaration, Articles of Incorporation, or these Bylaws [Corporations Code Sec. 7210]. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, by way of illustration, but not limitation:

Section 7.1.1 Powers of Non-Profit Corporation.

Exercise all powers vested in the Association as a California non-profit corporation [Corporations Code Sec. 7140].

Section 7.1.2 Appointment of Agents and Employees.

Appoint such agents and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the Association, and to fix their duties and to establish their compensation [Corporations Code Sec. 7210].

Section 7.1.3 Insurance.

Contract for and pay premiums for fire, casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.

Section 7.1.4 Contracts.

Contract for and pay for maintenance, landscaping, utilities, materials, supplies, labor and services that may be required from time to time in relation to the Properties.

Section 7.1.5 Contract for Reconstruction.

Contract for and pay for construction or reconstruction of any portion or portions of the Properties which have been damaged or destroyed and which are to be rebuilt in accordance with the provisions of the Declaration.

Section 7.1.6 Entry for Maintenance.

Enter Unit as necessary, subject to the notice requirements of the Declaration, in connection with construction, maintenance or emergency repairs for the benefit of the Property.

Section 7.1.7 Annual Budget.

Preparation and adoption of an annual budget, in which there shall be established the contribution of each Member to the common expenses [Civil Code Sec. 5300].

Section 7.1.8 Assessments.

Making assessments to defray the common expenses, as more fully set forth in the Declaration [Civil Code Sec. 5600].

Section 7.1.9 Collection of Assessments.

Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to administer the Association.

Section 7.1.10 Bank Accounts.

Opening of bank accounts on behalf of the Association and designating the signatories required.

Section 7.1.11 Accounting Books.

Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. All books and records shall be kept in accordance with generally accepted accounting practices [Civil Code Sec. 5305].

Section 7.1.12 Reserve Funds.

Establishing and maintaining an adequate reserve fund for replacement, repair and maintenance of the Property as required by the Declaration [Civil Code Sec. 5550].

Section 7.1.13 Maintenance.

Providing for the operation, care, upkeep, and maintenance of the Common Area [Civil Code Sec. 4775].

Section 7.1.14 Personnel.

Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Association, its property and the areas over which the Association is responsible and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

Section 7.1.15 Rules and Regulations.

To adopt and publish rules and regulations governing the use of the Property and Units, and the personal conduct of the Owners and their tenants, guests and invitees thereon, and to establish and impose monetary penalties, temporary suspensions of an Owner's rights as a Member, or other appropriate discipline for the infractions thereof or for violations of provisions of Governing Documents, all as more fully set forth in Section 7.5 of these Bylaws, Section 5.5 and Article 13 of the Declaration [Civil Code Sec. 4340, et. seq.].

Section 7.1.16 Acquisition and Disposition of Property.

The Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association subject to the limitation contained in the Declaration Section 5.3.2.

Section 7.1.17 Expenditure of Reserve Funds.

Except as allowed by law as described in Section 7.1.18 below, the Board of Directors may only expend funds designated as reserve funds for the purpose of repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established [Civil Code Sec. 5510].

Section 7.1.18 Transfer of Reserve Funds.

The Board may authorize the temporary transfer of moneys from a reserve fund to the Association's general operating fund to meet short-term cashflow requirements or other expenses, if the Board has provided notice of the intent to consider the transfer in a Board meeting notice provided pursuant to Section 3.4 herein. The notice shall include the reasons the transfer is needed, some of the options for repayment, and whether a Special Assessment may be considered. If the Board authorizes the transfer, the Board shall issue a written finding, recorded in the minutes, explaining the reasons that the transfer is needed, and describing when and how the moneys will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except that the Board may, after giving the same notice required for considering a transfer, and, upon making a finding supported by documentation that a temporary delay would be in the best interests of the Association, temporarily delay the restoration. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this Section. This Special Assessment is subject to the limitation imposed by Civil Code Section 5605. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment.

Section 7.1.19 Prosecution and Defense of Lawsuits.

The Board has the authority to prosecute or defend, in the name of the Association, any action affecting or relating to the Common Area or property owned by the Association, and any action in which all or substantially all of the Owners have an interest [Civil Code Sec. 5980].

Section 7.2 Management Agent.

The Board of Directors shall have the power to employ a professional management agent or agents, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. The Board shall use every effort to secure a management contract that contains a termination clause permitting termination, with or without cause, upon no more than sixty (60) days' written notice. No management contract shall have a term in excess of one (1) year.

Section 7.3 Borrowing and Expenditures.

The Board of Directors shall have the authority to borrow money on behalf of the Association and to mortgage, pledge, deed in trust, or hypothecate any or all of its real or

personal property as security for the money borrowed or debts incurred so long as the vote or written consent of a majority of the Association has been obtained.

Section 7.4 Delegation.

The Association's activities and affairs shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. However, the Board has the power to delegate certain of its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate to any non-board member the authority to make expenditures for capital additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an owner or his or her tenant, lessee, guest or invitee with the Declaration or rules and regulations promulgated by the Board, or to make a decision to levy monetary fines, impose special assessments against Units, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy regular or special assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. The Board may delegate to a manager any of its other duties, powers or functions. Any such delegation shall be revocable by the Board at any time. Any such manager may be either a person or firm. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board [Corporations Code Sec. 7210].

Section 7.5 Procedure for Disciplinary Action.

In addition to the general powers of enforcement as described in the Declaration, the Association's Board may discipline Members for violation of any of the provisions of the Governing Documents or Association Rules by suspending the violators' voting rights, privileges or use of the Common Area, and/or by imposing monetary penalties for such violations as long as the Association complies with the following procedure prior to imposition of discipline:

7.5.1 When the Board of Directors is to meet and consider or impose discipline upon a Member, or to impose a monetary reimbursement charge for common area damage, the Board shall notify the Member, in writing, by either personal delivery or first class mail, at least ten (10) days prior to the meeting [Civil Code Sec. 5855(a)].

7.5.2 The notification shall contain, at a minimum, the date, time and place of meeting, the nature of the alleged violation for which a Member may be

disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting [Civil Code Sec. 5855(b)].

7.5.3 If the Board imposes discipline on a Member, the Board shall provide a notification of the disciplinary action by either personal delivery or first class mail to the Member within fifteen (15) days following the action. A disciplinary action shall not be effective against a Member unless the Board fulfills the requirements of this Section [Civil Code Sec. 5855(c)].

7.5.4 In the event Civil Code Section 5855 is amended or modified by the legislature, the Board may follow the disciplinary procedures set forth therein or any related statute and such action shall be deemed in compliance with these Bylaws.

Section 7.6 Limitation on Board Authority and Liability.

Except with the vote or written assent of Owners, the Board may not take certain actions as more fully specified in the Declaration in Section 5.3. Directors, officers, committee members, employees, or other agents of the Association have limited liability as more fully set forth in Section 5.4 of the Declaration.

**ARTICLE 8
OFFICERS AND THEIR DUTIES**

Section 8.1 Enumeration of Officers; Qualifications.

The officers of this Association shall be a president and vice-president, a secretary, a chief financial officer, and such other officers as the Board may from time to time by resolution create. All officers shall at all times be members of the Board of Directors. Any two officer positions may be held by the same person except for the president and vice-president [Corporations Code Sec. 7213(a)].

Section 8.2 Election of Officers.

The Board of Directors shall elect the officers. The selection of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3 Terms.

The officers of this Association shall be chosen annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve [Corporations Code Sec. 7213(b)].

Section 8.4 Special Appointments.

The Board may choose such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine [Corporations Code Sec. 7213(a)].

Section 8.5 Resignation and Removal.

Any officer may be removed from office (but not from the Board, if he or she is also a Board member) by a majority vote of the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective [Corporations Code Sec. 7213(b)].

Section 8.6 Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces [Corporations Code Sec. 7213(b)].

Section 8.7 Duties.

The duties of the officers are as follows [Corporations Code Sec. 7213(a)]:

Section 8.7.1 President.

The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. He or she shall have the general powers and duties of management usually vested in the office of the President of a California nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

Section 8.7.2 Vice-President.

The vice-president shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

Section 8.7.3 Secretary.

The secretary shall record or cause to be recorded the votes and keep or cause to be kept the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the Members of the Association together with the addresses; and shall perform such other duties as required by the Board.

Section 8.7.4 Chief Financial Officer.

The chief financial officer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; shall prepare and shall distribute financial statements to each member as set forth in Article 9.

Section 8.7.5 Delegation of Duties.

The foregoing duties may be delegated to a manager appointed by the Board.

Section 8.8 Agreements, Contracts, Deeds, Leases, etc.

All agreements, contracts, deeds, leases, promissory notes and other instruments of the Association shall be executed by the president and by such other person or persons as may be required herein or designated by resolution of the Board of Directors.

ARTICLE 9

FINANCIAL STATEMENTS, OPERATING AND RESERVE ACCOUNTS

Section 9.1 Distribution of Financial and Other Statements to Members.

Financial statements and other information shall be distributed by the Association to all of its Members as described below:

Section 9.1.1 Pro Forma Operating Budget.

A pro forma operating budget for each fiscal year consisting of at least the following information shall be distributed to Members not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the fiscal year [Civil Code Sec. 5300]:

Section 9.1.1.1. The Association's estimated revenue and expenses on an accrual basis [Civil Code Sec. 5300(b)(i)];

Section 9.1.1.2. A summary of the Association's reserves based on the most recent review or study conducted pursuant to [Civil Code Sec. 5550], which must be printed in bold type and include all of the following [Civil Code Sec. 5565]:

- (a) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component of the Properties that the Association is obligated to repair, replace, restore, or maintain (collectively "Association Capital Projects");
- (b) As of the end of the fiscal year for which the reserve study is prepared, the current estimate of the amount of cash reserves necessary for Association Capital projects and the current amount of accumulated cash reserves actually set aside for Association Capital Projects; and
- (c) The percentage of the estimated amount of necessary cash reserves calculated under subparagraph (b), above, that represents the amount of accumulated cash reserves;

Section 9.1.1.3. A statement as to whether the Board of Directors has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component of the Properties for which the Association is responsible, or to provide adequate reserves therefor [Civil Code Sec. 5300(b)(5)];

Section 9.1.1.4. A general statement setting forth the procedures used by the Board of Directors in calculating and establishing reserves to defray the future costs of repair, replacement, or additions to those major components of the Properties for which the Association is responsible [Civil Code Sec. 5300(b)(7)];

Section 9.1.1.5. A statement as to 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 [Civil Code Sec. 5300(b)(6)]; and

Section 9.1.1.6. A statement that the Owners have a right to submit secondary addresses to the Association for the purposes of collection notices.

Section 9.1.2 Year-End Report.

Within one hundred-twenty (120) days after the close of the fiscal year, a copy of the Association's year-end report consisting of at least the following shall be distributed to Members: a balance sheet as of the end of the fiscal year, an operating (income) statement for the fiscal year, a statement of changes in financial position for the fiscal year, a statement advising Members of the place where the names and addresses of the current Members are located, and any information required to be reported under Corporations Code Sec. 8322 requiring the disclosure of certain transactions in excess of \$50,000 per year between the Association and any director or officer of the Association and indemnifications and advances to officers or directors in excess of \$10,000 per year.

A review of the financial statement of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the State Board of Accountancy for any fiscal year in which the gross income of the Association exceeds \$75,000. If the annual report is not prepared by such a licensee, it shall be accompanied by the certificate of an authorized Officer of the Association that the statement was prepared without an audit from the books and records of the Association [Civil Code Sec. 5305].

Section 9.1.3 Annual Statement Regarding Delinquency and Foreclosure Policy.

In addition to financial statements, the Board of Directors shall annually distribute not less than thirty (30) days nor more than ninety (90) days immediately preceding the beginning of the Association's fiscal year, a statement describing the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of Regular and Special Assessments. The Association shall also distribute the written notice described in Civil Code Sec. 5730, Notice of Assessments and Foreclosure, to each member as required by statute.

Section 9.1.4 Right of Members to Copies of Minutes of Board Meetings.

Members of the Association shall be notified in writing at the time that the pro forma budget is distributed or at the time of any general mailing to the entire membership of the Association of their right to have copies of the minutes of the meetings of the

Board of Directors and how and where those minutes may be obtained [Civil Code Sec. 4950(b)].

Section 9.1.5 Summary of ADR Provisions.

A summary of the ADR requirements of the Civil Code, requiring the offer or use of alternative dispute resolution prior to the initiation of litigation, either by the Association or an Owner, for enforcement of the governing documents shall be annually delivered to the Members as required by Civil Code Sec. 5965.

Section 9.1.6 Insurance Disclosure Requirements.

The Association shall prepare and distribute at least annually not less than thirty (30) nor more than ninety (90) days preceding the beginning of the Association's fiscal year to all its members a summary of the information required pursuant to Civil Code Section 5300(b)(9) as to the Association's property, general liability, earthquake, flood, and fidelity insurance policies, if issued, and liability coverage for directors and officers of the Association.

Section 9.1.7 Use of Statutory Forms.

Disclosures required by this Article shall be summarized on the forms specified in Civil Code Sec. 5570 and distributed to the membership as set forth above.

Section 9.2 Review of Operating and Reserve Accounts.

The Board of Directors of the Association shall do all of the following [Civil Code Sec. 5500]:

Section 9.2.1. Review a current reconciliation of the Association's operating accounts on at least a quarterly basis.

Section 9.2.2. Review a current reconciliation of the Association's reserve accounts on at least a quarterly basis.

Section 9.2.3. Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget.

Section 9.2.4. Review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts.

Section 9.2.5. Review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis.

Section 9.2.6. Review the reserve study annually and consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

Section 9.3 Signatories of Reserve Accounts.

The signatures of at least two (2) persons, who shall be members of the Association's Board of Directors shall be required for the withdrawal of monies from the Association's reserve accounts [Civil Code Sec. 5510(a)].

**ARTICLE 10
COMMITTEES**

The Board may appoint committees, each consisting of two or more directors, as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Corporation Law of California, also require members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (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 [Corporations Code Secs. 7151(c)(4) & 7212]. A committee exercising the authority of the Board shall not include persons who are not directors. However the Board may create other committees that do not exercise the authority of the Board and those other committees may include persons who are not directors [Corporations Code Sec. 7212(b)].

**ARTICLE 11
BOOKS AND RECORDS**

Section 11.1 Meeting Minutes.

The Association shall keep accurate minutes of the proceedings of its Members, Board and committees. Minutes shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing. When minutes and other books and records are kept in a form capable of being converted into clearly legible paper form, the clearly legible paper form into which those minutes are converted shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original paper record of the same information would have been, provided that the paper form accurately portrays the record [Corporations Code 8320]. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any board meeting, other than an executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member upon request and upon reimbursement of the association's costs for making that distribution. The annual policy statement, prepared pursuant to Section 5310, shall inform the members of their right to obtain copies of board meeting minutes and of how and where to do so [Civil Code Sec. 4950].

Section 11.2 Members Inspection Rights.

The Association shall make available Association Records and Enhanced Association Records for the time periods and within the time frames provided in Sections 11.8 and 11.9 for inspection and copying by a Member of the Association or the Member's designated representative. The provisions of this Article are intended to supersede the provisions of Sections 8330 and 8333 of the Corporations Code to the extent those Sections are inconsistent [Civil Code Sec. 5205(a)].

Section 11.3 Member's Designee.

A Member of the Association may designate another person to inspect and copy the specified Association Records on the Member's behalf. The Member shall make this designation in writing [Civil Code Sec. 5205(b)].

Section 11.4 Inspection Location.

The Association shall make the specified Association Records available for inspection and copying in the Association's business office within the Project. If the Association does not have a business office within the Project, the Association shall make the specified Association Records available for inspection and copying at a place that the requesting Member and the Association agree upon. If the Association and the requesting Member cannot agree upon a place for inspection and copying, or if the requesting Member submits a written request directly to the Association for copies of specifically identified records, the Association may satisfy the requirement to make the Association records available for inspection and copying by mailing

copies of the specifically identified records to the Member by first-class mail within the time frames set forth in Section 11.9 [Civil Code Sec. 5205(c)(d)].

Section 11.5 Association Records.

For the purposes of this Article, "Association records" means all of the following [Civil Code Sec. 5200]:

Section 11.5.1 Financial Records.

Any financial document required to be provided to a Member in Civil Code Sections 5300 and 4525.

Section 11.5.2 Unaudited Financial Statements.

Interim unaudited financial statements, periodic or as compiled, containing any of the following: (i) balance sheet; (ii) income and expense statement; (iii) budget comparison; and (iv) general ledger. A "general ledger" is a report that shows all transactions that occurred in an association account over a specified period of time. The records described in this paragraph shall be prepared in accordance with generally accepted accounting principles.

Section 11.5.3 Non-Privileged Contracts.

Executed contracts not otherwise privileged under law. Privileged contracts shall not include contracts for maintenance, management, or legal services.

Section 11.5.4 Board Approval of Proposals or Invoices.

Written Board approval of vendor or contractor proposals or invoices.

Section 11.5.5 Tax Returns.

State and federal tax returns.

Section 11.5.6 Reserve Account Information.

Reserve account balances and records of payments made from reserve accounts.

Section 11.5.7 Agendas and Minutes.

Agendas and minutes of meetings of the Members, the Board of Directors and any committees appointed by the Board of Directors; excluding, however, agendas, minutes, and other information from executive sessions of the Board of Directors.

Section 11.5.8 Membership Information; Member Opt-Out Rights.

Membership lists, including name, property address, and mailing address, if the conditions set forth herein are met and except as otherwise provided herein. The Member requesting the list shall state the purpose for which the list is requested which purpose shall be reasonably related to the requester's interest as a Member. If the Association reasonably believes that the information in the list will be used for another purpose, it may deny the Member access to the list. If the request is denied, in any subsequent action brought by the Member, the Association shall have the burden to prove that the Member would have allowed use of the information for purposes unrelated to his or her interest as a Member. A Member of the Association may opt out of the sharing of his or her name, property address, and mailing address by notifying the Association in writing that he or she prefers to be contacted via the alternative process described in subdivision (c) of Section 8330 of the Corporations Code. This opt-out shall remain in effect until changed by the Member [Civil Code Sec. 5220].

Section 11.5.9 Check Registers.

Check registers.

Section 11.6 Enhanced Association Records.

For purposes of this Article, "Enhanced Association Records" means invoices, receipts and canceled checks for payments made by the Association, purchase orders approved by the Association, credit card statements for credit cards issued in the name of the Association, statements for services rendered, and reimbursement requests submitted to the Association, provided that the person submitting the reimbursement request shall be solely responsible for removing all personal identification information from the request [Civil Code Sec. 5200(b)].

Section 11.7 Costs for Responding.

The Association may bill the requesting Member for the direct and actual cost of copying and mailing requested documents. The Association shall inform the Member of the amount of the copying and mailing costs, and the Member shall agree to pay those costs, before copying and sending the requested documents [Civil Code Sec. 5205(f)].

In addition to the direct and actual costs of copying and mailing, the Association may bill the requesting Member an amount not in excess of Ten Dollars (\$10) per hour, and not to exceed Two Hundred Dollars (\$200) total per written request, for the time actually and reasonably involved in redacting the Enhanced Association Records. The Association shall inform the Member of the estimated costs, and the Member shall agree to pay those costs, before retrieving the requested documents [Civil Code Sec. 5205(g)].

Section 11.8 Time Periods for Records Available for Inspection.

The minimum time periods for which specified records shall be retained and provided for inspection is as follows [Civil Code Sec. 5210]:

Section 11.8.1 Association Records.

Association Records shall be made available for the current fiscal year and for each of the previous two fiscal years.

Section 11.8.2 Minutes.

Minutes of Member and Board meetings shall be permanently made available. If a committee has decision making authority, minutes of the meetings of that committee shall be made available commencing January 1, 2007, and shall thereafter be permanently made available.

Section 11.9 Times for Responding to Document Requests.

The time frames in which access to specified records shall be provided to a requesting Member is as follows [Civil Code Sec. 5210(b)]:

Section 11.9.1 Current Fiscal Year Records.

Association Records prepared during the current fiscal year, within 10 business days following the Association's receipt of the request.

Section 11.9.2 Previous Fiscal Year Records.

Association Records prepared during the previous two fiscal years, within 30 calendar days following the Association's receipt of the request.

Section 11.9.3 Financial Records.

Any record or statement available pursuant to Civil Code Section 5730, within the time frame specified therein.

Section 11.9.4 Minutes.

Minutes of Member and Board meetings, within the time frame specified in Civil Code Section 4950(a). Minutes of meetings of committees with decision making authority for meetings commencing on or after January 1, 2007, within 15 calendar days following approval.

Section 11.9.5 Membership List.

Membership list, within the time frame specified in Section 8330 of the Corporations Code.

Section 11.10 Electronic Responses.

Requesting parties shall have the option of receiving specifically identified records by electronic transmission or machine-readable storage media as long as those records can be transmitted in a redacted format that does not allow the records to be altered. The cost of duplication shall be limited to the direct cost of producing the copy of a record in that electronic format [Civil Code Sec. 5205(h)].

Section 11.11 Information That Can Be Withheld.

Except as otherwise provided herein, the Association may withhold or redact information from the Association Records for any of the following reasons [Civil Code Sec. 5215(a)(b)(1)]:

Section 11.11.1 Identity Theft.

The release of the information is reasonably likely to lead to identity theft. For the purposes of this Section, "identity theft" means the unauthorized use of another person's personal identifying information to obtain credit, goods, services, money, or property. Examples of information that may be withheld or redacted pursuant to this Section include bank account numbers of Members or vendors, social security or tax identification numbers, and check, stock, and credit card numbers.

Section 11.11.2 Fraud.

The release of the information is reasonably likely to lead to fraud in connection with the Association.

Section 11.11.3 Privileged Information.

The information is privileged under law. Examples include documents subject to attorney-client privilege or relating to litigation in which the Association is or may become involved, and confidential settlement agreements.

Section 11.11.4 Private Information.

The release of the information is reasonably likely to compromise the privacy of an individual Member of the Association.

Section 11.11.5 Certain Member's Records.

Records of a-la-carte goods or services provided to individual Members of the Association for which the Association received monetary consideration other than assessments.

Section 11.11.6 Disciplinary Actions.

Records of disciplinary actions, collection activities, or payment plans of homeowners other than the homeowner requesting the records.

Section 11.11.7 Personal Identification Information.

Any person's personal identification information, including, without limitation, social security number, tax identification number, driver's license number, credit card account numbers, bank account number, and bank routing number.

Section 11.11.8 Executive Session Materials.

Agendas, minutes, and other information from executive sessions of the Board of Directors, except for executed contracts not otherwise privileged. Privileged contracts shall not include contracts for maintenance, management, or legal services.

Section 11.11.9 Personnel Records.

Personnel records other than the payroll records required to be provided under Section 11.13.

Section 11.11.10 Interior Plans.

Interior architectural plans, including security features, for individual homes.

Section 11.12 Explanation for Withholding.

If requested by the requesting homeowner, when the Association denies or redacts records, it shall provide a written explanation specifying the legal basis for withholding or redacting the requested records [Civil Code Sec. 5215(d)].

Section 11.13 Information That Can Not Be Withheld; Employee Information.

Except as provided by the attorney-client privilege, the Association may not withhold or redact information concerning the compensation paid to employees, vendors, or contractors. Compensation information for individual employees shall be set forth by job classification or title, not by the employee's name, social security number, or other personal information [Civil Code Sec. 5215(b)].

Section 11.14 Unauthorized Use of Association Information.

The Association Records, and any information from them, may not be sold, used for a commercial purpose, or used for any other purpose not reasonably related to a Member's interest as a Member. The Association may bring an action against any person who violates this Article for injunctive relief and for actual damages to the Association caused by the violation. This Section may not be construed to limit the right of an Association to damages for misuse of information obtained from the Association Records pursuant to this Article or to limit the right of the Association to injunctive relief to stop the misuse of this information. The Association shall be entitled to recover reasonable costs and expenses, including reasonable attorney's fees, in a successful action to enforce its rights under this Section [Civil Code Sec. 5230].

Section 11.15 Non-Liability for Good-Faith Release of Information.

Neither the Association, nor any officer, director, employee, agent or volunteer of the Association shall be liable for damages to a Member of the Association as the result of identity theft or other breach of privacy because of the failure to withhold or redact that Member's information under this Article unless the failure to withhold or redact the information was intentional, willful, or negligent [Civil Code Sec. 5215(c)].

Section 11.16 Non-Liability for Failure to Retain Records.

There shall be no liability pursuant to this Article for failing to retain records for the periods specified herein that were created prior to January 1, 2006 [Civil Code Sec. 5210(c)].

Section 11.17 Liability for Failure to Release Records.

A Member of the Association may bring an action to enforce the Member's right to inspect and copy the Association Records. If a court finds that the Association unreasonably withheld access to the Association Records, the court shall award the Member reasonable costs and expenses, including reasonable attorney's fees, and may assess a civil penalty of up to Five Hundred Dollars (\$500) for the denial of each separate written request. A cause of action under this Section may be brought in small claims court if the amount of the demand does not exceed the jurisdiction of that court. A prevailing Association may recover any costs if the court finds the action to be frivolous, unreasonable, or without foundation [Civil Code Sec. 5235].

ARTICLE 12
AMENDMENTS; STATUTE CHANGES; CONFLICTS

Section 12.1 Amendments; Procedure.

These Bylaws may be amended only by the affirmative vote or written consent of Members representing a majority of votes at a meeting at which a quorum of the Association is present. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause [Corporations Code Sec. 7150]. Notwithstanding any other provision of these Bylaws, where these Bylaws include a reference to a statute number of the Davis-Stirling Common Interest Development Act that has been repealed and continued in a new statute number, the Board may amend these Bylaws, solely to correct the cross-reference, by adopting a Board resolution that shows the correction. Member approval is not required in order to adopt a resolution pursuant to this Section.

Section 12.2 Statutory Changes; Conflicts; No Liability for Following Law.

Many provisions of these Bylaws are drafted to comply with current California law applicable to the operation of a common interest subdivision. Provisions of these laws can and likely will change. In the event a law changes, the following shall apply:

Section 12.2.1 Changed Law Supersedes these Bylaws.

In the event a law change supersedes provisions of these Bylaws, such changed law shall prevail over provisions of these Bylaws that conflict with the new law.

Section 12.2.2 Changed Law Allows Bylaws to Prevail.

If the changed law allows these Bylaws to prevail, these Bylaws shall prevail.

Section 12.2.3 Changed Law Deletes Provisions Repeated in these Bylaws.

If the changed law deletes any statutory requirement repeated in these Bylaws, the Board may, after not less than 30 days notice to the Owners, produce an amendment revising the provision of these Bylaws affected by the new law to conform to the language of the new law. Such amendment to restate, verbatim, changed laws does not need to comply with the Owner approval requirements of Section 12.1 hereinabove.

Section 12.2.4 No Liability for Following Changed Law.

Provided any federal, state or local statute, law or ordinance is inconsistent with any provision(s) of these Bylaws, and compliance with that statute, law or ordinance is mandatory, neither the Association, the Board, nor any director thereof, shall have any liability for complying with the federal, state or local statute, law or ordinance rather than with the inconsistent provision(s) of these Bylaws.

Section 12.3 Conflict between Documents.

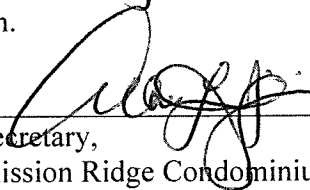
Except as otherwise provided in the law, to the extent of any conflict between the Governing Documents and the law, the law shall prevail. To the extent of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall prevail. To the extent of any conflict between the Bylaws and the Articles of Incorporation or Declaration, the Articles of Incorporation or Declaration shall prevail. To the extent of any conflict between the Rules and the Bylaws, Articles of Incorporation, or Declaration, the Bylaws, Articles of Incorporation, or Declaration shall prevail [Civil Code Sec. 4205].

CERTIFICATION OF SECRETARY

KNOW ALL PERSONS BY THESE PRESENTS;

The undersigned, Secretary of Mission Ridge Condominium Association, a California nonprofit mutual benefit corporation, does hereby certify that the above and foregoing 2018 Amended and Restated Bylaws were duly adopted by the Board of Directors and Members of the Association on the 19th day of August, 2019, and that they now constitute the Bylaws of the Association.

Dated: Aug. 19, 2019



Secretary,
Mission Ridge Condominium Association

Allan L. Fip

[Name Printed]

FILED
COURT OF THE SUPERIOR COURT

AUG 01 2019

By: V. Clanton Deputy

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO, CENTRAL DIVISION

In the Matter of
MISSION RIDGE CONDOMINIUM
ASSOCIATION, a California non-profit
corporation

Plaintiff

CASE NO. 37-2019-00024944-CL-PT-CTL

**[PROPOSED] ORDER GRANTING
PETITION TO REDUCE PERCENTAGE
OF AFFIRMATIVE VOTES**

[IMAGED FILE]

Judge: Hon. David M. Rubin
Dept: 903
Date: August 1, 2019
Time: 1:30 p.m.

Petitioner, MISSION RIDGE CONDOMINIUM ASSOCIATION, upon Petition to Reduce Required Voting Percentage to approve amendments to the Association's Bylaws and Declaration of Covenants, Conditions and Restrictions under Civil Code §4275 and Corporations Code §7515 came regularly for hearing on August 1, 2019, in Department 903 of the above-entitled Court at 1:30 p.m. Petitioner appeared by and through its counsel, Kenneth H. Dillingham, Jr., Esq., of Dillingham & Associates.

The Court Having considered the Petition [ROI #1], the Declarations filed herein, the supporting Memorandum of Points and Authorities [ROI #3], the records on file herein, and the oral and documentary evidence adduced at the hearings in this matter, the Court finds:

1. The allegations of Petitioner's Petition are true and accurate.
2. Petitioner gave at least fifteen (15) days' written notice of the hearing to all

1 Association members, those lenders of members who provided their lenders' names and
2 addresses, and to all others entitled to such notice.

3 3. Petitioner made a diligent effort to notify its members and lenders of the proposed
4 amendments, and the balloting on the proposed amendments was conducted in accordance
5 with all applicable provisions of the governing documents, the Davis-Stirling Common
6 Interest Development Act (Civil Code §§4000-6150), and other applicable laws.

7 4. Over the course of approximately six months, Petitioner made a reasonably diligent
8 effort to permit all eligible members to vote on the 2018 Amended and Restated CC&Rs and
9 2018 Amended and Restated Bylaws.

10 5. Members with more than fifty percent (50%) of the votes voted in favor of
11 approving the 2018 Amended and Restated CC&Rs and 2018 Amended and Restated Bylaws.
12 Of Petitioner's total membership of 277 members, 215 ballots were cast, comprising
13 approximately seventy-seven percent (77%) of Petitioner's total membership. 196 members
14 voted in favor of adopting the 2018 Amended and Restated CC&Rs and 2018 Amended and
15 Restated Bylaws (approximately 71% of members), while 13 members voted in opposition. A
16 total of 139 affirmative votes were required to satisfy the "more than 50 percent" approval
17 requirement of Civil Code §4275, and Petitioner received more than this amount.

18 6. Petitioner's 2018 Amended and Restated CC&Rs and 2018 Amended and Restated
19 Bylaws are reasonable.

20 7. The granting of the within petition is not improper for any reason stated in Civil
21 Code §4275(e).

22 Satisfactory proof having been made, and good cause appearing,

23 IT IS ORDERED that:

24 1. Petitioner's Petition to Reduce the Required Voting Percentage for approval of the
25 2018 Amended and Restated CC&Rs and 2018 Amended and Restated Bylaws is granted.
26 Both the 2018 Amended and Restated CC&Rs and 2018 Amended and Restate Bylaws are
27 hereby approved based on upon the affirmative actually received.

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2. Before recordation, true and correct copies of all exhibits to the 2018 Amended and Restated CC&Rs shall be attached.

3. The 2018 Amended and Restated CC&Rs shall not be effective until recorded in the Official Records of San Diego County, together with a copy of this order. Within a reasonable time after its recordation, Petitioner shall deliver a copy of the 2018 Amended and Restated CC&Rs to each member of the Association by first class mail in accordance with Civil Code §4040, together with a statement that the 2018 Amended and Restated CC&Rs has been recorded. On such recordation, the 2018 Amended and Restated CC&Rs shall have the same force and effect as if it had been adopted in compliance with every requirement for amendment imposed by the governing documents of the Mission Ridge common interest development.

4. The 2018 Amended and Restated Bylaws shall not be effective until they are executed by Petitioner's secretary and inserted in the books and records of the Association. On such signature, the 2018 Amended and Restated Bylaws shall have the same force and effect as if it had been adopted in compliance with every requirement for amendment imposed by the governing documents of the Mission Ridge common interest development. Within a reasonable time after signature, Petitioner shall deliver a copy of the 2018 Amended and Restated Bylaws to each member of the Association by first class mail in accordance with Civil Code §4040, together with a statement that the 2018 Amended and Restated Bylaws are effective.

5. Within a reasonable time after recordation and signature, Petitioner shall mail a copy of this Order to those lenders whose names and addresses were provided by the members which were used for the original approval mailing and for the notice of the hearing.

Date: 8/1/19

DAVID M. RUBIN

JUDGE