

~~BYLAWS OF~~ AMENDED AND RESTATED BYLAWS  
~~GREEN SPRINGS RANCH LANDOWNERS ASSOCIATION~~

~~ARTICLE I~~

~~Recitals and Definitions~~

OF

GREEN SPRINGS RANCH LANDOWNERS ASSOCIATION

ARTICLE I

RECITALS AND DEFINITIONS

Section 1.01. ~~Section 1.~~ Name of Association. The Corporation's name ~~of this corporation~~ is Green Springs Ranch Landowners Association ~~and shall be referred to herein as~~, Inc., a California nonprofit mutual benefit corporation (the "ASSOCIATION").

Section 1.02. ~~Section 2.~~ Nonprofit Association Is Nonprofit. The Association ~~has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (Cal. Corp. Code, § 7110 et seq.) as a~~ California nonprofit mutual benefit corporation<sup>1</sup> and statutory "association."<sup>2</sup> Prior to incorporation the Association was an unincorporated association of property owners.

Section 1.03. ~~Section 3.~~ Specific Purpose . The Association's specific and primary purpose ~~of this Association shall be to~~ is to: (i) repair, maintain and manage roads within that certain real estate development located in the County of El Dorado, State of California, and commonly referred to as Green Springs Ranch, ~~to;~~ (ii) enforce the Association Rules and Regulations adopted by the Board of Directors, from time to time, ~~and;~~ (iii) enforce the terms and conditions of the Declaration; ~~and to~~ (iv) otherwise enhance and promote the use and enjoyment of the subdivision by the Owners of ~~lots~~ Lots and parcels located therein.

Section 1.04. ~~Section 4.~~ Definitions.

(a) ~~County. "County" means the County of El Dorado, State of California.~~ "Act" and "DAVIS-STIRLING ACT" means and refers to the Davis-Stirling Common Interest Development Act<sup>3</sup>, as amended from time to time.

(b) "ANNUAL BUDGET REPORT" means and refers to the compilation of documents that the Association must provide to its Members annually (not less than thirty (30) nor more than ninety (90) days before the end of the fiscal year).<sup>4</sup>

<sup>1</sup> See Corporations Code § 7110 et. seq.

<sup>2</sup> See Civil Code § 4080.

<sup>3</sup> See Civil Code § 4000 et seq.

<sup>4</sup> See Civil Code § 5300.

(c) "ANNUAL POLICY STATEMENT" means and refers to the information, statements and notices that the Association must provide to its Members annually (not less than thirty (30) nor more than ninety (90) days before the end of the fiscal year).<sup>5</sup>

(d) "ASSOCIATION CAPITAL REPLACEMENT PROJECTS" means and refers to an Association project to repair or replace Major Components identified in the Association's Reserve Study and utilizing funds from the Association's Reserve Accounts.

(e) "BOARD OF DIRECTORS" or "BOARD" means the Association's Board of Directors.<sup>6</sup>

(f) "COUNTY" means El Dorado County, California, and its various departments, divisions, employees and representatives.

(g) ~~(B) Declaration.~~ "DECLARATION" means the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for Green Springs Ranch, recorded in the Official Records of El Dorado County, California on \_\_\_\_\_, 2024 as Instrument No. \_\_\_\_\_, as supplemented, amended or modified from time to time. "ORIGINAL DECLARATION" means all limitations, restrictions, covenants, terms and conditions set forth in the ~~First~~ Second Restated Declaration of Covenants, Conditions and Restrictions, for Green Springs Ranch, Recorded on ~~October 10, 1995, as Document No. 046001, as such Declaration may from time to time be supplemented, amended or modified by a duly recorded subsequent Declaration, or amendment thereto.~~ August 5, 2004, in the Official Records of El Dorado County as Document No. 2004-0062690.

(h) "DEVELOPMENT" means and refers to all real property and improvements thereon comprising the common interest development commonly known as Green Springs Ranch.

(i) "EMERGENCY MEETING" means and refers to a Board of Directors meeting satisfying the criteria in Civil Code section 4923 and Section 8.05(e), below.<sup>7</sup>

(j) "GENERAL NOTICE" and "GENERAL DELIVERY" means and refers to an Association notice provided to the Members by any of the following methods<sup>8</sup>:

(i) Any method of delivery that constitutes "Individual Notice" or "Individual Delivery";

(ii) Inclusion of the notice in a billing statement, newsletter, or similar Association document;

<sup>5</sup> See Civil Code § 5310.

<sup>6</sup> See Civil Code § 4085.

<sup>7</sup> See Corp. Code § 7140(m); Section 7.01(b) outlining circumstances constituting an "emergency" Board of Directors or Member Meeting.

<sup>8</sup> See Civil Code § 4045(a).

- (iii) Posting the printed document in a prominent location accessible to all Members, if the location has been designated for posting General Notices by the Association in its Annual Policy Statement;
- (iv) If the Association has a broadcast television program site to distribute information on Association business, by inclusion in the programming; and
- (v) Posting the notice on the Association's internet website, if the website is designated as a location for posting of General Notices in the Annual Policy Statement.

(k) "GOOD STANDING" means and refers to a Member who is: (i) in compliance with the Governing Documents; (ii) current in the payment of all Regular and Special Assessments levied against the Member's Lot; and (iii) current in any fines, penalties, and other charges imposed upon the Member.

(l) "INDIVIDUAL NOTICE" or "INDIVIDUAL DELIVERY" means and refers to an Association notice provided to the Members by any of the following methods<sup>9</sup>:

- (i) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier (addressed to the Member at his or her address appearing on the Association's records);
- (ii) E-mail, facsimile, or other electronic means, if the recipient has consented in writing or by email, to that method of delivery. The recipient may revoke the consent in writing or by email;

If a Member has identified a secondary address for delivery of documents included in the Annual Budget Report, the Annual Policy Statement, or notices pertaining to Assessment or Assessment collections, the Association must deliver an additional copy of those notices to the secondary address that the Member identified.<sup>10</sup>

(m) "INSPECTOR(S) OF ELECTIONS" means and refers to one or three independent third party(ies)<sup>11</sup> selected by the Board of Directors to perform specified duties<sup>12</sup> in secret ballot elections regarding assessments legally requiring a vote, election and removal of directors, amendments to the governing documents, or the grant of exclusive use common area.<sup>13</sup>

(n) "Lot" means any parcel of real property designated by number on any Subdivision Map recorded within the Property, excluding the Common Area.

<sup>9</sup> See Civil Code § 4040(a).

<sup>10</sup> See Civil Code § 4040(b).

<sup>11</sup> See Civil Code § 5110(b) providing examples of permissible and prohibited independent third parties.

<sup>12</sup> See Civil Code § 5110(c); Bylaws Section 7.06(f).

<sup>13</sup> See Civil Code § 5100(a).

(o) "MAJOR COMPONENTS" means and refers to any major component of the Development for which the Association has the maintenance, repair, and replacement responsibility under the Declaration. Any Major Component with a useful life of thirty (30) years or less must be included in the Association's Reserve Study.

(p) "MAJORITY OF A QUORUM" means the vote of a majority of the votes cast at a meeting or by secret or written ballot when the number of Members attending the membership meeting or the number of ballots cast during the prescribed balloting period equals or exceeds the quorum requirement specified in Section 5.05, below.

(q) ~~(C)~~ "MEMBER-"Member" means a Green Springs Ranch lot owner Lot Owner. If there are multiple Owners of a Green Springs Ranch ~~lot~~ Lot then ~~said~~ such Owners shall collectively be deemed to be one Member.

(r) "RESERVES" and "RESERVE ACCOUNTS" means and refers to both of the following<sup>14</sup>: (i) moneys that the Board has identified for use to defray the future repair or replacement of, or additions to, those Major Components the Association is obligated to maintain; (ii) funds described in Civil Code § 4177(b).

(s) "RESIDENCE" means a private, single-family dwelling constructed or to be constructed on any Lot. A Residence also includes any ADU or JADU if constructed on any Lot.

(t) ~~(D)~~ "VOTING POWER-"Voting Power" means those Members who are eligible to vote ~~for the election of directors or~~ with respect to any ~~other~~ matter, issue or proposal properly presented to the Members for approval at the time any determination of voting power is made.

(u) ~~(E)~~ Other Definitions Incorporated by Reference. The terms defined in the Declaration If any capitalized term in these Bylaws is not listed in this Article I, the capitalized term shall have the same meaning when used herein assigned to it in the Declaration unless the context clearly indicates a contrary intention.

## **ARTICLE II**

### **Location of Principal Office**

## **ARTICLE II PRINCIPAL OFFICE**

<sup>14</sup> See Civil Code § 4177.

The Association has no principal office as such. Typically, meetings of the Board of Directors and the Members shall be conducted in a Member's Residence or other suitable location within the vicinity of Green Springs Ranch. The Association maintains a post office box.

### ARTICLE III

#### Membership

### ARTICLE III MEMBERSHIP

Section 3.01. ~~Section 1. Members of the Association Members.~~ Every Owner of a Lot within Green Springs Ranch is a Member of the Association, except that any person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. Membership in the Association is appurtenant to, and may not be separated from, ownership of any Lot.

Section 3.02. ~~Section 2. Term of Membership Memberships.~~ Each Owner shall remain a Member until ~~he or she~~they no longer ~~qualifies~~qualify as such under ~~section 4~~Section 3.01, above. Upon the sale, conveyance or other transfer of an Owner's interest in a Lot, the Owner's membership interest appurtenant to the Lot shall automatically transfer to the Lot's new Owner(s).

Section 3.03. ~~Section 3.—~~Evidence of Membership. A person shall not be entitled to exercise the rights of a Member until the Association has verified that such person is qualified to be a Member under section 4Section 3.01, above.

### ARTICLE IV

### ARTICLE IV MEMBERSHIP VOTING

Section 4.01. Membership Voting Classes. The Association shall have a single class of membership comprised of persons who are Owners of Lots in the Development.

~~Section 1.— Member Voting.— Each Association Member in good standing shall give rise to a single membership vote in the Association. Where there is multiple Ownership of a Lot, any one of the Owners shall be entitled to vote, but in no event shall more than one vote be cast with respect to any one such Lot. Any one of the multiple Owners shall be entitled to vote, unless the secretary of the Association is notified in writing of a designated Owner have the sole right to vote for all the other Owners.~~

~~Section 2.— Eligibility to Vote.— Only Members in good standing shall be entitled to vote at~~

~~any membership meeting. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot(s) and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding. 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 request such a hearing in accordance with the Declaration.~~

~~Section 3. Manner of~~

Section 4.02. Member Voting. Only Members shall be entitled to vote at any membership meeting. Tenants or lessees occupying a Residence shall have no voting or membership rights in the Association. Members shall have one vote for each Lot the Member owns.

Section 4.03. Casting Votes .

(a) Voting at Membership Meetings. Except for limited membership voting permitted at membership meetings, Members' votes shall be solicited by written ballot<sup>15</sup> with respect to any issue requiring membership approval under the Declaration or by law. ~~Written voting; provided, however, that voting in any matter identified in subparagraph (c), below, shall be conducted in accordance with section 4 of this Article IV~~ by secret ballot<sup>16</sup>.

~~(B) Proxy Voting. Proxy voting shall not be permitted.~~

~~(b) (C) Cumulative Voting. Cumulative voting shall not be permitted.~~

~~Section 4. Action by Written Ballot.~~

~~(A) Definition of Written Ballot. A "written ballot" is a ballot that meets the requirements of this section 4 and is mailed to every Member entitled to vote on the matter(s) identified in the written ballot form.~~

~~(c) Proxy Voting. Proxy voting shall not be permitted.~~

(d) Secret Ballot Voting Requirements.<sup>17</sup> The following actions requiring the vote or approval of the Members must be conducted by a secret ballot, using at minimum the procedures of Section 7.06, below.<sup>18</sup>

(i) Elections regarding assessments legally requiring a vote<sup>19</sup>;

(ii) Elections regarding election and removal of directors;

(iii) Elections regarding amendments to the Governing Documents<sup>20</sup>;

<sup>15</sup> See Corporations Code § 7513 (prescribing rules similar to secret ballot elections, sans an Inspector of Elections.)

<sup>16</sup> See Civil Code §§ 5100-5135.

<sup>17</sup> See Civil Code §§ 5100-5135.

<sup>18</sup> See Civil Code § 5100(a).

<sup>19</sup> See Civil Code § 5605(b).

<sup>20</sup> Other than Civil Code § 4340 "Operating Rules".

- (iv) Elections regarding granting of exclusive use of any portion of the Common Area<sup>21</sup>; and
- (v) Any vote by the Members to reserve a Rule Change when enough Members have submitted a petition to vote on reversal of the Rule Change<sup>22</sup>.

The Association shall adopt Election Operating Rules<sup>23</sup> meeting the minimum statutory requirements, and which may impose additional requirements governing conduct of written or secret ballot elections to the extent not inconsistent with the Act or these Bylaws. Election Operating Rules cannot be amended less than 90 days before an election.<sup>24</sup>

Section 4.04. Action by Written Ballot Without a Meeting.

(a) ~~(B)~~ Written Ballots, Generally. Any matter or issue requiring ~~the vote of the Members, including the election of directors, shall~~ Member vote, other than secret ballot elections<sup>25</sup>, may be submitted to the Members for approval by written ballot in accordance with this section 4. When Member votes are solicited in this fashion, no formal membership meeting need be called vote by written ballot without calling a Members meeting, so long as the procedures of this Section 4.05 are complied with. A majority vote of the Board of Directors is required to seek member approval in this fashion. Following the Board's decision to proceed via written balloting, the Board shall establish a record date<sup>26</sup>.

~~(i) Other Matters. In the case of any other matter or issue submitted to the Members for approval by written ballot, the Board of Directors shall mail the written ballot to every Member entitled to vote on the matter no less than 45 days prior to the final date by which the written ballots must be received by the Association in order to be counted.~~

~~(ii) Extension of the Balloting Period. The time fixed for the return of written ballots may only be extended if the Board of Directors so notifies the Members in the balloting materials originally sent to Members and then for not more than two successive periods of 45 days each. Notwithstanding the foregoing, if a meeting has been scheduled to coincide with the culmination of a written ballot vote on the election of directors and the meeting is adjourned without concluding the election process, the time fixed for the return of written ballots in the director election shall be extended to the date the adjourned meeting is reconvened.~~

~~(C) Content of Written Ballots.~~

~~(i) Written Ballots Used for Voting in Director Elections. Written ballots used in any election of directors shall set forth the names of the candidates whose names have been placed in nomination at the time the ballot is issued. The ballot form shall also provide a space where the Member can designate a vote for another (write-in) candidate.~~

<sup>21</sup> See Civil Code § 4600.

<sup>22</sup> See Civil Code § 4365.

<sup>23</sup> See Civil Code §§ 4365 and 5105(a); Declaration Section 3.06(c)(iii).

<sup>24</sup> See Civil Code § 5105(h).

<sup>25</sup> See Civil Code § 5100(a).

<sup>26</sup> See Bylaws Section 5.08(a)(iii).

~~(b) (ii) Written Ballots Used for Voting on Other Matters. Any Content of Written Ballots. The~~ written ballot ~~distributed to the Members to vote on any issue other than the election of directors shall set forth~~ shall contain a description of the proposed action and ~~provide an opportunity on the ballot form to specify~~ indicate a selection for approval or disapproval of the proposal. The ballot's description of the proposal (or ~~the~~ description contained in the solicitation materials which accompany the ballot) shall present a reasonably comprehensive description of: ~~(a)~~ (i) the reasons why the proponents of the proposal believe that the action should be approved; (ii) a description of the reasons for any known opposition to the proposal; and (iii) the fiscal impacts, if any, of the proposal on the Association's finances. All written ballots shall state the time by which the ballot must be received in order to be counted.

~~approved; (b) a description of the reasons for any known opposition to the proposal; and (c) the fiscal impacts, if any, of the proposal on the Association's finances.~~

~~(iii) Specification of Time for Return of Written Ballot. All written ballots shall state the time by which the ballot must be received in order to be counted.~~

(c) Balloting Time Requirements. The Board shall distribute the written ballots to all Members at least forty-five (45) days before the deadline for submitting ballots. The Association must receive the ballot on or before the deadline for the ballot to be counted. The Board may extend<sup>27</sup> the deadline for submitting the ballots (e.g. if quorum is not achieved) if the Board reserves the right to extend the balloting period on the face of the ballot or in the balloting solicitation materials. If the Board properly reserves its right to extend the deadline, any extension of the deadline shall be agendized and acted on during an open meeting of the Board.

(d) Requirements for Valid Member Action by Written Ballot. ~~Written ballot voting is a procedure, sanctioned by the Corporations Code, for taking action requiring Member approval without the necessity of convening a formal membership meeting. Accordingly, membership~~ Membership approval by written ballot shall ~~only~~ be valid only if : (i) the number of valid votes cast by ballot ~~within the time established for return of the ballots~~ equals or exceeds ~~twenty percent (20%) of the quorum<sup>28</sup> that would have had to be present at a membership~~ and meeting if such a meeting had been convened to vote on the proposal; and (ii) the number of affirmative votes equals or exceeds the a simple majority of the votes cast.

~~(ii) the number of affirmative votes cast equals or exceeds a simple majority of votes cast.~~

(e) ~~Additional Balloting Procedures~~ Solicitation Rules. Written ballots shall be solicited in the same manner as noticing Members' meetings.<sup>29</sup> All solicitations shall indicate: (i) the number of responses needed to meet the quorum requirement for valid action; (ii) the deadline for the Association's receipt of the ballot; and (iii) the percentage of affirmative votes necessary to approve the measure. Ballots shall be counted by one designated ~~member of the Board of Directors and by one non-Board Association Member in good standing. Such persons shall have the~~ by a Member (who does not serve on the Board), who shall have full powers of an inspector of elections pursuant to section 7614 of the California Corporations Code as required by law.<sup>30</sup>

<sup>27</sup> No more than two (2) successive periods of thirty (30) days each.

<sup>28</sup> See Bylaws Section 5.05(a)(ii).

<sup>29</sup> See Bylaws Section 5.04.

<sup>30</sup> See Corporations Code § 7614.



(f) ~~Notification of~~ Results of Balloting Process. ~~Upon tabulation of the written ballots, the~~ The Board ~~of Directors~~ shall notify the Members of the ~~outcome of the vote~~ results by newsletter within thirty (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 for valid action, the Board of Directors shall so notify the Members.

(g) ~~Prohibition of Revocation. Once cast, of~~ Written Ballots. A Member may not revoke a written ballot ~~may not be revoked~~ once it has been cast.

(h) ~~Conduct of~~ Informational "Town Hall" Meetings. Use of the written ballot procedures set forth herein shall not preclude the The Association ~~from~~ may also ~~conducting~~ conduct informational Members meetings ~~of the Members or from scheduling~~ during the prescribed balloting period to provide information or a forum, and/or schedule a Board or membership meeting to coincide with the ~~culmination~~ conclusion of the prescribed balloting period.

~~Section 4.05. Section 5. Majority Vote of Members Constitutes Approval; Exceptions. #Required for Valid Action. At a Members meeting where~~ a quorum is present, the affirmative vote of the ~~majority~~ Voting Power of the ~~voting power of~~ Members ~~entitled to vote~~ and voting on any matter (other than ~~the election of directors~~ director elections) shall be the act of the Members, unless ~~the vote of a greater number~~ percentage is required by the California's Nonprofit Mutual Benefit Corporation Law ~~or by the Articles of Incorporation or these Bylaws. In the case of director elections, the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected to the vacant director seats,~~ <sup>31</sup> the Act, or by the Governing Documents.

## **ARTICLE V**

### **ARTICLE V** **MEMBERSHIP MEETINGS**

~~Section 5.01. Location of Membership Meetings Section 1. Place and Time of Meetings. Meetings of the~~ Members meetings shall be held at a suitable location within Green Springs Ranch or within the County at such ~~other location, in reasonably proximity to Green Springs Ranch, as may be appropriate to accommodate the Association's membership. The time and location of the meeting shall be designated by~~ the Board ~~of Directors in the notice of the meeting.~~ designates in its notice of the meeting. Members meetings may be held outside the County if unusual or exigent circumstances exist. The Board must permit any Member to speak at any Members meeting, although the Board may impose reasonable time limits on all Members to speak at the meeting. <sup>32</sup>

~~Section 5.02. Section 2. Annual Membership Meeting. There shall be an. The annual meeting of the~~ Members meeting shall be held on the second Wednesday of November of each year. ~~The at a time and location of the annual meeting shall be~~ established by the Board ~~of Directors and set forth in the notice of meeting sent to the Members~~ in the notice of the meeting.

<sup>31</sup> See Corporations Code § 7110 et. seq.

<sup>32</sup> See Civil Code § 5000(b).

The Board reserves the right to postpone the annual meeting only if necessary to comply with statutory election procedures, setting forth the date, time and location stated in the notice of the annual meeting.

Section 5.03. ~~Section 3.~~ Special Meetings .

(a) Persons Entitled to Call Special Meetings. A majority of the Board ~~of Directors~~, the ~~president~~ President or ~~10~~ ten percent (10%) or more of the ~~voting power~~ Voting Power of the Members may call special meetings of the Members ~~at any time~~ to consider any lawful business of the Association.

(b) Procedures for Calling Special Meetings Requested by Members. ~~If a special meeting is called by Members other than the Board of Directors or president, the request shall be delivered personally or sent by first-class mail, registered mail or by telegraphic or other facsimile transmission to any of the following persons: the president, the vice president, or the secretary of the Association. The Members' request shall be in the form of a written petition signed by the requisite percentage of the Members and shall specify the general nature of the business for which the meeting was requested. If ten percent (10%) or more of the Members request a special meeting, the Members shall submit the request in writing, specifying the general nature of the business proposed to be transacted, and deliver the request to the Board: (i) personally; (ii) by first-class, certified or registered mail; or (iii) by telegraphic or other facsimile transmission. When received, the Board shall notice<sup>33</sup> the membership that a meeting will be held, and the date, time and purpose for such meeting. This subparagraph (b) does not limit, fix, or affect the time when a Members meeting may be held when called by the Board of Directors or the President.~~

~~The officer receiving the Members' request shall cause notice to be promptly given to all Members entitled to vote, in accordance with the provisions of section 4 of this Article V, that a meeting will be held. The notice shall specify the date, time and purpose for the meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request.~~

~~If notice of the meeting is not given by the Association within 20 days after the receipt of a petition from the requisite percentage of Members, the persons requesting the meeting may give the notice and, in such event, the Association shall be obligated to reimburse the Members for the actual cost they incur in mailing notice to the Members. Nothing contained in this subparagraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the president.~~

(c) Effect of Approval of Actions at a Special Membership Meeting for Which Voting by Secret Mailed Ballot is Required. If a Majority of a Quorum of the Members present at a validly called special meeting of the Members approve an action that otherwise requires secret balloting<sup>34</sup>, the action is merely a directive to the Board of Directors to conduct a

<sup>33</sup> See Bylaws Section 5.04(b),(c).

<sup>34</sup> See Civil Code § 5100(a).

secret ballot vote using the secret balloting procedures<sup>35</sup>, to allow all Members to vote on the proposal. The action is deemed effective only if the requisite number or percentage of affirmative Member votes is achieved following conclusion of the secret ballot vote. This two-step procedure does not apply when five percent (5%) or more of the Members call for a special vote to reserve a Rule Change,<sup>36</sup> in which case not less than thirty-five (35) days nor more than one hundred fifty (150) days following receipt of a proper request, the Association must conduct a secret ballot vote of the Members on whether to reverse a Rule Change. Any request received later than thirty (30) days after the Association provides General Notice of the Rule Change is void and ineffective.<sup>37</sup>

Section 5.04. ~~Section 4.~~ Notice of Members' Meetings .

(a) Requirement That Notice Be Given. The Board shall provide notice of all regular and special Member meetings to each Member eligible to vote by the record date for notice.

(b) ~~(A) Time Requirements. All notices of meetings of Members (whether regular or special) shall be sent in writing to each Member and must be given not less than 10~~ for Notice. Except with Member meetings called in response to a valid request from ten percent (10%) or more of the Members, the Board shall provide the notice to the Members not less than thirty (30)<sup>38</sup> nor more than ninety (90) days before the ~~date of the special~~ meeting. ~~However, if the~~ If notice is ~~not given by registered or certified first-class mail, it must be given~~ given by regular mail, the Board shall provide the notice to the Members not less than ~~twenty (20 days -)~~ nor more than ninety (90) days) before the ~~date of the special~~ meeting.

When a Member meeting is called in response to a valid Member demand, the Board shall provide the Members notice of the special meeting within twenty (20) days following receipt of the Members' demand, and the meeting shall be held on a date which is not less than thirty-five (35) nor more than one hundred fifty (150) days following the receipt of the demand.<sup>39</sup> If the Board does not meet this deadline, the Members calling the meeting may set the date and give notice.<sup>40</sup>

(c) ~~(B) Minimum Requirements Regarding Content of Notice. The notice of any membership meeting~~ Notices of Member meetings shall specify the ~~place~~ time, date, and ~~hour~~ location of the meeting. ~~In the case of a and: (i) for special meeting, the notice shall also state~~ meetings, the general nature of the business to be transacted, (and no other business may be transacted ~~at the special meeting. In the case of a); or (ii) for regular meeting~~ meetings, the ~~notice shall also describe those matters which the Board of Directors, at the time of giving the notice, intends to present to the Members.~~ intends to present for Member action, although the Board may present any proper matter if a quorum is present. If directors will be elected at any meeting, the

<sup>35</sup> See Civil Code §§ 5100-5135.

<sup>36</sup> See Civil Code § 4365.

<sup>37</sup> See Civil Code § 4365(b).

<sup>38</sup> See Civil Code § 5115 (modifying Corporations Code § 7511(a)).

<sup>39</sup> See Civil Code § 4365(b).

<sup>40</sup> See Corporations Code § 7511(c).

notice shall include the names of all nominees for election to the Board at the time the Board provides the notice to the Members.

(d) ~~(C)~~ Specification of Certain Significant Actions. ~~If the Members' approval is solicited with respect to any of the following matters, the action~~ Member action on these items is invalid unless the notice ~~or written~~, waiver of notice, or consent states the general nature of the proposal(s):

- (i) Removing a director without cause;
- (ii) Filling vacancies on the Board of Directors ~~under those circumstances~~ where a Member vote ~~of the Members~~ is required ~~pursuant to Article VI, section 6 or these Bylaws~~<sup>41</sup>;
- (iii) Amending the ~~Articles of Incorporation of the Association, these Bylaws or the Declaration~~ Governing Documents in any manner requiring Member approval ~~of the Members~~;
- (iv) Approving a contract or transaction between the Association and one or more of its directors, or between the Association and any ~~corporation, firm or association~~ entity in which one or more of its directors has a material financial interest;
- (v) Approving any change in the Association's Assessments in a manner requiring membership approval ~~under the Declaration~~; or
- (vi) ~~Voting upon any~~ Any election to voluntarily terminate and dissolve the Association.

(e) ~~(D)~~ Manner of Service. ~~Notice of any meeting of Members shall be given by first-class mail addressed to each Member either at the~~ The Board shall provide Members notice of Members meetings personally, by electronic transmission, by mail, or by other means of written communication, addressed to a Member's address appearing on the books of on file with the Association or the address given by. To receive notice by electronic transmission, the Member-recipient must have provided the Association with an unrevoked consent to the Association for the purpose of receiving notice. If no address appears on the Association's books for a Member and no other instructions for notice have been received by the Association, notice shall be deemed to have been given if either receiving notices by electronic transmission, and the method of transmission can create a copy in legible tangible form.<sup>42</sup> The Board shall use delivery methods other than electronic transmission if the electronic transmission is rejected consecutively twice, or if the person issuing the notice on behalf of the Association learns of the inability to transmit the notice electronically.

If the Member has no address on file with the Association, the notice is deemed delivered if either: (i) notice is sent to that Member by first-class mail, telegraphic, or other written

<sup>41</sup> See Bylaws Section 7.07(d).

<sup>42</sup> See Corporations Code § 20.

communication to the Association's principal office;<sup>43</sup> or (ii) notice is published at least once in a newspaper of general circulation in the ~~county where that office is located. Notice shall be deemed to have been given at that time when~~ County. The timing of delivery occurs when the notice is delivered personally or deposited in the mail (postage prepaid), or sent by telegram or other means of written or electronic communication to the recipient.

(f) ~~(E)~~ Affidavit of Mailing. ~~An~~ The Secretary shall, when reasonable, execute an affidavit of the mailing-of notice/notification of any Members' meeting may be executed by the Secretary or the assistant secretary of the Association. Upon due execution, the affidavit of mailing shall be filed and maintained and file it in the Association's minute book-of the Association and shall constitute. The affidavit constitutes prima facie evidence ~~that of~~ proper delivery of the notice ~~has been given.~~

#### Section 5.05. Section 5. Quorum Requirements .

(a) Quorum Requirements Generally. The following quorum requirements must be satisfied ~~for to take valid action at any meeting of the~~ Members ~~or action meeting, whether~~ by written or secret ballot<sup>44</sup>.

(i) Quorum for Votes on Assessment Increases. ~~In the case of; Special Assessments; Certain Significant Board Actions. For~~ any ~~written~~ Member meeting or ballot ~~voted called or~~ conducted ~~in order to~~ vote on ~~assessment~~ Assessment increases requiring ~~membership~~ Member approval<sup>43</sup>, or for other matters requiring Member consent<sup>44</sup>, the quorum requirement ~~for valid action on the proposal shall be the percentage specified in section 1366 of the Civil Code or comparable superseding statute. That quorum percentage is currently a majority is~~ fifty percent (50%) of the Members;

(ii) Quorum for Valid Action on Other Matters. ~~In the case of a membership~~ For any Member meeting or ~~written~~ ballot called or conducted for any other purpose, the quorum ~~shall be 10~~ requirement is ten percent ~~of the voting power of the Members for matters which were described in the notice of the meeting. In order to take action on matters not described in the notice of the meeting, the quorum shall constitute one-third of the total voting power~~ (10%) of the Members eligible to vote. With Member action taken by written ballot under Section 4.06, above, the quorum shall be established when written ballots have been received from twenty percent (20%) of the Voting Power of the Members within the time prescribed for the return of written ballots.

(b) Effect of Members Departure-of Members From Meeting. The Members present in person at a duly called or ~~duly~~ held meeting ~~at which~~ where a quorum is ~~initially~~ 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 at least a majority of the Members required to constitute a quorum. ~~Any~~ If quorum is never established for the meeting, a majority of those Members present in person may vote to adjourn the meeting for lack of ~~a quorum shall only require the affirmative vote of a majority of those Members who are present~~ quorum, but no other action may be taken or business transacted.

<sup>43</sup> See Civil Code § 5605.

<sup>44</sup> See Bylaws Section 9.02(b).

(c) Application of Quorum Requirements to Votes Conducted by Secret Ballot. In any secret ballot election, each ballot the Inspector(s) of Election receives from eligible Members before the balloting deadline shall be treated as a Member present at a meeting to establish a quorum.

Section 5.06. ~~Section 6.~~ Adjourned Meeting .

~~(A) Adjournment, Generally. Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another time and/or place (but not for more than 45 days)~~

(a) Adjournment, Generally. Any annual or special Members meeting whether or not a quorum is present may be adjourned to another time and/or place by the vote of the majority of Members present in person 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~~ Members may take any action ~~which~~ at the reconvened meeting that might have been transacted at the original meeting.

(b) Time Limitations for Reconvening an Adjourned Meeting. No meeting may be adjourned for more than forty-five (45) days.<sup>45</sup> In addition, when adjournment is for lack of a quorum, the meeting shall be adjourned to a date that is not less than five (5) or more than thirty (30) days from the original meeting date.

(c) ~~(B)~~ Notice Requirements for Adjourned Meetings. When a Members' meeting is adjourned ~~for another time or place~~, notice ~~need not be given~~ of the new meeting need not be provided if the time and place ~~thereof~~ are announced ~~at~~ during the adjourned meeting ~~at which the adjournment is taken~~. Notwithstanding the foregoing, if after adjournment a new record date is fixed ~~for notice or voting~~ or the new meeting date is established after adjournment, a notice of the ~~rescheduled~~ time and place of the reconvened meeting must be given to each Member ~~who~~ in Good Standing as of the record date ~~for notice of the meeting is entitled to vote thereat~~.

Section 5.07. ~~Section 7.~~ Waiver of Notice or Consent by Absent Members .

(a) Waivers and Consents, Generally. If ~~decisions are made or action is otherwise taken by the~~ Members act at a meeting where a quorum is present, but for which proper notice was not given to all Members ~~for whatever reason~~, the ~~decisions or actions~~ made/taken at that meeting will be valid if, either before or after the meeting, each ~~person entitled to vote who was eligible Member~~ not present at the meeting consents to the ~~meeting action~~ by signing: (i) a written waiver of notice; (ii) a consent to holding the meeting; or (iii) an approval of the minutes. ~~The waiver of notice~~ Other than for those actions enumerated in Section 5.04(d), the waiver or consent need not specify ~~the purpose or~~ general nature of business to be transacted at ~~such meeting unless action was taken or is proposed to be taken at the meeting with respect to any matters specified in section 4(c) of this Article, in which case, the waiver of notice or consent must state the general nature of such matter(s). All~~ the meeting. The Secretary shall file all such waivers, consents or approvals ~~shall be filed with~~ in the Association's records or ~~be made part of the minutes of~~ with the meeting minutes.

<sup>45</sup> See Corporations Code § 7511(d).



(b) Effect of a Member's Attendance at a Meeting. ~~Attendance by a~~ Member's attendance at a meeting ~~shall also constitute~~ constitutes a waiver of ~~any objections such person may have with respect~~ objection to notice of that meeting, ~~except when~~ unless the Member attends the meeting ~~for the sole purpose of objecting at the beginning of the meeting to this transaction of any business due to~~ to object the inadequacy or illegality of the notice. ~~Attendance at a meeting~~ The Member's attendance is not a waiver of any right to object to ~~the consideration of~~ Section 5.04(d) matters not ~~included~~ described in the notice of the meeting ~~which are required to be described therein pursuant to section 4(b) of this Article, or to object to any vote on matters requiring secret balloting~~ if that objection is ~~expressly~~ expressly made at the meeting ~~before the vote or tabulation of secret ballots is conducted.~~

Section 5.08. ~~Section 8.~~ Record Dates for Member Notice, Voting and Giving Consents .

(a) Record Dates Established By the Board of Directors. ~~For the purpose of determining~~ To determine which Members ~~are entitled to~~ may receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights ~~in respect to~~ regarding any other lawful action, the Board of Directors may fix, in advance, a "RECORD DATE" ~~and only.~~ Only Members of record on the ~~date so fixed are entitled to~~ Record Date may receive notice, ~~to vote, or to take action~~ act by written ballot ~~or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date,~~ except as otherwise provided in the Association's Articles of Incorporation, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. ~~The record dates established by the Board of Directors pursuant to this section must be in accordance with the following<sup>46</sup>. The Record Date must adhere to these~~ requirements:

(i) Record Date for Notice of Meetings. ~~In the case of~~ With determining those Members entitled to notice of a meeting, the ~~record date~~ Record Date shall not be ~~more than 90~~ over ninety (90) days nor less than ten (10) days before the ~~date of the~~ meeting date;

(ii) Record Date for Voting. ~~With~~ determining those Members entitled to vote at a meeting, the Record Date shall not be over sixty (60) days before the meeting date;

(iii) ~~(ii) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall not be more than 60 days before the date of the meeting;~~ Record Date for Action By Written Ballot or Mailed Secret Ballot Without Meeting. ~~In the case of~~ With determining Members entitled to cast written or secret ballots, the ~~record date~~ Record Date shall not be ~~more than 60~~ over sixty (60) days before the day on which the first written or secret ballot is mailed or solicited; and

(iv) ~~(iii)~~ Record Date for Other Lawful Action. ~~In the case of~~ With determining Members entitled to exercise any rights ~~in respect to~~ regarding other lawful action

<sup>46</sup> See Corporations Code § 7110 et. seq.

requiring Member approval, the ~~record date~~ Record Date shall not be ~~more than 60~~ over sixty (60) days ~~prior to~~ before the date of such other action.

(b) ~~Failure of the Board of Directors to Fix a Record Date. If the Board of Directors, for any reason,~~ fails to establish a ~~record date, the following~~ Record Date, these rules shall apply:

(i) Record Date for Notice of Meetings. The ~~record date~~ Record Date for determining ~~those~~ eligible Members entitled to receive ~~notice of a meeting of Members,~~ notice shall be the business day preceding the day on which notice is given; or, if notice is waived, the business day preceding the day on which the meeting is held.

(ii) Record Date for Voting. The ~~record date~~ Record Date for determining ~~those~~ eligible Members ~~entitled able~~ to vote at ~~at the~~ meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

(iii) Record Date for Action by Written Ballot or Mailed Secret Ballot Without Meeting. The ~~record date~~ Record Date for determining ~~those~~ eligible Members ~~entitled able~~ to vote by written ~~or secret~~ ballot on proposed ~~Associations~~ Association actions without a meeting, when no prior action by the Board ~~of Directors~~ has been taken, shall be the day on which the first written ~~or secret~~ ballot is mailed or solicited. When prior action of the Board ~~of Directors~~ has been taken, ~~the~~ Record Date shall be the day on which the Board ~~of Directors~~ adopts the resolution relating to that action.

(iv) Record Date for Other Lawful Action. The ~~record date~~ Record Date for determining ~~those~~ eligible Members ~~entitled able~~ to exercise any rights ~~in respect to~~ regarding any other lawful action shall be Members at the close of business on the day on which the Board ~~of Directors~~ adopts the resolution relating thereto, or the 60th day ~~prior to~~ before the date of such other action, whichever is later.

(v) "Record Date" Means as of Close of Business. For ~~purposes of~~ this subparagraph (b) a person holding a membership as of the close of business on the record date shall be deemed ~~to be~~ the Member of record.

## **ARTICLE VI**

### **Board of Directors**

## **ARTICLE VI** **RESERVED**

## **ARTICLE VII** **BOARD OF DIRECTORS**



Section 7.01. Association Powers.

(a) ~~Section 1. General Association Powers Generally.~~ Subject to ~~the provisions of~~ the California Nonprofit Mutual Benefit Corporation Law<sup>47</sup>, ~~the Davis-Stirling Common Interest Development Act (Cal. Civ. Code, § 1350 et seq.) Act~~ and any limitations ~~contained in any of~~ the Governing Documents relating to ~~action required to be approved by the Members, the actions requiring Member approval, the~~ Association's business and affairs ~~of the Association~~ shall be vested in and exercised by; ~~the Association's~~ Board of Directors. ~~Subject to the limitations expressed in Article VIII the Board of Directors~~ The Board may delegate<sup>48</sup> the management of the ~~activities of the~~ Association's activities to any person or persons, management company or committee; provided, however, that notwithstanding any ~~such~~ delegation ~~of the activities and affairs of,~~ the Association's affairs, activities, and powers shall continue to be managed and ~~all Association powers shall continue to be~~ exercised under the ultimate direction of the ~~Board of Directors.~~<sup>49</sup>

(b) In Emergency Situations.

(i) “Emergency”, Defined. For this subparagraph (b), an “EMERGENCY” means these events or circumstances because of which, and only if, a quorum of the Board cannot be readily convened to act:

(A) A natural catastrophe.<sup>50</sup>

(B) An attack on or within this state.<sup>51</sup>

(C) An act of terrorism.<sup>52</sup>

(D) A state of emergency.<sup>53</sup>

(ii) In Anticipation of or During an Emergency. In anticipation of or during an emergency, the Board of Directors may take any action it determines necessary or appropriate to respond to the emergency, mitigate the effects of the emergency, or comply with federal and California government orders, but shall not act if it requires Member vote, unless the required Member vote was achieved before the emergency. Without limiting the generality of the foregoing, the Board may take either or both of these additional actions in anticipation of or during an emergency necessary to conduct the Association’s ordinary business operations and affairs.<sup>54</sup>

<sup>47</sup> See Corporations Code § 7110 et. seq.

<sup>48</sup> Subject to Bylaws Section 10.04.

<sup>49</sup> See Corporations Code § 7210.

<sup>50</sup> See Corporations Code § 7140(m)(5)(A) (as illustrated).

<sup>51</sup> See Corporations Code § 7140(m)(5)(B) (as illustrated).

<sup>52</sup> See Corporations Code § 7140(m)(5)(C) (as illustrated).

<sup>53</sup> See Corporations Code § 7140(m)(5)(D) (as illustrated).

<sup>54</sup> See Corporations Code § 7140(m)(1).

(A) Modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent resulting from the emergency.

(B) Relocate the principal office, designate alternative principal offices or regional offices, or authorize the officers to do so.

Any Board actions taken in good faith in anticipation of or during an emergency under this subparagraph (b) bind the Association and shall not be used to impose liability on an Association director, officer, employee, or agent.<sup>55</sup>

(iii) During an Emergency. During an emergency, the Board may take either or both of these actions necessary to conduct the Association's ordinary business operations and affairs:<sup>56</sup>

(A) Give notice to a director or directors in any practicable manner under the circumstances, including, but not limited to, by publication and radio, when notice of a Board meeting cannot be given to that director(s) in the manner prescribed by these Bylaws or Corporations Code section 7211.

(B) Deem that one or more officers of the Association present at a Board meeting is a director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum for that meeting.

Section 7.02. ~~Section 2. Number and Qualification~~ of Directors . The Board of Directors shall consist ~~offiveof five~~ (5) to eight (8) persons who ~~shall bear~~ Owners of Lots ~~whose memberships are in good standing with all Assessments current and are not subject to any suspension of membership rights~~in the Development. Only one Owner per Lot shall be eligible to serve on the Board of Directors at any time. The precise number of directors (between the numbers set forth above) shall be determined by the Board~~of Directors~~ in advance of the annual election of directors).

Section 7.03. ~~Section 3. Term of Office. The directors of this Association.~~ Directors shall serve for a one year term.~~There shall be no limitation upon the number of consecutive terms to which a director may be reelected.~~ of office. Each director, including a director elected to fill a vacancy or elected at a special meeting of Members, shall hold office ~~until the expiration of~~for the term for which ~~the director has been~~ elected and until a successor ~~director~~ has been elected and qualified~~-, unless a director is removed from office in which case the director's term shall end on the effective date of his or her removal.~~ ~~There shall be no limitation upon the number of consecutive terms to which a director may be reelected.~~ If a director ceases being a Member during their term, the director shall be disqualified from continuing to serve as a director.<sup>57</sup>

Section 7.04. Nomination of Directors. The following procedures shall apply in addition to any nomination procedures set forth in the Association's Election Operating Rules:

<sup>55</sup> See Corporations Code § 7140(m)(4).

<sup>56</sup> See Corporations Code § 7140(m)(2).

<sup>57</sup> See Civil Code § 5105(b).

(a) Deadlines for Notifying Members of Nomination Procedures. The Board shall provide General Notice of the procedures and the deadline for submitting a nomination for election to the Board at least thirty (30) days before any deadline for submitting a nomination. Alternatively, the Board shall provide Individual Notice to any Member who has requested Individual Notice.<sup>58</sup>

(b) Right of Self-Nomination. Any qualified<sup>59</sup> Member shall have the right to self-nominate themselves to the Board of Directors if the Member tenders written notice to the Board of his or her desire to run for election at least sixty (60) days before the election date.<sup>60</sup> The Board shall give General Notice of this self-nomination right to the Members at least ninety (90) days before the election date.

~~(c) Section 4. Nomination of Directors . At least 90 days prior to the date of any election of directors, the president shall appoint a nominating committee to select qualified candidates for election to those positions on the Board of Directors held by directors whose terms of office are then expiring. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and 2 or more Members~~Nominating Committee. The Board of Directors shall appoint a Nominating Committee to: (i) assist the Board in its efforts to advertise an upcoming election; (ii) educate interested Members regarding the duties, obligations and standards for serving as director; (iii) recommend to the Board improvements or alterations in the election Operating Rules; and (iv) to assist in identifying interested and qualified candidates by proposing as many nominations for election to the Board as in its discretions shall determine, but no less than the number of vacancies to be filled. The Nominating Committee shall consist of a Chairman<sup>61</sup> and two (2) or more other Members not officers of the Association who may or may not be Board members. ~~The nominating committee shall make its report at least 60 days before the date of the election, and the secretary shall forward to each Member, with the notice of the meeting at which the election is scheduled to take place, a list of the nominees. The nominating committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies on the Board of Directors to be filled. In order to be eligible for nomination and election to the Board of Directors, the Association secretary must certify that the candidate Member is in good standing with the Association and is current in the payment of his or her Assessments.~~If the Board appoints a Nominating Committee, the Committee must adhere to the rules and criteria regarding the minimum candidate qualifications.<sup>62</sup>

~~Section 5. Election of Directors.~~

Section 7.05. Qualifications for Candidacy for Election to the Board. Nominated or self-nominated Members for candidacy must meet the following qualifications.<sup>63</sup> If a nominee is

<sup>58</sup> See Civil Code § 5115(a).

<sup>59</sup> See Bylaws Section 7.05

<sup>60</sup> See Civil Code § 5105(a)(3).

<sup>61</sup> The previous President if he or she is willing to serve. If the previous President is unwilling, the Board will appoint the Chairman.

<sup>62</sup> See Civil Code §§ 5100, 5105; Bylaws Section 7.05.

<sup>63</sup> See Civil Code § 5105.

disqualified under this Section 7.05, the Election Rules shall require a sitting director to comply with these same requirements.<sup>64</sup>

(a) Current in the Payment of Assessments; Exceptions. Nominees and sitting Directors must be current in the payment of Regular and Special Assessments. Notwithstanding, a nominee is not disqualified for that reason if the nominee:

- (i) Has paid the Regular or Special Assessment under protest<sup>65</sup>;
- (ii) Has entered into a payment plan<sup>66</sup>; or
- (iii) Has not been provided the opportunity to engage in internal dispute resolution regarding the delinquency.<sup>67</sup>

Additionally, a nominee is not disqualified for nonpayment of fines, fines renamed as Assessments, collection charges, later charges, or costs levied by a third party,<sup>68</sup> although the Association may still pursue collection remedies regarding those unpaid fines and/or penalties otherwise permitted by law.

(b) Membership in the Association; Entity Exception. A nominee must be a Member, subject to this exception:<sup>69</sup> if title to a Lot is held in the name of a legal entity not a natural person, the governing authority of the entity-Owner has the power to appoint a natural person to be a Member-candidate for purposes of Article 4 of the Act.<sup>70</sup>

(c) Co-Owners Serving Concurrently. The Association shall disqualify a nominee where, if elected, would be serving on the Board at the same time as another person who holds a joint ownership interest<sup>71</sup> in the same Lot as the nominee and the other person is either properly nominated for the current election or an incumbent Director.<sup>72</sup>

(d) Member Less Than One Year. A nominee is not disqualified if the nominee has been a Member for less than one year.<sup>73</sup>

(e) Criminal Convictions. A nominee is disqualified if the nominee discloses, or if the Association is aware or learns of, a past criminal conviction that would, if the person was elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code section 5806 or terminate the Association's existing fidelity bond coverage.<sup>74</sup>

<sup>64</sup> See Civil Code § 5105(f).

<sup>65</sup> See Civil Code §§ 5105(d)(1); 5658.

<sup>66</sup> See Civil Code §§ 5105(d)(2); 5655.

<sup>67</sup> See Civil Code § 5105(e).

<sup>68</sup> See Civil Code § 5105(d).

<sup>69</sup> See Civil Code § 5105(b).

<sup>70</sup> See Civil Code § 5105(b)(2).

<sup>71</sup> E.g., any tenancy in common, community property ownership, trust, or other entity ownership in which the potential candidate (and a sitting director) both have an equity interest or any other marital or civil relationship interest recognized by California law.

<sup>72</sup> See Civil Code § 5105(c)(2).

<sup>73</sup> See Civil Code § 5105(c)(3).

<sup>74</sup> See Civil Code § 5105(c)(4).

Section 7.06. Election of Directors; Ballot Tabulation and Retention Requirements. For any election in Section 4.03(d), above, including director elections, the Association shall conduct the election using the following secret balloting voting procedures (to the extent applicable<sup>75</sup>):

(a) Frequency of Director Elections. The Association shall hold an election for a seat on the Board of Directors at the expiration of the corresponding director's term and at least once every four (4) years.<sup>76</sup>

(b) Coordination of Director Elections and Date of the Annual Meeting. Unless otherwise provided in the General Notice, the deadline for the Association's receipt of Member ballots shall occur the day before the annual meeting. During the convened Board or member meeting open to attendance by all Members, the Inspector of Elections will count and tabulate the ballots. The Board may, by General Notice to all Members, adjourn or extend the initially stated conclusion of the balloting period if the Board continues to comply with the statutory secret balloting deadlines.<sup>77</sup>

(c) Secret Ballot Distribution and Procedure.

(i) Items Distributed. The Association shall deliver, by first class mail or personal delivery to every Member, the secret ballots and two pre-addressed envelopes with instructions on how to return ballots, not less than thirty (30) days before the deadline for voting.<sup>78</sup> The Inspector(s) of Election shall deliver to all Members within the same timeframe the Election Operating Rules by either of these methods:<sup>79</sup> (i) posting the Election Rules to an internet website and including the corresponding internet website address on the ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here:"; or (ii) by Individual Delivery. In elections to approve an amendment of the Governing Documents *only*, the text of the proposed amendment shall be delivered to the Members with the ballot.<sup>80</sup>

(ii) Confidentiality and Procedure. To preserve the voting Member's confidentiality, the Association shall not identify the voter by name, address, Residence, parcel, or Lot number on the ballot.<sup>81</sup> The voter does not sign the ballot itself, but instead inserts the ballot into an envelope that is sealed. The sealed envelope containing the ballot is then inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter shall sign the voter's name, print the voter's name, and indicate the Member's address or Lot number.<sup>82</sup> The second envelope shall be addressed to the Inspector(s) of Elections who will be tallying the votes. The Member may mail or deliver the double envelope by hand to the location

<sup>75</sup> For example, in noticing an election to amend the Governing Documents, the Civil Code § 5115(b)(3) requirement to list candidates' names is inapplicable to the election.

<sup>76</sup> See Civil Code § 5100(a)(2).

<sup>77</sup> See Civil Code §§ 5100-5135.

<sup>78</sup> See Civil Code § 5115(c).

<sup>79</sup> See Civil Code § 5105(g)(4)(B).

<sup>80</sup> See Civil Code § 5115(g).

<sup>81</sup> See Civil Code § 5115(c).

<sup>82</sup> See Civil Code § 5115(c)(1).

specified by the Inspector(s) of Elections in the ballot and/or General Notice. Any Member may request a delivery receipt from the Inspector of Elections to confirm the ballot's receipt.<sup>83</sup>

(d) Content of General Notice in Secret Ballot Elections. The Association shall provide General Notice containing the following information to all Members at least thirty (30) days before the ballots are distributed:<sup>84</sup>

- (i) The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector(s) of Elections;
- (ii) The date, time and location of the meeting at which the ballots will be counted;
- (iii) In director elections *only*, the list of all candidates' names that will appear on the ballot; and
- (iv) If a Member requests delivery by Individual Notice rather than General Notice, the Association shall provide the requesting Member the same content within an Individual Notice.

(e) Results of Director Elections/Succession to Office. If the minimum quorum requirements have been satisfied (if any), the candidates receiving the highest number of votes, up to the number of vacancies to be filled in the election, shall be elected as directors and shall take office immediately following their election. If there is a tie vote between those candidates who receive the lowest number of votes necessary to qualify the candidate for election, the tie shall be broken according to the Election Rules.

(f) Supervision of Elections Process; Appointment of Inspector(s) of Elections. The Board of Directors shall select an independent third part(ies) as Inspector(s) of Elections. The number of Inspectors shall be one or three.<sup>85</sup> The Inspector(s) of Election have statutory powers<sup>86</sup> and shall do all of the following:<sup>87</sup>

- (i) Determine the number of memberships entitled to vote and the voting power of each.
- (ii) Determine the authenticity, validity, and effect of proxies, if any.
- (iii) Receive ballots.
- (iv) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.

<sup>83</sup> See Civil Code § 5115(c)(2).

<sup>84</sup> See Civil Code § 5115(b).

<sup>85</sup> See Civil Code § 5110(a).

<sup>86</sup> See Corporations Code § 7614.

<sup>87</sup> See Civil Code § 5110(c).

- (v) Count and tabulate all votes.
- (vi) Determine when the polls shall close, consistent with the Governing Documents.
- (vii) Determine the tabulated results of the election
- (viii) Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with these procedures<sup>88</sup>, the Corporations Code, and all applicable Association Rules not in conflict with these procedures.
- (ix) Deliver Election Operating Rules to the Members in the manner described in Section 7.06(c)(i), above.<sup>89</sup>

The Inspector(s) of Election shall perform their duties impartially, in good faith, to the best of their abilities, and as expeditiously as is practical, and in a manner that protects the interests of all Association Members. If there are three Inspectors, the decision or act of a majority shall be effective as the decision of all the Inspectors. Any report made by the Inspector(s) of Elections is prima facie evidence of the facts stated in the report.<sup>90</sup>

(g) Requirements for the Counting and Tabulation of Ballots.<sup>91</sup> The Inspector(s) of Election or their designee must count and tabulate the votes in public at a properly noticed open Board or Members meeting. Any candidate or other Association Member may witness the counting and tabulation of the votes. No person, including an Association Member or an employee of the Association's management company (if any), shall open or otherwise review any ballot before the Inspector(s) of Election count and tabulate the ballots. Once the Inspector(s) of Elections receives the secret ballot, the ballot becomes irrevocable. The Inspector(s) of Election or their designee may verify the Member's information and signature on the outer envelope before the ballot tabulation date.

(h) Announcement of the Results of the Elections.<sup>92</sup> The Inspector(s) of Election shall promptly report to the Board the tabulated election results and shall record them in the next Board meeting minutes. The Members may review the tabulated results. The Board shall give General Notice to all Members of the tabulated election results within fifteen (15) days of the election.

(i) Retention of Ballots.<sup>93</sup> After tabulation, the Inspector(s) of Election must retain the sealed ballots, signed voter envelopes, voter list, proxies, and candidate registration list in their custody until the time for challenging the election has expired.<sup>94</sup> Once expired, the

<sup>88</sup> See Civil Code §§ 5100-5135.

<sup>89</sup> See Civil Code § 5105(g)(4).

<sup>90</sup> See Civil Code § 5110(d).

<sup>91</sup> See Civil Code § 5120(a).

<sup>92</sup> See Civil Code § 5120(b).

<sup>93</sup> See Civil Code § 5125.

<sup>94</sup> See Civil Code § 5145.

Inspector(s) of Election must transfer custody of those items to the Association. If there is a recount or challenge to the election process, the Inspector(s) of Election shall, upon written request, make the election materials available to the requesting Member or their authorized representatives for review and inspection. The Inspector(s) of Election shall conduct the recount or challenge in a manner that preserves the confidentiality of the vote.

(j) Election by Acclamation.<sup>95</sup> If, as of the deadline for nominations,<sup>96</sup> the number of qualified candidates is not more than the number of vacancies to be elected (as the Inspector(s) of Election determine), the Association may, but is not required to, consider the qualified candidates elected by acclamation if all of the following conditions are satisfied:

- (i) The Association has held a regular director election in the last three (3) years, calculated from the date the ballots were due in the previous election to start of voting in the proposed election.
- (ii) The Association provided the Members two notices—an Individual Notice<sup>97</sup> and a "reminder" Individual Notice<sup>98</sup>.
- (iii) The Association provides to each nominee and/or Member that submitted a nomination, as applicable, certain communications.<sup>99</sup>
- (iv) The Association permits all qualified candidates to run if nominated. If a candidate is disqualified, the Election Rules shall require a seated director to comply with the same qualification requirements.<sup>100</sup>
- (v) The Board at a Board meeting votes to consider the qualified candidates elected by acclamation, for which the agenda item reflects the name of each qualified candidate that will be seated by acclamation if the item is approved.

Section 7.07. Conflicts of Interest. Directors are prohibited from engaging in unauthorized conflict of interest transactions.<sup>101</sup> Furthermore, a Director or Committee member shall not vote on any of the following matters:

~~(a) Directors Elected by Written Ballot. The annual election of directors shall be conducted by written ballot in accordance with Article IV, section 4 hereof. Discipline of the director or committee member;~~

~~(b) Election to Office. Candidates receiving the highest number of votes shall be elected as directors. The directors thus elected shall take office immediately~~

<sup>95</sup> See Civil Code § 5103 (permitting the Association to dispense with the secret balloting process in director elections, only).

<sup>96</sup> See Civil Code § 5115(a).

<sup>97</sup> See Civil Code § 5103(b)(1) (listing timeframe and contents).

<sup>98</sup> See Civil Code § 5103(b)(2) (listing timeframe and contents).

<sup>99</sup> See Civil Code § 5103(c)(1)-(3) (listing timeframe, contents, and manner of communication).

<sup>100</sup> See Civil Code § 5103(d).

<sup>101</sup> See Corporations Code §§ 7233; 7234.



~~following their election.~~ An Assessment against the director or committee member for damage to the Common Area or Common Facilities;

- (c) A request, by the director or committee member, for a payment plan for overdue Assessments;
- (d) A decision whether to foreclose on a lien on the Residence and Lot of the director or committee member;
- (e) Review of a proposed physical change to the Lot or Residence of the director or committee member<sup>102</sup>; or
- (f) A grant of exclusive use common area to the director or committee member.

Nothing in this Section 7.07 limits any other provision of law or the Governing Documents that govern a decision in which a director may have an interest, and the Association's Rules may include a Directors' Conflict of Interest Code that supplements these statutory conflict of interest or interested director transactions.

Section 7.08. ~~Section 6.~~ Vacancies on Board of Directors .

(a) Vacancies, Generally. A vacancy or vacancies in the Board of Directors ~~shall be deemed to~~ exist on the occurrence of any of the following: (i) the death, resignation<sup>103</sup> or removal<sup>104</sup> of a director ~~pursuant to subparagraphs (c) and (d) hereof~~; (ii) an increase of the authorized number of directors; ~~or~~ (iii) the ~~failure of the Members, at any meeting of Members at which failure, in~~ any director ~~or directors are to be elected~~ election, to elect the number of directors ~~to be elected at such meeting~~ required to fill all vacancies in that election; or (iv) the Director's failure to meet any required qualification for service in effect at the beginning of a director's term of office.<sup>105</sup>

(b) ~~Resignation of Directors. Except as provided in this subparagraph, any.~~ Any director may resign, ~~which resignation shall be~~ effective ~~on giving~~ immediately by providing written notice to the ~~president, secretary~~ President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation ~~of a director~~ date is ~~effective to occur~~ at a future ~~later~~ time, the Board of Directors may elect a successor by majority vote to take office when the resignation becomes effective.

(c) Board Authority ~~of the Board of Directors~~ to Remove Directors. ~~The~~ Subject to the qualifications in this subparagraph (c), the Board of Directors ~~shall have the power and authority to~~ may remove a director and declare ~~his or her~~ the 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; or~~ the director:

<sup>102</sup> See Declaration Article V.

<sup>103</sup> See Bylaws Section 7.08(b).

<sup>104</sup> See Bylaws Section 7.08(c)-(d).

<sup>105</sup> See Corporations Code § 7221(b).

~~(iii) fails to attend three consecutive regular meetings of the Board of Directors which have been duly noticed in accordance with California Law.~~

- (i) has been declared of unsound mind by a final order of court;
- (ii) has been convicted of a felony<sup>106</sup>; or
- (iii) fails to attend three (3) consecutive regular Board meetings; or
- (iv) fails to remain in Good Standing.

If the basis for removal is subparagraph (iii), the Board may consider mitigating factors such as: medical hardship, business travel, financial hardships, or the benefits of active and regular participation of the full Board of Directors. If the basis for removal is subparagraph (iv) in a delinquent Assessment situation, the Board shall not remove the director until the delinquent director has received a Pre-Lien Notice<sup>107</sup> and at least thirty (30) days has elapsed without payment in full. An incumbent director who is a party to a Board-approved payment plan<sup>108</sup> to retire delinquent Assessments and in compliance with that plan shall be deemed in Good Standing for continued Board service, unless the terms of the payment plan call for the director to resign from office.

~~(d) Members Authority of Members to Remove Directors. Except as otherwise provided in subparagraph (c) hereof, Members may remove a director may only be removed from office prior to before expiration of his or her the director's term only by a majority of the affirmative votes cast by vote of a Majority of a Quorum of the Members where conducted using the secret ballot voting power consists of at least a quorum of Members procedures.~~

~~(e) Removal by Court Action. The County Superior Court may, in response to a suit filed by If any director, or the lesser of twenty (20) Members or five percent (5%) of the Members, files suit, the County Superior Court may remove any director determined to be deemed guilty of fraudulent or dishonest acts, or gross abuse of authority or discretion with reference to over the Association. The Association shall be made a party to any such action.~~

~~(f) Filling of Vacancies. Vacancies on the Board of Directors shall be filled by a majority vote of the remaining directors though less than a quorum, or by a sole remaining director unless as applicable. If the vacancy is created through removal of a director by Member action of the Members in which case the vacancy shall be filled by a vote of the Members conducted in accordance with Article IV, section 4, above. Furthermore, the Members may elect a director or the directors at any time fail to fill any vacancy or vacancies not filled by the directors a vacancy, the vacancy shall be filled by a vote of the Members using the secret ballot voting procedures.~~

~~(g) Reduction in the Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director from office before expiration of that director's stated term of office expires.~~

<sup>106</sup> Subject to Civil Code § 5105(c)(4).

<sup>107</sup> See Civil Code § 5660.

<sup>108</sup> See Civil Code § 5665.

## ARTICLE VII

### Board of Directors Meetings

## ARTICLE VIII BOARD MEETINGS

Section 8.01. Section 1. Place of Meetings: Meetings by Meeting Location; Conference Telephone and Electronic Meetings.

(a) Permitted Locations for Board Meetings. Except as otherwise provided in subparagraph (b), below, ~~Regular~~regular and special ~~Board~~board meetings ~~of the Board of Directors~~ may be held at any place within the ~~Properties~~Development or the County ~~that has been~~designated ~~from time to time by~~occasionally by Board resolution ~~of the Board~~ and stated in the ~~meeting~~notice ~~of the meeting. In the absence of such designation, If the Board fails to designate a location,~~ regular meetings shall be held at the ~~principal office of the Association. The location of Board meetings shall ordinarily be within the Properties unless in the judgment of the Board a larger meeting room is required than exists within the Properties, in which case the meeting room selected shall be as close as possible to the development.~~Member's Residence where the previous meeting was held. If gathering in person is unsafe or impossible<sup>109</sup>, a Board or Member meeting may be conducted by teleconference without designating a physical location, as long as statutory procedures are followed.<sup>110</sup>

(b) Requirements for Conducting Board Meetings by Conference Telephone or Other Electronic Means. A regular or special Board meeting may, in cases consistent with this subparagraph (b), be held by conference telephone, electronic video screen communications, or other communications equipment. Participating in a conference telephone meeting constitutes presence in person at the meeting if all directors, Members and other permitted participants can hear one another. The Board shall conduct the teleconference meeting in a manner that protects Members rights to attend the meeting (or the open portion), and assure that meeting or open portion is audible to the Members in at least one physical location specified in the notice of the teleconference Board meeting. At least one director (or Board designee) shall be present at that location.<sup>111</sup>

~~(B) Circumstances When Meetings Can be Conducted by Conference Telephone or Other Electronic Means. Under those circumstances that qualify as grounds for conducting an emergency meeting (see Section 5(c), below) or conducting a meeting in executive session (see Section 6(c), below), but not otherwise, a regular or special meeting of the Board may be held by conference telephone, electronic video screen communications, or other communications equipment. Participation in a meeting through the use of conference telephone pursuant to this Section constitutes presence in person at the~~

<sup>109</sup> See Civil Code § 5450(a) (outlining qualified conditions).

<sup>110</sup> See Civil Code § 5450(b).

<sup>111</sup> See Civil Code § 4090(b), subject to Civil Code § 5450.

~~meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through the use of~~ Participating in a meeting using electronic video screen communication or other communications equipment (other than a conference telephone) constitutes presence in person at the meeting ~~so long as if~~ each present director ~~participating in the meeting~~ can communicate with ~~all of~~ the other directors concurrently and each director is given the means of participating in all matters ~~coming before the board. Actions taken by the Board by means of a telephone conference or other permitted electronic means shall be posted in a prominent place within the Common Area in the same manner as actions taken by written consent pursuant to Section 8.10, below.~~ on the agenda.

(a) Entirely Virtual Board Meetings. Notwithstanding anything in subparagraph (b), above, to the contrary, any Board or Member meeting that is not being held to conduct a secret ballot election may be held entirely by teleconference, without designating a physical location and placement of a director there, if:<sup>112</sup>

(i) The meeting notice includes, in addition to other notice requirements under these Bylaws: (A) instruction to Members on how to join the meeting; (B) lists a phone number and email of a person to provide technical assistance before and during the meeting; and (C) reminds the membership their right to request Individual Delivery of meeting notices; and

(ii) Directors and Members are afforded the same participation rights virtually as they would possess at a physically designated location; and

(iii) In Board meetings, director votes are conducted by roll call; and

(iv) Any person authorized to participate in the meeting is provided the option to participate by telephone (rather than by video).

Section 8.02. ~~Section 2.~~ Annual Meeting of Directors . Immediately following each annual ~~meeting of~~ Members meeting, the Board of Directors shall hold a regular meeting for ~~the purpose of~~ organization, ~~election of~~ electing officers, and ~~the transaction of~~ transacting other business. Notice of this meeting ~~shall~~ is not ~~be~~ required. If the Board is not able to elect officers immediately after the annual Members meeting, the Board shall notice a special meeting to elect officers as soon as reasonably possible thereafter.

Section 8.03. ~~Section 3.~~ Other Regular Meetings ~~Ordinarily.~~ The Board shall conduct regular Board meetings ~~shall be conducted~~ at least monthly; ~~provided, however, that regular meetings can be held as infrequently as every calendar quarter but no later than quarterly,~~ if the Board's business does not ~~justify~~ require more frequent meetings. If the Board adopts an annual schedule ~~for the conduct of regular meetings (such as a schedule that calls for regular meetings to be held at a specific time and location on the third Thursday of each month) and that schedule is communicated to all directors at the inception of the~~<sup>113</sup> for conducting regular meetings, and all Members and Directors receive a copy of that schedule on the first of each year, no further notice of a regular Board meeting ~~shall be~~ is required ~~unless.~~ If the date, time or location for a particular

<sup>112</sup> See Civil Code § 4926.

<sup>113</sup> For example, a schedule that calls for regular Board meetings during a specific time and location on the third Thursday of each month.

regular Board meeting is changed ~~for any reason, in which case,~~ the Board shall provide notice ~~shall be provided to all~~ directors ~~in accordance with Section 5, below.~~ and Members.<sup>114</sup>

~~Section 4. Special Meetings of the Board. Special meetings of the Board of Directors for any purpose may be called at any time by the president or any two directors.~~

Section 8.04. Special Board Meetings. The President or any two (2) directors may call a Special Board meeting for any purpose.

Section 8.05. ~~Section 5~~ Notice of Board Meetings.

~~(A) Minimum Time Requirements for Giving Notice to Directors. In the case of any special meeting of the Board, and if the Board has not fixed the time and location for regular meetings and provided each director with the schedule for the conduct of regular meetings, notice shall be communicated to each Board member not less than four (4) days prior to the date of~~

~~(a) the meeting; provided, however, that if the meeting qualifies as an emergency meeting (Section 5, below) or is a special meeting that can be called in executive session (Section 6(c), below), the time for providing notice is~~ Timing of Notice. For any special Board meeting or unscheduled annual Board meeting, each Board member shall receive notice of the meeting not less than four (4) days before the meeting date. If, however, such meetings qualify as Emergency Meetings or executive session meetings, each Board member shall receive notice of the meeting not less than forty-eight (48) hours ~~prior to~~ before the meeting, unless ~~notice is given~~ delivered by first-class mail ~~in which case~~ where the four (4) day notice requirement ~~remains in effect. Notice of a meeting of the Board need still applies. The Board does not be given~~ have provide notice to any director who has signed a waiver of notice ~~or a,~~ issued written consent ~~to the conduct of the meeting or an approval of the minutes of the meeting (whether before or after the meeting) or who attends the meeting without protesting, prior thereto or at the commencement of the meeting, the lack of notice to that director. 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. Notwithstanding the foregoing, notice of a meeting need not be given to any director who has signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof as more particularly provided in Section 8, below, approved the meeting minutes, or attended the meeting without protest. The Secretary shall file all such waivers, consents or approvals in the Association's records or with the meeting minutes.~~

~~(b) Manner of Giving Notice to Directors. Each director shall be entitled to receive notice of meetings by any one of the following means: by first-class mail, by personal delivery, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, by facsimile, electronic mail, or other electronic means.~~ Providing Notice. The Board shall provide directors and Members General Notice of Board Meetings.

~~(c) Notice Contents. The notice of any Board meeting of the Board~~ notice shall state the time, place, ~~and purpose of,~~ and agenda for the meeting.

~~(D) Members' Right to Receive Notice of Board Meetings. All Members of the Association shall be given notice of the time and place of all Board meetings (as defined in Section-~~

<sup>114</sup> See Bylaws Section 8.03.

~~6(a), below), except for "emergency meetings", at least four (4) days prior to the date of the meeting. This notice to the Members shall be given by posting the notice in a prominent place or places within the Common Area and by mail to any Member who has requested notification of Board meetings by mail (with the notice sent to the address requested by the Member). Notice~~

~~may also be given by mail or delivery of the notice to each Lot within the Development, or by newsletter or similar means of communication. For purposes of this Section 5, an "emergency meeting" of the Board means a meeting called by the president or by any two members of the Board under 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 prior notice to the Members as required by the Open Meeting Act (see Section 6, below).~~

~~(d) In addition to the foregoing general notice requirements for Members, if a particular Member or Members are scheduled for possible disciplinary action on the agenda for a Board meeting~~Members' Right to Receive Board Meeting Notices. Except for "EMERGENCY MEETINGS"<sup>115</sup>, the Board must provide all Members General Notice of the time, place, purpose and agenda of all other Board meetings at least four (4) days before the meeting date. Unless an executive session Board meeting is labeled an Emergency Meeting, Members shall receive notice of executive session meetings at least two (2) days before the meeting, although Members lack the right to attend executive session meetings. If the Board is meeting to consider discipline or certain monetary charges upon a Member, the Board must notify<sup>116</sup> the subject Member(s) in writing, by either personal delivery or first-class mail Individual Delivery, at least ten (10) days prior to the date of the meeting. Any such special notice of possible disciplinary action must contain, at a minimum, the date, time and location of the meeting, the nature of the alleged violation for which the Member(s) is/are being considered for disciplinary before the meeting date.<sup>117</sup>

~~action, and a statement that the Member(s) has/have a right to attend the meeting and address the Board concerning the disciplinary matter.~~

~~Section 8.06. Section 6. Attendance by Members: Common Interest Development Open Meeting Act Provisions. The following These provisions reflect the California Common Interest Development Open Meeting Act (Cal. Civ. Code, §1363.05): "OPEN MEETING ACT":<sup>118</sup>~~

~~(A) Meetings Generally Open to Members: Definition of What Constitutes a "Meeting". With the exception of executive sessions of the Board (see subparagraph (c), below) and any meetings conducted by conference telephone (under the circumstances stated in Section 1(b), above), any member of the Association may attend meetings of the Board of Directors; provided, however, that non-director Members may only participate in deliberations or discussions of the Board when expressly authorized by a vote of a majority of the directors present at the meeting at which a quorum has been established or by the Board member chairing the~~

~~(a) meeting~~Meetings Generally Open to Members; "Board Meeting", Defined. Excepting executive session Board meetings, any Member may attend Board meetings. For purposes of the Open Meeting Act, the term "BOARD MEETING" includes means (i) any congregation of a majority of the members of the Board at simultaneously in the same time and place to hear, discuss, or deliberate upon any item of business scheduled to be heard by the Board, except those matters that may be discussed in executive session within the authority of the Board; and (ii) a

<sup>115</sup> See Civil Code § 4923 (defining emergency meetings, and how legally called).

<sup>116</sup> See Civil Code § 5855(b) (outlining contents of notice).

<sup>117</sup> See Civil Code § 5855(a).

<sup>118</sup> See Civil Code §§ 4900-4950.



teleconference where a majority of the Board, in different locations, are connected by electronic means through audio, video or both.<sup>119</sup> A Board Meeting does not include directors communicating with each other by electronic transmissions (e.g. email) as long as they are not taking action on an Item of Business.<sup>120</sup> The Board must not act on any "ITEM OF BUSINESS"<sup>121</sup> outside a Board Meeting. The Board cannot use electronic transmissions (e.g. email) to conduct a Board Meeting, unless an Emergency Meeting and all Board members individually or collectively consent in writing to that method of Emergency Meeting.<sup>122</sup> The Open Meeting Act prohibits Board action by unanimous written consent.

(b) Right of Members to Speak at Meetings. The Board ~~of Directors~~ shall permit any Member to speak at any ~~meeting of the Members~~ Member or ~~of the Board of Directors~~ meeting, except for ~~Board meetings that are held in executive session pursuant to subparagraph (c), below. Reasonable time limitations can be imposed by the Board or the chairman of the meeting on presentations or statements by Members and, in the case of Board meetings, the agenda for the meeting can designate a specific time for Member statements and comments~~ executive session Board meetings. The Board in the meeting agenda may impose reasonable time limitations upon Members to speak during a Board or Member meeting.<sup>123</sup> Members (not Directors) may speak on items not listed in the Board's agenda for the meeting.

(c) Meeting Agendas; General Restriction of Action to Items on the Agenda. The Board meeting notice shall include the agenda for the meeting. Except in limited circumstances<sup>124</sup>, the Board of Directors may not discuss or act on any item at a non-Emergency Meeting of the Board not listed in the agenda in the notice to Members.

(d) Executive Session Board Meetings.

(i) Bases for Executive Session. An executive session Board meeting is not open to attendance by all Members, and is convened to consider and potentially act upon one or more of these matters:<sup>125</sup>

- (A) litigation where the Association is or may become a party;
- (B) matters relating to contract formation with third parties;
- (C) Member discipline<sup>126</sup>;
- (D) personnel matters;

<sup>119</sup> See Civil Code § 4090(b).

<sup>120</sup> See *LNSU #1, LLC v. Alta Del Mar Coastal Collection* (2023) 94 Cal.App.5th 1050.

<sup>121</sup> See Civil Code § 4155.

<sup>122</sup> See Civil Code § 4910.

<sup>123</sup> See Civil Code § 4925.

<sup>124</sup> See Civil Code § 4930(b)-(e), inclusive.

<sup>125</sup> See Civil Code § 4935.

<sup>126</sup> See also Civil Code § 4935(b) (The Board shall adjourn to, or meet solely in, executive session to discuss member discipline if requested by the Member subject of the discussion, and the Member is allowed to attend.)

(E) to decide whether to foreclose on a lien<sup>127</sup>; or

(F) ~~(C) Executive Sessions. The Board, on the affirmative vote of a majority of the directors present at a meeting at which a quorum has been established, shall be entitled to adjourn at any time for purposes of reconvening in executive session to discuss: (i) litigation in which the Association is or may become a party; (ii) matters relating to the formation of contracts with third parties; (iii) Member discipline; (iv) personnel matters; or (v) to meet with a Member, upon the Member's request, regarding the Member's payment of Assessments, as specified in Section 1367.1 of the Civil Code. The Board must meet in executive session if requested by a Member who may be subject to a fine, penalty, or other form of discipline and the Member who is the subject of the disciplinary proceeding shall be entitled to attend the executive session. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following Board meeting that is open to the entire membership.~~ to meet with a Member, upon the Member's request, regarding the Member's payment of Assessments under a payment plan.<sup>128</sup>

(ii) Executive Session Meetings to Protect the Attorney-Client Privilege.<sup>129</sup> In addition to the subparagraph (i) bases, the Board may meet in executive session with the Association's legal counsel to discuss documents, transactions, potential litigation or other matters intended to come within the protection of the attorney-client privilege. Attorney-client privilege protects against disclosure of information to third persons that the Association's legal counsel recommends to be confined only to Board members and others where disclosing the information is reasonably necessary to accomplish the purposes for which the Association's legal counsel has been consulted.

~~(D) Board Meeting Minutes. 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 of~~

(iii) Manner of Calling Executive Session Meetings. The affirmative vote of a majority of the directors present at an open meeting where quorum is established may adjourn for executive session. The Board may also call an executive session meeting independent of an open meeting.

(iv) ~~Directors,~~ Reporting Executive Session Meeting Minutes; Availability to Members. The Board shall note generally (i.e. to preserve confidentiality) any matter discussed in executive session in the minutes of the immediately succeeding open meeting.<sup>130</sup> The Board shall make available to Members the minutes, draft minutes proposed for adoption, or a summary of the minutes, of any Board meeting other than minutes of an executive

<sup>127</sup> See Civil Code §§ 4935(d); 5705(b).

<sup>128</sup> See Civil Code §§ 4935(c); 5665 (The Board must meet with the requesting Member within forty-five (45) days of the postmark on the request, if the request is mailed within fifteen (15) days of the postmark on the Pre-Lien Notice.)

<sup>129</sup> See Evidence Code §§ 950-955.

<sup>130</sup> See Civil Code § 4935(e).



~~session, shall be available to the Members~~ within thirty (30) days of the meeting. The ~~minutes, proposed minutes, or summary minutes shall be distributed~~ Board shall distribute to any Member upon request ~~and upon reimbursement of~~ the minutes, proposed minutes, or summary minutes if the Member reimburses the Association's costs in making that distribution. The Association's Annual Policy Statement must inform Members of these rights and how and where to do so.<sup>131</sup>

Section 8.07. Section 7. Quorum Requirements for Board Meetings. A majority of the authorized number of directors shall constitute a quorum for ~~the transaction of~~ transacting business, except to adjourn ~~as provided in Section 9, below.~~ Every ~~act of~~ Board decision ~~done or made by a majority of the directors present at a meeting duly held at which~~ where a quorum is present ~~shall be~~ is regarded as ~~the act of the~~ a Board of Directors ~~action,~~ subject to ~~the provisions of~~ the California Nonprofit Mutual Benefit Corporation Law, especially ~~these provisions~~ relating to: (i) ~~approval of~~ approving contracts or transactions ~~in which~~ where a director has a direct or indirect material financial interest; (ii) ~~appointment of committees; and~~ appointing committees; and (iii) indemnifying directors. The Board may continue to transact business during a meeting where quorum is initially present, notwithstanding withdrawal of directors below a quorum, if any Board action is approved by at least a majority of the required quorum for the meeting, or such greater number if required by law or the Governing Documents.

~~(iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by these Bylaws, the Articles or bylaw.~~

~~Section 8. Waiver of Notice . The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present, individually or collectively, signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Association records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any director who attends the meeting without protesting the lack of proper notice either before or at the inception of the meeting.~~

~~Section 9. Adjournment A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of adjournment to any other time or place shall be given prior to the time of the adjourned meeting to the directors who are not present at the time of the adjournment. Except as provided above, notice of adjournment need not be given.~~

~~Section 10. Action Without a Meeting . Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as an unanimous vote of the Board of Directors.~~

~~If the Board of Directors resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the Common~~

<sup>131</sup> See Civil Code § 4950.

~~Area within three days after the written consents of all Board members have been obtained. If the Common Area is unsuitable for posting the explanation of the action taken, the Board shall communicate the explanation by any means it deems appropriate. Any written consent or consents of the Board shall be filed with the minutes of the proceedings of the Board.~~

Section 8.08. Adjournment. A majority of directors present may adjourn any meeting to another time and place whether or not quorum is achieved. If the meeting is adjourned for over twenty-four (24) hours, the Board shall provide notice of adjournment containing the new meeting date to all persons in attendance at the adjourned meeting. Otherwise, the Board need not provide notice of adjournment.

Section 8.09. ~~Section 11.~~ Compensation of Directors, Officers, and Committee Members. Directors, officers, and committee members ~~of committees shall~~are not ~~be~~ entitled to compensation for their services ~~as such~~in their respective capacities, although ~~they~~any may be reimbursed for ~~such~~their reasonable, actual personal expenses ~~as may be determined by resolution of the Board of Directors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or incurred (evidenced by receipt/invoice submitted to the Treasurer) in performing their duties.~~

Section 8.10. ~~Section 12.~~ Protocol at Board Meetings. At each Board meeting ~~of the Board~~, the President, or if ~~he or she is~~they are absent therefrom, the Vice President, or if ~~he or she is~~they are absent ~~there from~~therefrom, a Director chosen by a majority of the Directors present, shall act as Chairperson and preside over such meeting. The Secretary, or if ~~he or she is~~they are absent ~~therefrom~~, the person (who shall be an ~~Assistant~~assistant Secretary, if any and if present) whom the Chairperson of such meeting shall appoint, shall act as Secretary of such meeting and keep the minutes thereof.

## ARTICLE VIII

### Duties and Powers of the Board of Directors

## ARTICLE IX BOARD POWERS AND DUTIES

Section 9.01. ~~Section 1.~~ Specific Board Powers and Duties. Without prejudice to the Board's general powers ~~of,~~<sup>132</sup> the Board ~~of Directors set forth in Article VI, section 1, the directors shall have~~has the power to:

(a) Exercise all powers vested in the Board of Directors under the Governing Documents and ~~under the laws of the State of California~~ law.

(b) Appoint and remove ~~all~~; (i) Association officers ~~of the Association~~; (ii) the Association's property manager, ~~or property management company~~ (if any ~~and~~ subject to any contractual ~~commitments which may exist~~obligations among them); and (iii) other Association employees; The Board can prescribe ~~any~~the powers and duties for such persons ~~that are~~

<sup>132</sup> See Bylaws Section 7.01.

consistent with the Governing Documents and California law, ~~the Articles of Incorporation and these Bylaws~~ and fix their compensation.

(c) Appoint such agents and employ such other employees, including attorneys ~~and~~, accountants, ~~as a manager or management company, as the Board~~ sees fit to ~~assist in the operation of~~ help operate the Association, ~~and to~~. The Board can fix their duties and ~~to~~ establish their compensation if they are employees of the Association.

(d) Adopt and establish ~~rules and regulations subject to the provisions of these Bylaws and the Declaration, and take such steps as it deems necessary for the enforcement of such rules and regulations, including the suspension of voting rights; provided notice and a hearing are provided as more particularly set forth in Article XI, section 6 of the Declaration.~~ Association Rules including, but not limited to: (i) use of the Development's Common Areas and Common Facilities; (ii) Member's and their guests personal conduct, including enforcement remedies such as imposing monetary penalties and/or the suspension of membership privileges.<sup>133</sup> Board adopted Association Rules may contain reasonable varying distinctions between Owners and tenants.

(e) Enforce ~~all applicable provisions of~~ the Governing Documents relating to ~~property use restrictions or the~~ control, management, and use of the Development's Lots, Residences, Common Areas, Common Facilities and roads ~~within the Properties~~.

(f) Contract for and pay premiums for fire, casualty, liability and other insurance and bonds (~~including e.g. indemnity bonds~~) ~~which, as the Association may be required from time to time by the Association to maintain.~~<sup>134</sup> which, as the Association may be required

(g) 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 roads within the Properties~~ labor, services, equipment and materials for Major Components the Association is obligated to maintain, repair, or replace.

(h) ~~Delegate its duties and powers hereunder to the officers of the Association or to committees established by the Board of Directors, subject to the limitations expressed in section 1 of Article IX hereof.~~ Pay all taxes, special assessments and other assessments/charges that are or would become a lien on any portion of the Common Areas.

(i) Contract for and pay for construction or reconstruction of any portion(s) of the Development the Association is obligated to maintain, repair and replace.<sup>135</sup>

(j) ~~(i)~~—Levy and collect Assessments from ~~the Members of the Association in accordance with the Declaration~~ Members,<sup>136</sup> and fix amount of the Regular Assessments against each Lot at least thirty (30) days in advance of each Regular Assessment period.

<sup>133</sup> Subject to Civil Code §§ 4340 et seq. and CC&Rs Section 13.06

<sup>134</sup> See Declaration Article X.

<sup>135</sup> See Declaration Article XI.

<sup>136</sup> See Declaration Article IV.

(k) ~~U)~~ Perform all acts required of the Board ~~of Directors~~ under the ~~Declaration~~Governing Documents.

(l) ~~(K)~~ Prepare budgets and maintain a full set of books and records showing the ~~financial condition of the affairs of the~~ Association's financial conditions in a manner consistent with generally accepted accounting principles, ~~and at no greater than annual intervals prepare an annual financial report, a copy of which shall be delivered to each Member~~including the Annual Budget Report.

~~(l) \_\_\_\_\_ Appoint a nominating committee for the nomination of persons to be elected to the Board of Directors, and prescribe rules under which said nominating committee is to act, all as more particularly described in Article VI, section 4 hereof.~~

(m) Appoint a Nominating Committee and such other committees ~~as~~ it deems necessary ~~from time to time in connection with the affairs of the~~relating to Association ~~affairs~~.<sup>137</sup>

(n) Fill vacancies on the Board of Directors or ~~in~~ any committee, except for a Board vacancy created ~~by the removal of a Board of Directors member~~from Member action.

(o) Open bank accounts and borrow money on behalf of the Association and designate the signatories to such bank accounts.

(p) Bring and defend actions on behalf of the Members in common or the Association to protect ~~the~~their respective interests ~~of the Members or the Association, as such, so long as, if~~ the action is pertinent to the Association's operations ~~of the Association and while assessing the litigation's costs. Without limiting the foregoing, the Association has standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without needing to join its individual Members in matters pertaining to:~~ (i) enforcement of the Governing Documents; (ii) damage to any portion of the Common Area; (iii) damage to a Residence or Lot the Association is obligated to maintain or repair, if any; and (iv) damage to a Residence or Lot that arises out of, or is integrally related to, damage to the Common Area or a Residence or Lot the Association is obligated to maintain or repair.<sup>138</sup>

(q) Enter Lots when permitted under the Governing Documents.

#### Section 9.02. Limitations on Board Powers.

(a) Prohibited Actions. The Association and its Board are prohibited from taking these actions:

(i) Denying Access to Residences and Lots. Except as otherwise provided by law or order of court/binding arbitration, the Association shall not deny a Member or

<sup>137</sup> See Bylaws Section 7.04(c); Article X.

<sup>138</sup> See Civil Code § 5980.

occupant physical access to his or her Residence or Lot either by restricting access through the Common Areas to the Owner's Residence or by restricting access solely to the Member's Residence and Lot;<sup>139</sup>

(ii) Assigning or Pledging Future Assessment Obligations. The Association may not voluntarily assign or pledge the Association's right to collect payments or Assessments, or to enforce or foreclose a lien to a third party, unless the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or State law when acting within the scope of that charter or license as security for a loan the Association obtained. However, the foregoing sentence does not restrict the Association's right or ability to assign a former Member's unpaid obligations to a third party for collection purposes;<sup>140</sup>

(iii) Unreasonably Restricting Sales. The Association shall not adopt an Association Rule that arbitrarily or unreasonably restricts an Owner's ability to market the Owner's Residence and Lot;<sup>141</sup>

(iv) Establishing Exclusive Broker Relationships. The Association shall not adopt an Association Rule that establishes an exclusive relationship with a real estate broker through which the sale or marketing of Residences and Lots must occur, other than Common Area;<sup>142</sup> or

(v) ~~(Q) Enter Lots as necessary, subject to the notice requirements of the Declaration, in connection with construction, maintenance or emergency repairs for the roads within Green Springs Ranch.~~ Using Association Funds for Campaign Purposes. The Association cannot use Association funds for campaign purposes concerning director elections. The Association may use Association funds for campaign purposes concerning any other election only where necessary to comply with Association duties imposed by law.<sup>143</sup>

## **ARTICLE IX**

### **Committees**

(b) Board Actions Requiring Member Approval. The Board of Directors shall take none of these actions without the consent of a simple majority of the Members constituting a quorum of over fifty percent (50%) of the Voting Power of the Members:

(i) Contracting with third party(ies) to furnish goods or services to the Common Areas for a term longer than one year. This restriction does not apply to:

(A) FHA or VA approved management contracts;

<sup>139</sup> See Civil Code § 4510.

<sup>140</sup> See Civil Code § 5735.

<sup>141</sup> See Civil Code §§ 4730(a); 4730(c) (defining "market".)

<sup>142</sup> See Civil Code §§ 4730(b); 4730(c) (defining "marketing".)

<sup>143</sup> See Civil Code §§ 5135(a); 5135(b) (defining "campaign purposes".)

- (B) public utility contracts where the Public Utilities Commission regulates the rates charged for materials or services; provided, however, the contract term shall not exceed the shortest term for which the supplier will contract at the regulated rate;
- (C) prepaid casualty or liability insurance policies not to exceed three years, provided the policies provide for short rate cancellation by the insured;
- (D) agreements for cable television or satellite dish services and equipment not to exceed five (5) years duration; and
- (E) any contract with a term not to exceed three (3) years if the Association may terminate the contract after no longer than one year without cause, penalty or other obligation, upon ninety (90) days prior written notice of termination to the other party.

(ii) Incur aggregate expenditures exceeding five percent (5%) of the Association's budgeted gross expenses for the fiscal year for capital improvements to the Common Areas (e.g. Association Capital Replacement Projects for Major Components).<sup>144</sup> This limitation does not apply to the expenditure of funds accumulated by the Association if the expenditure is for the purpose for which the funds were accumulated.

(iii) Sell during any Fiscal Year Association property with aggregate fair market value exceeding five percent (5%) of the Association's budgeted gross expenses for that Fiscal Year.

(iv) Pay compensation to the Board of Directors or Association's officers.

(v) Fill any Board vacancy created by Member election to remove a director.

(vi) Enter a Lot on a non-emergency basis unless the Association furnishes at least twenty-four (24) hours written notice to the Owner.<sup>145</sup>

(c) Notice of Significant Legal Proceedings. Notwithstanding any other Governing Document provision, the Board shall not institute any significant legal proceeding against any person without providing the Members at least thirty (30) days' prior written notice of the Association's intention to institute significant legal proceedings.

(i) Exceptions. If the Board determines the claim(s) limitations period will expire within the thirty (30) day window, the Board may commence the proceeding without

<sup>144</sup> See Cal. Code of Regs. § 2792.21(b)(2).

<sup>145</sup> See Declaration Section 3.05(c).

prior notice if it notifies the Members within thirty (30) days after commencement. Notice is not required for actions to collect delinquent Assessments, or to enforce Common Area completion bonds.

(ii) Content of Notice. The notice shall describe the proceeding's purpose, parties, anticipated cost (including attorneys' fees), source of funds (Reserves or Regular/Special Assessments), and information requiring disclosure to third parties (e.g. prospective purchasers and lenders). "SIGNIFICANT LEGAL PROCEEDING" means any legal proceeding in which it reasonably could be anticipated that these events could occur:

- (A) levying a Special Assessment to fund the proceedings;
- (B) using Association's Reserve Account funds in excess of five percent (5%) of then current Reserves to fund the proceeding;
- (C) the claim amount exceeds Twenty-Five Thousand Dollars (\$25,000); or
- (D) the action could have a material adverse effect on the ability to sell and/or refinance the Lots during the proceeding.

## ARTICLE X COMMITTEES

Section 10.01. Section 1. Committees of Directors . In addition to the ~~nominating committee appointed and constituted pursuant to Article VI, section 4(a) of these Bylaws~~Nominating Committee and the Architectural Committee ~~appointed and constituted pursuant to the Declaration~~, the Board of Directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two (2) or more Members (who may also be directors), to serve at the pleasure of the Board ~~of Directors~~. Committees shall have all the authority of the Board ~~of Directors~~ with respect to matters within their area of assigned responsibility, except that no committee, regardless of Board of Directors resolution, may:

- (a) Take any final action on any matter which, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the Members requiring Member approval.
- (b) Fill vacancies on the Board of Directors or on any committee which has vacancies that have been delegated any authority of the Board of Directors.
- (c) Amend or repeal Bylaws or adopt new Bylaws.



- (d) Amend or repeal any Board resolution ~~of the Board of Directors which~~ that by its express terms ~~is~~ not ~~so~~ amendable or repealable.
- (e) Appoint any other committees ~~of the Board of Directors~~ or designate the members of those committees. -
- (f) Approve any transaction: (i) to which the Association is a party and one or more directors have a material financial interest; or (ii) between the Association and one or more of its directors or between the Association or any person in which one or more of its directors have a material financial interest.

Section 10.02. Section 2.—Committee Meetings and Actions of Committees—. Unless otherwise provided in the Board of Directors resolution establishing the committee, minutes shall be kept of each meeting of any committee and shall be filed with the Association records. The Board of Directors may adopt rules, not inconsistent with the provisions of these Bylaws, for the governance of any committee.

## ~~ARTICLE X~~

## ARTICLE XI OFFICERS

Section 11.01. Officers~~Section 1,—Officers—.~~ The officers of the Association shall be a president, a vice president, a secretary and a chief financial officer otherwise known as a treasurer. Association's officers shall be: (i) President; (ii) Vice President; (iii) Secretary; and a (iv) Chief Financial Officer/Treasurer. The Association may also have, at the discretion of the Board ~~of Directors~~, one or more assistant ~~secretaries~~ Secretaries, one or more assistant ~~treasurers~~ Treasurers, and such other officers as may be appointed ~~in accordance with the provisions of section 3 following~~ according to Section 11.03, below. Any person may hold two (2) or more offices, except that neither the ~~secretary~~ Secretary nor the ~~treasurer~~ Treasurer may serve concurrently as ~~president~~ President. Directors have voting rights. Officers do not have voting rights. An officer may also serve as director, concurrently. Therefore, an officer has voting rights and may vote if serving as director and voting in their director capacity and not their officer capacity.

Section 11.02. Section 2.—Election of Officers—. ~~The officers of the Association, except such officers as may be appointed in accordance with the provisions of sections 3 and 5 following, shall be chosen annually by majority vote of the Board of Directors at its first regular~~ Electing Officers. At the first regular Board meeting immediately following the annual meeting of the Members or the election of directors, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise Members meeting, or as soon as reasonably possible thereafter, a majority vote of the Board shall elect the officers<sup>146</sup> annually, excepting officers appointed according to

<sup>146</sup> Except officers appointed under Bylaws Sections 11.03, 11.05 or 11.06.



Sections 11.03 or 11.05, below. Each officer holds office until the officer resigns, is removed, is disqualified to serve, or his or her the officer's successor shall be is elected and qualified,

Section 11.03. Section 3.—Subordinate Officers. The Board ~~of Directors~~ or empowered President may appoint, ~~and may empower the president to appoint,~~ such other officers as the Association's affairs ~~of the Association may require,~~ each of whom shall hold office for ~~such the~~ period, ~~and have such the powers and authority and perform such duties as are provided in the Bylaws and as the Board of Directors may from time to time determine~~ Board resolution appointing the officer position.

Section 11.04. Section 4. Removal of Officers, Any. The Board may remove any officer ~~may be removed, either~~ with or without cause, ~~by the Board of Directors~~ at any regular or special Board meeting. Members cannot remove officers.

Section 11.05. Section 5.—Resignation of Officers, Any officer may resign at any time by giving the Board, President or Secretary written notice ~~to the Board of Directors or to the president or to the secretary. Any such.~~ The resignation ~~shall take~~ takes effect ~~at the date of the receipt of such notice or at any later time on receipt (not acceptance) of the notice, unless the timing is specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective otherwise in the notice.~~ Any resignation is without prejudice to the ~~rights, if any, of the~~ Association's rights under any contract to which the resigning officer is a party. The Board may appoint, rather than elect, an officer to fill the resigned officer's vacancy.

Section 11.06. Section 6.—Vacancies, A. The Board may fill a vacancy ~~in any office because of~~ created from death, resignation, removal, disqualification or any other cause ~~shall be filled~~ in the manner prescribed in the Bylaws for regular appointments to such office.

Section 11.07. Section 7.—President, ~~The president shall be elected by the Board of Directors.~~ The Board elects the President from among the directors. ~~He or she shall be the~~ The President is the Association's chief executive ~~officer of the Association~~ and shall, subject to ~~the control of the~~ Board of Directors ~~controls,~~ have general supervision, direction and control of the Association's affairs and officers ~~of the Association. He or she.~~ The President shall preside ~~at all Board meetings of the Board of Directors,~~ and ~~shall have~~ has the general management power and duties ~~of management~~ usually vested in the office of ~~president of~~ a corporation's President, ~~together with such other powers and duties as may be prescribed by the Board of Directors or the~~ these Bylaws.

Section 11.08. Section 8. Vice President, The ~~vice president shall be elected by the Board of Directors~~ Board elects the Vice President from among the directors. In the President's absence or disability ~~of the president,~~ the ~~vice president~~ Vice President shall perform all the President's duties ~~of the president and when so acting and in its place~~ shall have all the powers of, and be subject to all the restrictions upon, the ~~president. He or she shall have such other powers and perform such other duties as from time to time may be~~ President as prescribed by the Board of ~~Directors or the~~ these Bylaws.

Section 11.09. Section 9.—Secretary . The ~~secretary shall be elected by the~~ Board of ~~Directors~~ selects the Secretary from among the directors. The ~~secretary~~ Secretary shall keep or

cause to be kept at the Association's principal office ~~or such other place as the Board of Directors may order,~~ a book of all Board and Member meeting minutes ~~of all meetings of directors and Members,~~ with the time and place ~~of holding same, whether regular or special, and if special, how authorized, the notice thereof~~ the meeting was held. For all meetings, the Secretary shall keep the notices given, the names of those present at directors' meetings, the number of Members present in person at Members' meetings, and the proceedings thereof. ~~The secretary shall keep, or cause to be kept, appropriate current records showing the Members of the Association, together with their addresses. He or she shall give, or cause to be given, notice of all meetings of the Board of Directors required by the Bylaws or by law to be given, and he or she shall keep the seal of the Association in safe custody, and~~ The Secretary shall have such other powers and ~~perform such other~~ duties as ~~may be~~ prescribed by the Board ~~of Directors~~ or ~~by the~~ these Bylaws.

Section 11.10. ~~Section 10.~~ Chief Financial Officer /Treasurer. The ~~chief financial officer shall be elected by the Board of Directors~~ Board elects the Chief Financial Officer/Treasurer from among the directors. The ~~chief financial officer, who shall be known as the treasurer, shall~~ Treasurer has these duties and responsibilities: (a) keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the Association's properties and business transactions ~~of the Association,~~ including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. ~~The books and records shall at all reasonable times be open to inspection by any director or Member. The treasure shall;~~ (b) deposit all monies and other valuables in the name and to the credit of the Association with such ~~depositories as may be designated by~~ depositories as the Board ~~of Directors.~~ ~~He or she shall~~ may designate; (c) upon Board order, disburse ~~the funds of the Association as may be ordered by the Board of Directors,~~ shall render to the president and directors whenever they request ~~it~~ Association funds; (d) upon director or President request, render an ~~account~~ accounting of all ~~of his or her~~ the Treasurer's transactions ~~as treasurer and of the Association's~~ financial condition ~~of the Association,;~~ and shall have such ~~(e)~~ other powers and ~~perform such other~~ duties as ~~may be~~ prescribed by the Board ~~of Directors~~ or ~~the~~ these Bylaws. If ~~required by the Board of Directors~~ requires, the ~~treasurer~~ Treasurer shall give the Association a bond in the amount and with the surety or sureties ~~specified by the Board of Directors~~ for faithful performance of the Treasurer's duties ~~of his or her office and for restoration to~~ restoring the Association ~~of all its's~~ books, papers, vouchers, money, and other property of every kind in ~~his or her~~ the Treasurer's possession, or under ~~his or her~~ the Treasurer's control on ~~his or her~~ its death, resignation, retirement, or removal from office.

## ARTICLE XI

### Member Assessment Obligations and Association Finances

~~Section 1. Description of Assessment to Which Owners Are Subject . Owners of Lots within the Properties are subject to Regular, Special and Special Individual Assessments as more particularly described in the Declaration.~~

## ARTICLE XII ASSOCIATION FINANCES

Section 12.01. ~~Section 2.—~~Signing Checks—~~All.~~ The President and Treasurer, or such other officer's the Board designates, shall sign all Association checks or demands for money and notes of the Association shall be signed by the president and treasurer, or by such officer or officers or such other person or persons as the Board of Directors may from time to time designate. Notwithstanding the foregoing, any. Any withdrawal of funds from Association ~~reserve accounts~~ Reserve Accounts shall require the signature of two directors or an officer (who is not also a director) and a director.

Section 12.02. Association Accounts; How Maintained. The Association shall establish and maintain at a bank or savings institution at least two (2) separate accounts:

(a) ~~Section 3.—~~Operating Account—~~There shall be established and maintained~~ a. A cash deposit account ~~to be~~ known as the "OPERATING ACCOUNT" ~~into which shall be deposited to hold~~ the operating portion of all Regular and Special Assessments ~~as fixed and determined for all Members.~~ Disbursements from such account shall be for the general need of the operation including, but not limited to, to operate the Development's wages, repairs, betterments, maintenance, and other operating expenses ~~of the Properties.~~

~~Section 4. Other Accounts . The Board of Directors shall maintain any other accounts it shall deem necessary to carry out its purposes, including reserve accounts for replacement of capital improvements as more particularly set forth in the Declaration. All Association books of account shall be maintained in accordance with generally accepted accounting principles.~~

~~Section 5. Budgets and Financial Statements . The following financial statements and related information for the Association shall be regularly prepared and copies thereof shall be distributed to each Member of the Association.~~

(a) ~~Budget.~~ A pro forma operating budget meeting the requirements of this subparagraph

(b) ~~Reserve Accounts.~~ One or more "RESERVE ACCOUNTS" as the repository of "RESERVE FUNDS" the Association has set aside for Major Components, Association Capital Replacement Projects, and for payment of deductible amounts under insurance policies the Association maintains.

(c) ~~Other Accounts.~~ The Association has the authority and discretion to maintain any other accounts it deems necessary to carry out its purposes under the Act and the Governing Documents.

(d) ~~Generally Accepted Accounting Principles to Maintain Accounts.~~ The Association shall maintain all established accounts using generally accepted accounting principles.

Section 12.03. Significant Transfers. Transfers greater than ten thousand dollars (\$10,000.00) or five percent (5%) of the Association's total combined Reserve and Operating Account deposits, whichever is lower, shall not be authorized from the Association's Reserve or Operating Accounts without prior written Board approval.<sup>147</sup>

Section 12.04. ~~(A) shall be distributed to~~ Annual Budget Report. The Association shall distribute an Annual Budget Report to its Members not less than ~~45~~thirty (30) days nor ~~more than 60~~over ninety (90) days ~~prior to~~before the ~~beginning~~end of the Association's fiscal year.~~The budget shall include at least, including at minimum~~ the following information:<sup>148</sup>

(a) Contents.

(i) ~~The Association's~~ Pro-Forma Operating Budget. A pro forma operating budget showing the estimated revenue and expenses on an accrual basis;

~~(ii) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to section 6, below, and Civil Code section 1365.5, which shall be printed in bold type and include all of the following:~~ Summary of the Association's Reserves. A summary of the Association's Reserves based on its most recent Reserve Study.<sup>149</sup>

~~(A) The current estimated replacement cost, estimated remaining life and estimated useful life of the roads within the Green Springs Ranch which the Association is obligated to repair, maintain and replace ("Association roadways").~~

~~(B) As 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 roadways and the current amount of accumulated cash reserves actually set aside for Association roadways.~~

~~(C) The percentage that the amount of accumulated cash reserves is of the estimated amount of necessary cash reserves calculated under subparagraph (B), above.~~

(iii) A Summary of the Association's Reserve Funding Plan. The Board adopted Reserve Funding Plan.<sup>150</sup> The summary shall include notice to Members that the full Reserve Funding Plan is available upon request, and the Association shall provide the full Reserve Funding Plan to any Member upon request.

(iv) A Disclosure of Board Decision to Defer Major Repairs or Replacements of Major Components. If the Board has decided not to undertake needed repairs or replacements of Major Components, the Annual Budget Report shall contain a disclosure of that

<sup>147</sup> See Civil Code § 5502.

<sup>148</sup> See Civil Code § 5300.

<sup>149</sup> See Civil Code §§ 5550; 5565.

<sup>150</sup> See Civil Code § 5550(b)(5).

decision, including a justification for the deferral or decision not to undertake the repairs or replacement.

(v) ~~(iii)~~ A Disclosure of Any Special Assessment(s) that is/are Needed to Abide by the Reserve Funding Plan. A statement as to whether the Board ~~of Directors,~~ consistent with its Reserve Funding Plan,<sup>151</sup> has determined or anticipates ~~the levy of that levying one or more special assessments~~ Special Assessments will be required to repair, replace ~~or restore any Association roadways; and,~~ or restore any Major Components or to provide adequate Reserves therefor. If so, the statement shall contain the Special Assessment's estimated amount, commencement date, and duration.

~~(iv) 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 major components of the Association roadways.~~

~~In lieu of distributing the complete pro forma operating budget as specified above, the Board of Directors may elect to distribute a summary of the budget to the Members (within the time limits provided above), together with a notice that the complete budget is available at the Association's expense. This notice shall be presented on the front page of the budget summary in at least 10-point bold type. If a Member request a copy of the complete budget, the Association shall mail the material, via first class mail, within five days.~~

(vi) A Statement of Anticipated Funding Methods. A statement as to the mechanism(s) 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 repair projects, or alternative mechanisms.

(vii) A Statement of How Reserve Funding Requirements Have Been Calculated. A general statement addressing the procedures used for calculating and establishing those Reserves to defray the future repair, replacement, or additions to Major Components. The statement shall include at minimum Reserve calculations,<sup>152</sup> and may not assume a rate of return on cash Reserves exceeding two percent (2%) above the discount rate the Federal Reserve Bank of San Francisco has published at the time of making the calculation.

(viii) Disclosures Regarding the Basic Terms of any Long-Term Loan Obligations. A statement 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.

(ix) A Summary of Association-Maintained Insurance. A summary of the Insurance Policies that the Association is maintaining, including property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the insurer's name, type of insurance, policy limit, and deductible amount, if any. If the required information is specified in the insurance policy declaration page, the Association may meet its disclosure obligation by making copies of that page and distributing it with the Annual Budget

<sup>151</sup> See Civil Code § 5560.

<sup>152</sup> See Civil Code § 5570(b)(4) (providing the calculation formula.)

Report. The summary distributed under this subparagraph (ix) shall contain, in at least 10-point boldface type, a statement required by statute.<sup>153</sup>

(b) Manner of Distribution. The Annual Budget Report shall be made available to the Members by Individual Delivery. If a Member requests full copies of the reports, the Association must provide the Member full copies.<sup>154</sup>

(c) Including the Civil Code Assessment and Reserve Disclosure Summary Forms. The Assessment and Reserve Funding Disclosure Summary form<sup>155</sup> must accompany each Annual Budget Report or summary of the Annual Budget Report delivered under this Section.

Section 12.05. ~~(B) Year-End Report. Within 120 days after the close of~~ Review of the Association's Financial Statement. The Association shall distribute via Individual Delivery to its Members within one hundred twenty (120) days after the fiscal year; ~~end a copy~~ review of the Association's ~~year-end report consisting of a least the following shall be prepared in accordance with~~ financial statement prepared using generally accepted accounting principles by a licensee of the ~~State~~ California Board of Accountancy ~~and shall be distributed to Members; for any fiscal year in which the Association's gross income exceeds seventy-five thousand dollars (\$75,000).~~

~~(i) A balance sheet as of the end of the fiscal year;~~

~~(ii) An operating (income) statement for the fiscal year;~~

~~(iii) A statement of changes in financial position for the fiscal year;~~

~~(iv) A statement advising Members of the place where the name and addresses of the current Members are located; and~~

~~(v) Any information required to be reported under section 8322 of the Corporations Code 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.~~

Section 12.06. Review of Accounts. The Board of Directors on no less than a monthly basis shall:<sup>156</sup>

(a) Review a current reconciliation of the Association's Operating Accounts;

(b) Review a current reconciliation of the Association's Reserve Accounts;

<sup>153</sup> See Civil Code § 5300(b)(9).

<sup>154</sup> See Civil Code § 5300(c).

<sup>155</sup> See Civil Code § 5570 (how prepared.)

<sup>156</sup> See Civil Code § 5500.

- (c) Review the current year's actual revenues and expenses compared to the current year's budget;
- (d) Review the Association's latest account statements prepared by the financial institution(s) with whom the operating and Reserve Accounts are lodged;
- (e) Review the Association's income and expense statement for the Operating and Reserve Accounts; and
- (f) Review the check register, monthly general ledger, and delinquent Assessment receivable reports.

The Association satisfies its review requirements when every Board member, or Board subcommittee consisting of the Treasurer and at least one other Board member, reviews the subparagraph (a) through (f) documents and statements independent of a Board meeting, if the review is ratified at the Board meeting after the review and that ratification is reflected in the Board meeting minutes.<sup>157</sup>

~~Section 12.07. Section 6. Required Reserve Studies - At least once every three years, the Board of Directors shall cause a study of the reserve account requirements of Green Springs Ranch to be conducted if the current replacement value of the Association roadways is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board of Directors shall also review any reserve study required hereunder on an annual basis and shall consider and implement necessary adjustments to the Board of Directors' analysis of the reserve account requirements as a result of that review. The reserve study required hereunder shall include the minimum requirements specified in Civil Code section 1365.5 or comparable successor statute.~~Required Reserve Studies. The Board shall cause to be conducted at least once every three (3) years a reasonably competent and diligent visual inspection of the accessible areas of the Major Components for which the Association is responsible (each a "RESERVE STUDY") of the Association's Reserve Account requirements if the Major Components' replacement value is equal to or greater than one-half of the Association's gross budget, excluding the Association's Reserve Accounts for that period. The Board shall review or cause to be reviewed annually this Reserve Study, and shall consider and implement necessary adjustments to the Board's analysis of the Reserve Account requirements because of that review.<sup>158</sup> The Reserve Study shall include at minimum:<sup>159</sup>

~~To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.~~

## ARTICLE XII

### Miscellaneous

<sup>157</sup> See Civil Code § 5501.

<sup>158</sup> See Civil Code § 5550(a).

<sup>159</sup> See Civil Code § 5550(b).



**Section 1. Inspection of**

(a) Identification of each Association-responsible Major Component with a remaining useful life of less than thirty (30) years as of the date of the Reserve Study;

(b) Identification of the probable remaining useful life of those subparagraph (a) Major Components as of the date of the Reserve Study;

(c) An estimate of the cost to repair, replace, restore, or maintain those subparagraph (a) Major Components.

(d) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore or maintain those subparagraph (a) Major Components during and at the end of their useful life, after subtracting total Reserve Funds as of the date of the Reserve Study.

(e) A "RESERVE FUNDING PLAN" indicating how the Association plans to fund the contribution identified in subparagraph (d) to meet the Association's obligation for the repair and replacement of all Major Components with an expected remaining life of thirty (30) years or less, not including those Major Components the Board has determined will not be replaced or repaired. This Reserve Funding Plan shall also include a schedule of the date and amount of any change in the Regular or Special Assessments needed to sufficiently fund the Reserve Funding Plan.<sup>160</sup> The Board of Directors shall adopt the Reserve Funding Plan at an open meeting.<sup>161</sup> If the Board determines an Assessment increase is necessary to fund the Reserve Funding Plan, any increase shall be approved in a separate Board action consistent with statutory procedure.<sup>162</sup>

Section 12.08. Statutory Assessment and Reserve Funding Disclosure Summary. The Association shall provide Members these Article XII disclosures in summary form using the Assessment and Reserve Funding Disclosure Form.<sup>163</sup> Then Reserves for Major Components shall be computed as the current cost of replacement or repair multiplied by the number of years the component has operated, divided by the useful life of the Major Component. This disclosure is not construed to require the Board to fund Reserves using the calculation required to be statutorily disclosed.<sup>164</sup>

### **ARTICLE XIII** **ANNUAL POLICY STATEMENT**

The Board shall distribute to the Members via Individual Delivery within thirty (30) to ninety (90) days before fiscal year end an Annual Policy Statement describing information about Association policies. The Annual Policy Statement must contain all information required under statute.<sup>165</sup>

<sup>160</sup> See Civil Code § 5560(a).

<sup>161</sup> See Civil Code § 5560(b).

<sup>162</sup> See Civil Code §§ 5560(c); 5605 (requiring member approval).

<sup>163</sup> See Civil Code § 5570.

<sup>164</sup> See Civil Code § 5565(d).

<sup>165</sup> See Civil Code §§ 5310(a); 5320.

## ARTICLE XIV MISCELLANEOUS

### Section 14.01. Inspecting Books and Records .

(a) Member Inspection Rights. ~~All accounting books and records, minutes of proceedings of the Members, the Board of Directors and committees of the Board of Directors and the membership list of the Association shall at all reasonable times be subject to the inspection of any Member of his or her duly appointed representative for any purpose reasonably related to the Member's interest as a Member of the Association. Member's rights of inspection hereunder shall be exercisable 10 days from the Association's receipt of written demand, which demand shall state the purpose for which the inspection rights are requested. Inspection rights with respect to the membership list shall be subject to the Association's right to offer a reasonable alternative to inspection within 10 days after receiving the Member's written demand (as more particularly set forth in section 8330 and following of the California Corporations Code).~~

(i) Scope of Inspection Rights of Members. All Association accounting books and records; Board, Member, and Committee meeting minutes; the membership list; and any "ASSOCIATION RECORDS"<sup>166</sup>, "ENHANCED ASSOCIATION RECORDS"<sup>167</sup> and "ASSOCIATION ELECTION MATERIALS"<sup>168</sup> (collectively, the "SUBPARAGRAPH (a)(i) RECORDS") shall during reasonable business hours, be subject to Member inspection following the requirements and restrictions in Civil Code sections 5200 and 5240. Any Member that submits a written request to the Association to inspect the membership list must state the purpose for the inspection and the purpose must be reasonably related to the requester's interest as a Member.<sup>169</sup>

(ii) Prohibited Uses of Association Records and Documents. The subparagraph (a)(i) records and information may not be used or sold for commercial purposes, used in a prohibited manner<sup>170</sup>, or used for any other purpose not reasonably related to a Member's interests as a Member.<sup>171</sup> Regarding a Member request to access the membership list, the Association can deny access if the Board reasonably believes the membership list will be used for a prohibited purpose. In this circumstance, the Association can propose an alternative method of achieving the Member's stated purpose without providing access to or a copy of the list itself if the Association presents its alternative method within ten (10) days following receipt of the Member's request.<sup>172</sup>

(iii) Association's Right to Withhold Information. The Association may withhold or redact information from the subparagraph (a)(i) records if any of the following are true: (A) releasing the information is reasonably likely to lead to identity theft<sup>173</sup>; (B) releasing the information is reasonably likely to lead to fraud in connection with the Association; (C) the

<sup>166</sup> See Civil Code § 5200(a).

<sup>167</sup> See Civil Code § 5200(b).

<sup>168</sup> See Civil Code § 5200(c).

<sup>169</sup> See Civil Code § 5225.

<sup>170</sup> See Corporations Code § 8338.

<sup>171</sup> See Civil Code § 5230(a).

<sup>172</sup> See Corporations Code § 8330(c).

<sup>173</sup> See Civil Code § 5215(a)(1) ("the unauthorized use of another person's personal identifying information to obtain credit, goods, services, money or property.")

information is privileged by law (e.g. the attorney-client privilege, work-product privilege, or confidential settlement agreements); (D) releasing the information is reasonably likely to compromise a Member's privacy; or (E) other information is at risk.<sup>174</sup> Excepting information covered under attorney-client privilege, the Association may not withhold or redact information about the compensation paid to employees, vendors or contractors.<sup>175</sup>

(iv) Members Right to "Opt-Out" of Sharing Personal Information. A Member may opt out<sup>176</sup> of sharing of that Member's name, property address, mailing address or email address by notifying the Association in writing that the Member prefers to be contacted via the alternative<sup>177</sup> means. This opt out shall remain in effect until changed by the Member. Within a reasonable time after the first annual Members meeting, the Board shall distribute to all Members an "opt-out" form with a reasonable deadline to return and retain all received "opt-out" forms in the Association's records.

(v) Designation of Agent for Purposes of Inspection. A Member may inspect and copy the subparagraph (a)(i) records either in person or through an **appointed representative**. A Member intending to designate a representative must do so in the Member's inspection request.

(vi) Protocols for Responding to Inspection Demands; Timing. The Association shall make the subparagraph (a)(i) records available for inspection and copying in the Association's business office or mutually agreed upon location.<sup>178</sup> If the Association and the requesting Member cannot agree upon a location or the Member has specifically identified records, the Association may satisfy its requirement by delivering to the Member via Individual Delivery copies of the specifically identified records. Respective subparagraph (a)(i) records are subject to Member inspection during statutorily mandated timeframes.<sup>179</sup>

(vii) Cost of Copies. The Association may bill the requesting Member for its actual, reasonable costs for copying and mailing if the Association informs the Member of those costs before sending the requested documents.<sup>180</sup>

(viii) Electronic Delivery. Requesting Members may receive specifically identified records by electronic transmission or machine-readable storage media if those records can be transmitted in a redacted format that does not allow the records to be altered. Duplication costs are limited to the direct cost of producing the copy of a record in that electronic format.<sup>181</sup>

(b) Director Inspection Rights. ~~Every director shall have an absolute right~~ **Directors** at any reasonable time ~~to may~~ inspect and copy all ~~books, records, documents and minutes of the Association and the physical properties owned by the Association. The right of inspection-~~

<sup>174</sup> See Civil Code § 5215(a)(5).

<sup>175</sup> See Civil Code § 5215(b).

<sup>176</sup> See Civil Code § 5220.

<sup>177</sup> See Corporations Code §8330(c).

<sup>178</sup> See Civil Code §§ 5205(c),(d).

<sup>179</sup> See Civil Code § 5210.

<sup>180</sup> See Civil Code § 5205(f).

<sup>181</sup> See Civil Code § 5205(h).

~~by a director includes the right to make extracts and copies of documents~~ subparagraph (a)(i) records, subject to their fiduciary obligations to act in good faith and in a manner the director believes to be in the best interests of the Association before using or disseminating the information. Directors shall not disclose information received in executive session or received in a writing marked as "Confidential Communication/Attorney-Client Privilege" to any person not a director or other individual the Board determines need to know the information to facilitate director's obligations to make informed decisions in the Association's best interests.

(c) ~~Adoption of~~ Adopting Reasonable Inspection Rules. The Board of Directors may ~~establish~~ adopt reasonable ~~rules with respect~~ Association Rules relating to: (i) notice of inspection; (ii) hours and days of the week when inspection may be made; and (iii) ~~payment of the cost of reproducing copies of documents requested by the Member~~ has requested.

~~(D) Board of Directors Meeting Minutes. 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 of Directors, other than an executive session, shall be available to the 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 Associations costs in making that distribution. Members shall be notified in writing at the time that the proforma budget required is distributed or at the time of any general mailing to the entire membership of the Members' right to have copies of the minutes of any Board of Directors meeting and how and where those minutes may be obtained.~~

Section 14.02. Section 2.—Property Manager. The Board of Directors may, ~~from time to time, occasionally~~ employ ~~the services of a manager or property management company~~ to manage the affairs of the Association, and, ~~to the extent not inconsistent with the laws of the State of California, and upon such conditions as are otherwise deemed advisable by the Board of Directors, the Board of Directors may delegate to the manager~~ delegate any of ~~its~~ the Board's day-to-day management and maintenance duties ~~and powers under these Bylaws and the Declaration, provided that the Governing Documents to the extent not inconsistent with California law. Regardless, the manager shall at all times remain~~ or management company is subject to the ~~general~~ ultimate control of the Board ~~of Directors~~.

Section 14.03. Section 3.—Robert's Rules of Order . ~~In the event of~~ If a question or dispute concerning the ~~procedural aspects of any meetings which~~ regarding conduct or procedure of a meeting cannot be resolved by reference to ~~these Bylaws or applicable law, the matter~~ the Governing Documents or California Law, the Association shall be resolved by reference adhere to Robert's Rules of Order.

Section 14.04. Section 4.—Amendment or Repeal of Bylaws . ~~Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the. The affirmative vote of assent by written ballot of not less than a majority of the Members; provided that if any may amend or revoke these Bylaws using secret balloting procedures. Notwithstanding the foregoing, the percentage of the Voting Power necessary to amend a specific clause or provision of these Bylaws requires the vote of a larger proportion or all of the Members, such provisions may not be altered, amended or repealed except by such greater vote, unless otherwise specifically provided herein. Any amendment to shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Any~~

amendment of these Bylaws shall become effective immediately upon approval by the Members. The ~~secretary of the Association~~Secretary shall certify adoption of any duly approved amendment to the Bylaws and a copy of said certificate and the amendment shall be included in the Association's ~~corporation~~corporate records.

~~Section 14.05. Section 5.— Notice Requirements.— Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 72 hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association or the Board of Directors at the principal office of the Association as designated from time to time by written notice to the Members; if to a director, at the address from time to time given by such director to the secretary for the purpose of service of such notice; if to a Member, at the address from time to time given by such Member to the secretary for the purpose of service of such notice, or, if no such address has been so given, to the address of any Lot within Green Springs Ranch owned by such Member.~~Notice Requirements. Any notice required by the Bylaws must be delivered according to these Bylaws, the Act, Individual Delivery, or General Delivery, as applicable. Delivery of electronic documents is complete at the time of transmission. Delivery of documents by mail is deemed complete on deposit into the United States mail. If the Association or a Member has consented to receive information by electronic delivery, and the Act requires the information be in writing, that requirement is satisfied if the information is provided in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.<sup>182</sup>

~~Section 6.~~

Section 14.06. Indemnification of Agents.

(a) Indemnification by Association of Directors and, Officers, Employees and Other Agents. To the fullest extent permitted by law, the Association shall indemnify its directors, ~~and~~ officers, employees, and other agents, 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 section and including an action by or in the right of the Association, by reason of the fact that such person is or was a director or officer. The term "Expenses," as used in this section, shall have the same meaning as in section 7237(a) of the California Corporations Code.~~<sup>183</sup>

~~(B) Approval of Indemnity by Association. On written request to the Board of Directors by any person seeking indemnification hereunder, the Board of Directors shall promptly determine~~

~~(b) in accordance with section 7237(e) of the California Corporations Code~~Approval of Indemnity by Association. On written request to the Board by any person seeking indemnification, the Board shall promptly determine<sup>184</sup> whether the applicable standard

<sup>182</sup> See Civil Code § 4055.

<sup>183</sup> See Corporations Code § 7237 (defining "expenses", "proceeding", and other circumstances.)

<sup>184</sup> See Corporations Code § 7237(e) (describing manner of determination.)

of conduct ~~set forth in section 7237(b) or section 7237(c)~~<sup>185</sup> has been met and, if it has, the Board ~~of Directors~~ shall authorize indemnification. If the Board ~~of Directors~~ cannot authorize indemnification because the number of directors who are parties to the proceeding ~~with respect to which~~ where indemnification is sought prevents ~~the formation of~~ forming a quorum of directors who are not parties to the proceeding, the Board ~~of Directors~~ shall promptly call a ~~meeting of~~ Members meeting. At ~~that~~ the Member's meeting, the Members shall determine ~~under section 7237(e) of the California Corporations Code~~ whether the applicable standard of conduct ~~set forth in section 7237(b) or section 7237(c)~~ has been met and, if it has, the Members present at the meeting ~~in person~~ shall authorize indemnification.

(c) Advancement of Expenses. To the fullest extent permitted by law and except as is otherwise determined by the Board ~~of Directors~~ in a specific instance, The Association shall advance expenses incurred by a ~~director or officer~~ person seeking indemnification under ~~paragraphs~~ subparagraphs (a) and (b) ~~of this section~~ in defending any proceeding ~~covered by those 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 must indemnify the person for those expenses.

~~(D) Insurance. The Association shall have the power to purchase and maintain insurance on behalf of its directors and officers against other liability asserted against or incurred by any director or officer in such capacity or arising out of the director's or officers status as such.~~

Section 14.07. Section 7. — Construction and Definitions . Unless the context requires otherwise or a term is specifically defined ~~herein~~, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and ~~neuter~~ neutral, and singular number includes the plural and the plural number includes the singular. All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and ~~shall do~~ not affect the interpretation or application of ~~any of~~ the terms or provisions contained herein.

~~Section 8. Annexing Property . All properties annexed into Green Springs Ranch will be done so by majority vote of Members. The owners of the newly annexed property will automatically become a member of the Association and subject to its Bylaws and Articles of Declaration.~~

## **ARTICLE XIII**

### **Other Required Disclosure to Members**

~~Section 1 Annual Notice Regarding Assessments and Foreclosure. As required by Civil Code section 1365.1, the Association shall distribute to all Members during the sixty (60)-day period immediately preceding the beginning of the Association's fiscal year, the notice regarding Association assessment authority, foreclosure and other collection remedies that are~~

<sup>185</sup> See Corporations Code §§ 7237(b),(c).



~~set forth in subparagraph (b) of Civil Code section 1365.1. This notice shall be printed in at least 12-point type.~~

~~Section 2. Notification to Members Regarding Insurance Coverage Maintained by the Master Association.~~

~~(A) Scope of Required Summary Disclosures. In accordance with California Civil Code section 1365(e), within sixty (60) days preceding the beginning of the Association's fiscal year, the Association shall distribute to its Members a summary of the Association's property, general liability and earthquake and flood insurance, if any, containing the information described in subparagraph (b) below.~~

~~(B) Content of Annual Insurance Summary. The insurance summary required by subparagraph (a) above, shall include (i) the name of the insurer; (ii) the type of insurance; (iii) the policy limits of the insurance; and (iv) the amount of the deductibles, if any. In addition, the summary shall include the following statement in at least 10 point boldface type: "This summary of the Association's policies of insurance provides only certain information, as required by section 1365(e) of the California Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and provision of reasonable notice to the Association, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your Residence or personal injuries or other losses that occur within or around your Residence. Even if a loss is covered by the Association's insurance, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association Members should consult with their individual insurance broker or agent for appropriate additional coverage." To the extent that any of the information that is required to be included in an annual insurance summary is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by providing its Members with a copy of the declaration page.~~

~~(C) Notification of Cancellation or Material Change in Policies. In addition to distributing the insurance summaries described in subparagraph (a) of this section, if any of the policies described in the summary lapse or are cancelled and are not immediately renewed, restored or replaced, or if there is a significant change in the policies, such as a reduction in coverage or limits or an increase in the deductible, then the Association shall, as soon as reasonably practical, notify its Members of the lapse, cancellation or significant change. This notice shall be sent by first class mail. If the Association receives any notice of non-renewal of a policy described in subparagraph (a), the Association shall immediately notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.~~

~~Section 3. Alternative Dispute Resolution (ADR) Disclosure. On an annual basis, the Board of Directors shall provide each Member a summary of the provisions of California Civil Code section 1354, which specifically references section 1354 and which includes the language required by section 1354(i). The summary shall be provided either at the time the budget required by Article XII, Section 5, above is distributed or in the manner specified in California Corporations Code section 5016.~~

~~Section 4. Statement of Outstanding Charges. Within ten (10) days following receipt of a~~



~~written request by an Owner, the Association shall provide the Owner with a written statement setting forth the following information as of the date of the statement: (a) the amount of the Association's current Common Assessment and Special Assessments, if any, and fees; (b) the amount and nature of any assessments levied upon the Owner's Lot which are unpaid on the date of the statement; (c) true and correct information regarding late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien on the Owner's Lot in accordance with Civil Code section 1367; and (d) any change in the Association's current Common and/or Special Assessments and fees which have been approved by the Association's Board of Directors, but have not become due and payable as of the date of the statement. The Association may impose a fee for providing the information stated in this Section 4 below, not to exceed the reasonable costs incurred to prepare and reproduce the requested items.~~

~~Section 5. Disclosure of Schedule of Fines or Other Monetary Penalties. If the Association adopts a schedule of fines for commonly recurring infractions of the Governing Documents, or any other policy imposing a monetary penalty or a fee on any Member for violation of any Governing Document or the Association Rules, including any monetary penalty relating to the activities of a guest or invitee of a Member, the Board shall distribute the schedule or policy to the Members by either personal delivery or by first-class mail. This distribution obligation shall arise whenever such a schedule or policy is adopted or subsequently amended.~~

~~Section 6. Avoidance of Duplication in Reporting Requirements. To the extent one document distributed to the Members pursuant to Article XII or XIII this Article provides the information required in more than one of the foregoing sections of this Article, any such requirements listed above may be satisfied by sending the Members the same document.~~

Section 14.08. Annexing Property. All properties annexed into Green Springs Ranch will be done so by a majority vote of the Members. The Owners of the newly annexed property will automatically become a Member of the Association and subject to the Governing Documents.

### CERTIFICATE OF THE SECRETARY

The undersigned, ~~secretary~~ Secretary of the ~~corporation known as~~ Green Springs Ranch Landowners Association, ~~hereby~~Inc. certifies ~~that the above~~these Amended and ~~foregoing~~ Bylaws, consisting of 22 pages, is a complete copy of the Bylaws, including the amendment thereto duly adopted by written ballot of the Members of the Association effective on January 30, 2004, and that it constitutes ~~the complete Bylaws of~~Restated Bylaws, consisting of forty-two (42) pages, were duly adopted under Article XII, Section 4 of the current Bylaws adopted January 30, 2004, in a secret ballot vote of the membership that ended on \_\_\_\_\_, 2024, and now constitute the Association's Bylaws.

#### **GREEN SPRINGS RANCH LANDOWNERS**

GREEN SPRINGS RANCH LANDOWNERS ASSOCIATION, INC.

**ASSOCIATION,** a California nonprofit mutual benefit corporation

By: \_\_\_\_\_

Name:

Title:

AMENDED AND RESTATED BYLAWS  
OF  
GREEN SPRINGS RANCH LANDOWNERS ASSOCIATION, INC.

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