
**FIRST RESTATED BYLAWS
OF
CAMINO VILLAGE HOMEOWNERS ASSOCIATION**

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**FIRST RESTATED BYLAWS
OF
CAMINO VILLAGE HOMEOWNERS ASSOCIATION**

ARTICLE I: RECITALS AND DEFINITIONS.

Section 1.1. Name of Association. The name of this corporation is Camino Village Homeowners Association and shall be referred to herein as the "Association."

Section 1.2. Association Is Nonprofit. The Association is a nonprofit mutual benefit corporation and is governed by the California Nonprofit Mutual Benefit Corporation Law (Corporations Code Sections 7110-8970).

Section 1.3. Specific Purpose. The specific and primary purpose of this Association shall be to repair, maintain and manage the Common Area and Common Facilities within that certain real estate common interest development located in the County of Sacramento, State of California, commonly referred to as the Camino Village development or the "Project," to maintain individual lots and the residences located therein to the extent and in the manner more particularly described in the Declaration, enforce the Rules and Regulations adopted by the Board of Directors, from time to time, and the terms and conditions of the Declaration and otherwise to enhance and promote the use and enjoyment of the Common Areas and Common Facilities by the Owners in common.

Section 1.4. Definitions.

(a) **"Majority of a Quorum"** means the vote of a majority of the votes cast at a meeting or by written ballot when the number of Members attending the Membership meeting or the number of written ballots cast equals or exceeds the quorum requirement specified in Section 5.5, below.

In the case of Membership meetings, the voting power of a particular Member may be represented at the meeting by proxy (*See* Section 4.5, below).

(b) **"Member"** has the same meaning as set forth in the Declaration; i.e., every person or entity who is a record Owner of a fee or undivided fee interest in any Lot within the Project and, thereby, holds a Membership in the Association except any such person or entity who holds an interest in a Lot merely as a security for the performance of an obligation and persons or entities whose rights as a Member are suspended pursuant to Section 13.6 of the Declaration.

(c) **"Member in Good Standing"** has the same meaning as set forth in the Declaration; i.e., a Member of the Association who is current in the payment of all dues, assessments, fines, penalties and other charges imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents. A "Member in Good Standing" is a "Member eligible to vote" for purposes of these Bylaws.

(d) **"Owner"** has the same meaning as set forth in the Declaration, i.e.: any person, firm, corporation or other entity which owns a fee simple interest in any Lot. The term "Owner" includes, except where the context otherwise requires, the Owner's family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees. The term "Owner" does not include those having such interest merely as security for the performance of an obligation.

(e) **"Person"** means and includes any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.

(f) **"Resident"** means any person who resides in a Unit within the Project whether or not such person is an Owner/Member as defined in Subsections 1.4(b) and (d), above.

(g) **"Rules"** means the rules and regulations governing the use, occupancy, management, administration and operation of the Project or any part thereof as adopted and published by the Board of Directors from time to time.

(h) **"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 (*See* Section 5.8, below for provisions pertaining to "Record Dates").

(i) **Definitions Incorporated by Reference.** All terms used herein that are defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

ARTICLE II: PRINCIPAL OFFICE.

Section 2.1. Location of Principal Office. The principal office of the Association will be located at such places within the County of Sacramento, State of California as the Board may from time to time designate by resolution.

ARTICLE III: MEMBERSHIP AND MEMBERSHIP RIGHTS.

Section 3.1. Members of the Association. Every Owner of a Lot within the Project is a Member of the Association. Only Owners of record of a Lot within the Project shall be Members.

Membership in the Association is appurtenant to, and may not be separated from, ownership of any Lot. Membership in the Association shall not be transferred, encumbered, pledged, alienated or hypothecated in any way, except upon the transfer or encumbrance of the Lot to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Lot. Any attempt to make a prohibited transfer is void.

Section 3.2. Term of Membership. Upon becoming the Owner of a Lot, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as the ownership of said Lot ceases for any reason. The Owner's Membership interest appurtenant to the Lot shall automatically transfer to the Lot's new Owner(s) upon the sale, conveyance or other transfer of an Owner's interest in a Lot.

Section 3.3. Multiple Ownership of Lots. Ownership of a Lot shall give rise to a single Membership vote in the Association. Accordingly, if more than one person owns a Lot, all of these persons shall be deemed to be one Member for voting purposes, although all such Owners shall have equal rights (as Members) to use and enjoy the Common Areas and Common Facilities.

The Secretary of the Association shall be notified in writing of the Owner designated by their Co-Owners as having the sole right to vote the Membership on their behalf. If no such notification is received, the Secretary may accept the vote of any Owner of Record or proxy holder of such an Owner as the vote attributable to the Lot in question. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Lot.

If joint Owners are unable to agree among themselves as to how their vote or votes are to be cast, they shall lose their right to vote on the matter in question. If multiple Owners of a Lot attempt to vote the Membership attributable to said Lot in an inconsistent fashion, the Secretary or other person or persons designated as inspectors of election by the Board of Directors may refuse to count any ballot pertaining to that Lot.

Section 3.4. Furnishing Evidence of Membership. A person shall be entitled to exercise the rights of a Member once the Secretary has received notice in writing that said person is qualified to be a Member as set forth in Section 3.1, above, and, if requested by the Secretary, has provided the Secretary with evidence of such qualification in the form of a copy of a recorded grant deed (certified by the Office of the Recorder for Sacramento County) or a currently effective policy of title insurance. Exercise of Membership rights shall be further subject to the provisions regarding record dates set forth in Section 5.8, below.

Section 3.5. Right to Use and Enjoyment of Common Areas by Members and Members' Families. Subject to the provisions hereof and the provisions of the Declaration and/or other Governing Documents, a Member and the other individuals who also reside in the respective Member's Unit shall have the right to and be entitled to the use and enjoyment of all Common Areas, roads, and Common Facilities within the Project.

Section 3.6. Delegation of Membership Rights.

(a) Assignment of Rights to Tenants/Lessees. Any Member who has leased or rented the Member's Lot to another person or persons shall in all events be deemed to have delegated to their tenants all rights of use and enjoyment of the Common Area pursuant to Section 2.3 of the Declaration. (*See also* Sections 2.5 and 3.2 of the Declaration for additional restrictions, limitations and/or requirements relevant to leasing or renting of Units). It is the express purpose and intent of the provisions of this Section 3.6 to limit the right of use and enjoyment of the Common Area to residents of the Project and Members of their household and their guests.

Each Member shall have the right to assign any other of the Member's rights (except voting rights) to a tenant residing on the Member's Lot. Such assignment shall be effective only so long as said tenant is residing on said Lot and is in compliance with the Governing Documents in effect at that time. At all times, the Member shall remain responsible for compliance by Member's lessee or tenant with the provisions of the Governing Documents.

During the period of any lease or rental of a Lot, any Owner not residing within the Project shall not be entitled to use the Common Areas or Common Facilities except to the extent reasonably necessary to perform the usual responsibilities of a landlord or to ensure or gain compliance by the tenant with the requirements of these Bylaws and of the Declaration, unless the Lessor-Owner is contemporaneously residing on another Lot within the Project.

(b) Assignment of Rights to Contract Purchasers. Further, any Member who has sold that Member's Lot to a contract purchaser shall be entitled to delegate to such contract purchaser the Member's rights and privileges of Membership in the Association. Such Member shall be deemed to have delegated all rights to use and enjoyment of the Common Area to a contract purchaser who has assumed occupancy of said Lot. No delegation of any Membership rights or privileges to a non-resident contract purchaser shall be binding, however, until the Board of Directors has been notified in writing pursuant to Section 3.4, above.

Notwithstanding any delegation, until fee title to the Lot has been transferred of record, a contract seller shall remain liable for all assessments, fines and other charges imposed by the Board and for compliance with the Governing Documents by all Residents of the Member's Lot.

Section 3.7 Invitees and Guests. The invitees and guests of a Member shall have the right to use and enjoy the Common Areas and Common Facilities within the Project, as long as the guest or invitee is in the company and supervision of the Member. Any such guest or invitee shall be subject to the same obligations imposed on the Member to observe the Rules, restrictions, and regulations of the Association as set forth in the Governing Documents.

Section 3.8. Association Rules. The right of any person to use and enjoy the Common Areas and Common Facilities shall at all times be subject to the rules, restrictions and regulations set forth herein, in the Declaration, and in the Association's published Rules as promulgated by the Board from time to time or within the Association's other Governing Documents.

The Board shall have the right to impose monetary penalties or to suspend the use and enjoyment of any Common Area and Common Facilities for the failure of a Member to pay any Assessments when due under the Declaration, or to comply with any other rule or regulation imposed upon such Member, Member's family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees pursuant to the Governing Documents; provided, however, that any such suspension shall be imposed only after such person has been afforded the notice and hearing rights more particularly described in Article XIII of the Declaration.

ARTICLE IV: MEMBERSHIP VOTING.

Section 4.1. Single Class of Membership. The Association shall have one class of voting Membership.

Section 4.2. Member Voting Rights. On each matter submitted to a vote of the Members, whether at a meeting of the Membership called and held pursuant to the provisions of these Bylaws or otherwise, each Member shall be entitled to cast one vote for each Lot owned by such Member (subject to limitations found in Section 4.3, below). Single memberships in which two (2) or more persons have an indivisible interest shall be voted as provided in Section 3.3, above.

Section 4.3. Eligibility To Vote. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Declaration (*See* Subsection 1.4(c), above, and Section 13.6 of the Declaration).

A Member's good standing shall be determined as of the record date established in accordance with Section 5.8, below. A Member who owns more than one Lot shall be ineligible to vote with respect to each Lot for which the Member is delinquent.

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 (delinquency) of assessments. Suspension of a Member's voting privileges for nonpayment of assessments shall take effect automatically as soon as the Member becomes delinquent (*See* Section 5.9 of the Declaration).

Notification of delinquency (in compliance with Section 5.9 of the Declaration) shall be deemed to be notice to the Member of the suspension of the Member's voting rights. A delinquent Member shall be entitled to request a hearing on the suspension of the Member's voting privileges in accordance with Article XIII of the Declaration.

Section 4.4. Manner of Casting Votes.

(a) Voting at Membership Meetings. Voting at any Membership meeting may be by voice, show of hands or by written ballot (either pursuant to Section 4.6, below, or a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting), provided that any election of Directors shall be conducted by secret ballot (either pursuant to Section 4.6, below, or a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting).

The vote on any other issue properly before a meeting of the Members shall be conducted by secret ballot when determined by the chairman of the meeting, in their discretion, or when requested by ten percent (10%) of the Members present at the meeting.

(b) Voting by Written Ballot. In addition to voting in person or by proxy at a meeting, Members' votes may be solicited by written ballot (in accordance with Section 4.6) with respect to any issue.

(c) Proxy Voting. Members otherwise eligible to vote at a meeting may do so in person or by proxy issued as provided in Section 4.5.

(d) Cumulative Voting. Cumulative voting shall not be permitted.

Section 4.5. Proxies.

(a) Proxies Generally. Any Member entitled to vote at any Members' meeting may do so either in person or by a written proxy.

(b) Effectiveness of Proxies. Any proxy shall be for a term not to exceed eleven (11) months from the date of issuance, unless otherwise a longer term for which such proxy is to continue in force is expressly provided in the proxy. Said longer term shall in no case exceed three (3) years from the date of the proxy's execution.

The dates shown on the forms of proxy presumptively determine the order of execution (and respective validity), regardless of the postmarks shown on the envelopes in which said proxies may have been mailed.

(c) Revocation of Proxies. Subject to the time limits set forth above in Subsection (b), above, every proxy continues in full force and effect until revoked by the issuing Member. Once revoked, proxies shall not be used for any purpose, including but not limited to establishing a quorum.

Any proxy issued hereunder shall be revocable by the person executing such proxy at any time prior to any vote by (i) delivery to the Secretary of the Association a written notice of revocation; (ii) a subsequent proxy executed by the Member executing the prior proxy that is presented to the Meeting; or (iii) as to any Meeting, by the Member who executed the proxy attending such Meeting and voting in person.

A proxy shall be deemed revoked when the Secretary of the Association receives actual notice of any of the following prior to the counting of the vote: (i) death of the Member issuing the proxy or (ii) judicially declared incompetence of the Member.

(d) Proxyholder and Voting of Proxies. If the Member fails to indicate a voting preference on any designated matter, or, if some matter not addressed in the proxy is properly brought to a vote of the Members, the proxy holder shall have authority to vote the proxy with

respect to such matter unless the issuing Member has clearly indicated, in writing on the proxy, that the Member does not desire that the Member's proxy be voted in the proxy holder's discretion.

Failure to indicate a voting preference as to any particular matter described in the proxy shall not invalidate the proxy as to other matters where a voting preference is indicated.

(e) Contents and Form of Proxy. In order to be voted, the proxy must be:

- (i) In writing;
- (ii) Signed by the issuing Member(s);
- (iii) Dated and filed with the Secretary of the Association;
- (iv) Set forth a general description of each matter intended (as of the time the proxy is distributed) to be acted upon and provide the Members with an opportunity to specify a choice between approval and disapproval on each such matter; and
- (v) For proxies to be used in any election of Directors, the form of proxy shall name all candidates known (as of the time the proxy is distributed) and provide a space where the Member can designate a vote for another (write-in) candidate for each Director position. The proxy form shall also provide the Members with an opportunity to specify a choice between candidates or to withhold the Member's authority to vote the Member's proxy in the election.

Proxy forms that do not comply with the above requirements shall not count toward any vote and/or towards establishing a quorum.

(f) Use of Proxy to Establish Quorum. Subject to Section 4.3 and Subsection (e), above, all proxies received by the Association may be counted for purposes of establishing a quorum at the meeting for which the proxy has been issued, regardless of whether the Member has indicated a voting preference on any matter described in the proxy.

(g) No Proxy Voting in Connection with Written Ballots. Proxy voting is not allowed when Members' votes are solicited by written ballot in accordance with Section 4.6, below.

(h) Proxy Rights Strictly Limited. The proxy rights of Members shall be strictly limited to the rights specified in this Section 4.5.

(i) Restriction or Elimination of Proxy Rights: Limitation on Authority. No amendment of the Articles, Declaration or Bylaws repealing, restricting, or expanding proxy rights may be adopted without approval by the affirmative vote of a majority of the voting power of the Members represented and voting at a duly held meeting at which a quorum is present, or the affirmative vote of a majority of the voting power of Members by written ballot as provided in Section 4.6.

Section 4.6. Action by Written Ballot Without a Meeting.

(a) Definition of Written Ballot. A "written ballot" is a ballot that is mailed or otherwise distributed to every Member entitled to vote on the matter and that complies with the requirements of this Section 4.6. For purposes of this Section 4.6, the term "written ballot" does not include a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting.

(b) Written Ballots Generally. Any matter or issue requiring the vote of the Members, including the election of Directors, may be submitted to the Members for approval by written ballot without the necessity of calling a meeting of the Members, as long as the requirements for action by written ballot set forth in this Section 4.6 are satisfied.

The determination to seek Member approval for Association action in this fashion shall be made by a majority vote of the Board. Alternatively, that determination may be made by Members possessing at least five percent (5%) of the total Voting Power (as defined in Subsection 1.4(h), above) of the Members signing a written request and delivering this request to the President, Vice President or Secretary of the Association.

Once the determination is made to seek Member approval by written ballot, the Board shall establish a record date (see Section 5.8(a)(iii)) for purposes of determining those Members eligible to cast written ballots.

(c) Balloting Time Requirements.

(i) Director Elections. The balloting in Director elections shall be scheduled to culminate on the date of the annual Membership meeting in the case of any vacancy created by the normal expiration of a Director's term of office. In the case of a special election called to fill a vacancy caused by the removal of a Director, the balloting shall be scheduled to culminate on the date established for the special meeting called for the purpose of providing prospective candidates an opportunity to present their qualifications and platform to the Members.

In the case of written ballots used in the election of Directors, the ballots shall be mailed to all Members who are eligible to vote not more than fifty (50) days prior to the date set for the election, but no less than thirty (30) days prior to such date.

(ii) Other Matters. In the case of any other matter or issue submitted to the Members for approval by written ballot, the Board shall distribute the written ballot to every Member entitled to vote on the matter at least thirty (30) days prior to the final date the written ballots are to be received to be counted.

(iii) Extension of the Balloting Period. The time fixed for the return of written ballots may be extended only if the Board so notifies the Members in the balloting materials originally sent to Members and then for not more than two (2) successive periods of thirty (30) days each. Notwithstanding the foregoing, if a meeting that is scheduled to coincide with the culmination of a Director election 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.

(d) 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 (*See* Section 6.4 for nomination procedures). The ballot form shall also provide a space where the Member can designate a vote for another (*i.e.*, write-in) candidate for each Director position.

(ii) Written Ballots Used for Voting on Other Matters. Any written ballot distributed to the Members to vote on any issue other than the election of Directors shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposed action.

(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 (*See* Subsection (c), above).

(e) Requirements for Valid Member Action by Written Ballot. Membership approval by written ballot shall be valid only if (i) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds the required quorum (as specified in Section 5.5) that would have been required to be present at a Membership meeting if a meeting had been convened to vote on the proposal, and (ii) the number of affirmative votes equals or exceeds the number of affirmative votes that would have been required to approve the action at such a meeting.

If the time for returning written ballots is extended in accordance with Subsection (c)(iii), above, the reduced quorum percentage (if applicable) specified in Section 5.5(a)(iii) shall apply.

(f) Solicitation Provisions.

(i) Solicitation Generally. Written ballots shall be solicited in a manner consistent with the requirements of Section 5.4, below, pertaining to the issuance of notices of Members' meetings.

All solicitations of written ballots shall indicate (A) the number of responses needed to meet the quorum requirement for valid action; (B) the time by which the written ballot must be received by the Association in order to be counted; and (C) in the case of any written ballot distributed to vote on matters other than the election of Directors, the percentage of affirmative votes necessary to approve the measure submitted for Membership approval.

If the period for the return of written ballots is extended under Subsection (c)(iii), above, the Board shall be entitled to announce to the Members the aggregate votes for or against the proposal received as of the extension date.

(ii) Director Elections. In addition to the requirements of Subsection (f)(i), above, solicitation materials accompanying written ballots distributed in Director elections shall advise the Members that their ballots may be returned by mail or personal delivery to the Association's principal office or, if a neutral party has been selected by the Board of Directors to supervise the election and balloting process pursuant to subsection (g), below, the address of said neutral party.

If the Member elects to return their written ballot by mail or personal delivery to the address set forth in the solicitation materials for return of the ballots prior to the meeting at which the Director election will be held, the written ballot must be received no later than the close of business on the date specified on the ballot. If a Member attends the Membership meeting in person and has not returned the ballot by mail, it will be necessary for the Member to register during the registration period and receive a different form of ballot in order to vote.

(g) Additional Balloting Procedures. If deemed necessary by the Board, the balloting shall be conducted in accordance with such additional procedures, consistent with the provisions of this Section 4.6, as may be prescribed by a neutral third party of good repute who may also be retained to supervise the secrecy of and to conduct the balloting process (*See* Subsection 6.5(c), below).

(h) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within thirty (30) days following the close of the balloting process and tabulation of the ballots. In the case of an election of Directors, the Board shall also notify those Members present at the meeting of the results of the election immediately upon conclusion of the balloting process. 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 shall so notify the Members.

(i) Prohibition of Revocation. Once cast (*i.e.*, received by the Association), a written ballot may not be revoked.

(j) Conducting Informational Meetings. Use of the written ballot procedures provided herein shall not preclude the Association from also conducting informational meetings of the Members or from scheduling a Membership meeting to coincide with the culmination of the balloting period. In the case of Director elections, the balloting period shall culminate with the annual meeting, or any special meeting, at which the election is scheduled to be held (*See* Subsection (c)(i), above).

Section 4.7. Majority Vote Required. If a quorum is present (*See* Section 5.5, below), the affirmative vote of the majority of the Members represented at the meeting, entitled to vote and voting on any matter (other than the election of Directors), shall be the act of the Members, unless the vote of a greater number of Members is required by the California Nonprofit Mutual Benefit Corporation Law, the California Civil Code, or the Governing Documents. 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 positions.

Section 4.8. Action by Unanimous Written Consent. Any action required or permitted to be taken by the Members at a meeting may be taken without a meeting (and without complying with the formalities of a written ballot) if all Members shall individually or collectively consent in writing to the action. When an action is taken by written consent, the consent(s) shall be filed with the Association's minutes.

ARTICLE V: MEMBERSHIP MEETINGS.

Section 5.1. Place of Meeting. Meetings of the Members shall be held within the Project (or at such other reasonable place within the County of Sacramento as selected by the Board of Directors).

Section 5.2. Annual Meeting. There shall be a regular meeting of the Members every year. Unless other considerations warrant that the Board change when the annual meeting is held, the annual meeting shall be held during the month of January. The date, time, and location of the meeting shall be established by the Board and set forth in the notice of meeting sent to the Members.

Section 5.3. Special Meetings.

(a) Persons Entitled To Call Special Meetings. A majority of the quorum of the Board, the President of the Association or five percent (5%) or more of the Members may call a special meeting of the Members at any time to consider any lawful business of the Association.

(b) Procedures for Calling Special Meetings Requested by Members. In order to call a special meeting by five percent (5%) or more of the Members, a request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by certified mail to the President, Vice President, or Secretary of the Association. The written request shall bear the signatures of all requesting Members and the Member(s) circulating the request shall attach a written, signed certification to the request attesting to the validity of the signatures.

In order to count as a valid signatory, a Member signing said request must be eligible to vote (*See* Subsection 1.4(c) and Section 4.3, above).

The Officer receiving the request shall cause notice to be promptly given to the Members, in accordance with the provisions of this Article V, that a meeting will be held, and the date, time, place and purpose for such meeting, which date shall be not less than thirty-five (35) nor more than ninety (90) days following the receipt of the request.

If notice of the meeting is not given to the Members within twenty (20) days after the Officer's receipt of the request, the Members requesting the meeting may give the notice. The right of the requesting Members to notice and call said meeting on their own initiative shall not arise until after the twenty (20) day period has elapsed.

Nothing contained in this subsection 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.

Section 5.4. Notice of Members' Meetings.

(a) Requirement That Notice Be Given. Notice of all annual and special meetings of the Members shall be sent or otherwise given in writing to all Members.

(b) Time Requirements for Notice. The notice of Membership meetings shall be given in the manner specified in subparagraph (e) of this Section 5.4, not less than ten (10) nor more than ninety (90) days before the date of the meeting. If notice is given by mail and the notice is not given by first-class, registered, or certified mail, the notice shall be given not less than twenty (20) days (nor more than ninety (90) days) before the meeting.

(c) Minimum Requirements Regarding Contents of Notice. The notice of any Membership meeting shall specify the place, date, and time of the meeting. The notice of any meeting at which Directors are to be elected shall include the names of all those individuals who are nominees at the time the notice is given to the Members.

In the case of a regular meeting, the notice shall also describe those matters that the Board of Directors, at the time of giving the notice, intends to present for action by the Members; but any proper matter may be presented at the meeting for such action so long as a quorum is present.

In the case of a special meeting, the notice shall also state the general nature of the business to be transacted, and contain a statement that "no other business may be transacted at the special meeting."

(d) Specification of Certain Significant Actions. If any action is proposed to be taken at any Membership meeting for approval of any of the following proposals, the notice shall state the general nature of the proposal. Member action on the following items is invalid unless the notice or written waiver of notice or consent complies with this provision:

- (i)** Removing a Director without cause;
- (ii)** Filling vacancies on the Board of Directors under those circumstances where a vote of the Members is required pursuant to Section 6.6, below;
- (iii)** Amending the Articles of Incorporation of this Association, these Bylaws and/or the Declaration in any manner requiring 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 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 Governing Documents; or

(vi) Voting upon any election to voluntarily terminate and dissolve the Association.

(e) Manner of Service. Notice of any meeting of Members shall be given personally, by first-class mail, or other written communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. If no address appears on the Association's books and no other address has been given, notice shall be deemed to have been given if either (i) notice is sent to that Member by first-class mail or other written communication to the Association's principal office and to the Lot owned by the Member, or (ii) notice is published at least once in a newspaper of general circulation in the County.

Notice shall be deemed to have been given at the time 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) Affidavit of Mailing. An affidavit of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary or the Assistant Secretary of the Association, and if so executed, shall be filed and maintained in the minute book of the Association. Such affidavit shall constitute prima facie evidence of the giving of notice.

Section 5.5. Quorum Requirements.

(a) Quorum Requirements Generally. The following quorum requirements must be satisfied in order to take valid action at any meeting of the Members or by written ballot (*See* Section 4.6, above):

(i) Quorum for Votes on Assessment Increases and of Removal of Directors From Office. In the case of any Membership meeting or written ballot (pursuant to Section 4.6, above) called or conducted for the purpose of voting on assessment increases requiring Membership approval (*See* Article V of the Declaration) and/or removal of any Director from office, the quorum requirement for valid action on the proposal shall be the percentage specified in Civil Code section 1366 or comparable superseding statute. That quorum percentage is currently a majority of all Members.

If the minimum quorum percentage specified in Subsection (a)(i), above, is not satisfied, the meeting may be adjourned to another time and/or place not more than thirty (30) days after the initial meeting date (*See* Section 5.6, below) by a majority of those Members present, but the same quorum requirements shall apply at the reconvened meeting.

(ii) Quorum for Valid Action on All Other Matters. In the case of a Membership meeting or written ballot (pursuant to Section 4.6, above) called or conducted for any other purpose, the quorum shall be thirty-three percent (33%) of the Members eligible to vote (*See* Subsection 1.4(c) and Section 4.3, above), provided that if any regular Membership meeting is actually attended, in person or by proxy, by less than one-third (1/3) of the Voting Power (as defined in Subsection 1.4(h), above) of the Members (but a quorum is present) the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting.

(iii) Reduction in Quorum Percentage for Action on Other Matters. Whether or not the minimum quorum percentage specified in Subsection (a)(ii), above, is satisfied, the meeting may be adjourned to another time and/or place not more than thirty (30) days after the initial meeting date (*See* Section 5.6, below) by a majority of those Members present. At the reconvened meeting, the quorum percentage shall be reduced to twenty-five percent (25%) of the Members eligible to vote (*See* Subsection 1.4(c) and Section 4.3, above). If this reconvened meeting is attended by less than one-third (1/3) of the Voting Power (as defined in Subsection 1.4(h), above) of the Members (but a quorum is present) the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting.

If a quorum is never established for the meeting (*See* Subsections (i)-(iii), above), a majority of those Members who are present in person or by proxy may vote to adjourn the meeting for lack of a quorum, but no other action may be taken or business transacted. Adjournment is the only valid act that may be taken if a quorum is not established. Any act of the Members (whether at a meeting or by written ballot pursuant to Section 4.6, above) is void and has no effect if the requisite quorum requirement is not met.

(b) Members Represented by Proxy. Members present at a Membership meeting in person or by proxy (subject to the limitations set forth in Section 4.3 and Subsection 4.5(e), above) shall be counted toward satisfaction of the quorum requirements specified herein.

(c) Effect of Departure of Members From Meeting. The Members present in person or by proxy at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, so long as any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

Section 5.6. Adjourned Meeting.

(a) Adjournment Generally. Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another place, date and/or time (but not for more than thirty (30) days) by the vote of the majority of Members present at the meeting (present either in person or by proxy). Unless there is an absence of a quorum at the reconvened meeting (in which case no business other than adjournment may be transacted), the Members at the reconvened meeting may take any action that might have been transacted at the original meeting (subject to the limitations imposed by Subsections 5.5(a)(ii) and (a)(iii), above).

(b) Notice Requirements for Adjourned Meetings. When a Members' meeting is adjourned to another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date (*See* Section 5.8) is fixed for voting, notice of the adjourned meeting must be given to all Members.

Section 5.7. Waiver of Notice or Consent by Absent Members.

(a) Waivers and Consents Generally. If decisions are made or an action is otherwise taken by the Members 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 at that meeting will be valid if, either before or after the meeting, each person entitled to vote who was not present at the meeting in person or by proxy consents to the meeting 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 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 5.4(d), in which case, the waiver of notice or consent must state the general nature of such matter(s).

All such waivers, consents, or approvals shall be filed with the Association records or be made part of the minutes of the meeting.

(b) Effect of a Member's Attendance at a Meeting. Attendance by a Member or the Member's proxy holder at a meeting shall also constitute a waiver of any objections such person may have with respect to notice of that meeting, except when the Member or proxy holder attends the meeting for the sole purpose of objecting at the beginning of the meeting to the transaction of any business because of the inadequacy or illegality of the notice.

Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting that are required to be described therein pursuant to Section 5.4(d), if that objection is expressly made at the meeting. Attendance at a meeting is also not a waiver of any right to object to said meeting for reasons other than improper notice.

Section 5.8. Record Dates for Member Notice; Voting and Giving Consents.

The record dates established pursuant to this section shall be as of the close of business for the following dates:

(a) Record Dates Established by the Board of Directors. For the purpose of determining which Members are entitled to receive notice of any meeting, to act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board of Directors should fix, in advance, a "record date." Only Members of record on the date so fixed are entitled to notice of any meeting, notwithstanding any transfer of any Membership on the books of the Association after the record date, except as otherwise provided in the Articles of Incorporation, the Declaration, the California Civil Code, or in the California Nonprofit Mutual Benefit Corporation Law.

Only Members of record and eligible to vote (*See* Subsection 1.4(c) and Section 4.3, above) on the date so fixed are entitled to vote, or to take action by written ballot or otherwise, as the case may be.

(i) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting;

(ii) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(iii) Record Date for Action by Written Ballot Without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and/or

(iv) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights with respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

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

(i) **Record Date for Notice of Meetings.** The record date for determining those Members entitled to receive notice of a meeting of Members 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 for determining those Members entitled to vote at a meeting of Members shall be the business day preceding the day on which the meeting is held, or in the case of an adjourned meeting, the business day preceding the date on which the adjourned meeting was held.

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

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

Section 5.9. Conducting Meetings. All Member meetings shall be conducted in accordance with a recognized system of parliamentary procedure or such other parliamentary procedures as the Association may choose to adopt.

If the Association has not adopted parliamentary procedures and a dispute arises that cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

ARTICLE VI: BOARD OF DIRECTORS.

Section 6.1. General Association Powers. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law (Corporations Code Sections 7110 *et seq.*), the Davis-Stirling Common Interest Development Act (Civil Code Sections 1350 *et seq.*) and limitations set forth in any of the Association's Governing Documents relating to such actions that require Member approval, the business and affairs of the Association shall be vested in and exercised by the Association's Board of Directors, including, in particular, all powers and duties set forth in the Declaration and other Governing Documents.

Subject to the limitations expressed in Section 10.1 (pertaining to Committees), below, and any restrictions set forth in the Declaration, the Board may delegate the management of the activities of the Association to any person or persons, management company, or committee, provided that notwithstanding any such delegation the activities and affairs of the Association shall continue to be managed and all Association powers shall continue to be exercised under the ultimate direction of the Board.

Section 6.2. Number of Directors. The Board of Directors shall consist of five (5) persons.

Section 6.3. Term of Office. The Directors of this Association shall serve for a term of two (2) years. Three (3) Directors shall be elected in even-numbered years and two (2) Directors elected in odd-numbered years. 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 the term for which elected and until a successor has been elected and qualified. A director may be re-elected to no more than three (3) consecutive terms.

Section 6.4. Nomination of Directors. Individuals can become candidates for election to the Board of Directors in any of the following ways:

(a) Candidates Selected by Nomination Committee. At least ninety (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 chairperson who shall be a Member of the Board of Directors, and two or more Members of the Association who may or may not be Board Members. The nominating committee shall make its report to the Board at least sixty (60) days before the date of the election.

After the Board has received the nominating committee's report, the Secretary shall forward to each Member, with the notice of meeting required by Section 5.4, a list of the nominees.

The nominating committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but not less than the number of vacancies on the Board to be filled.

(b) Nominations From the Floor. Any Member present in person or by proxy at a meeting to elect Directors may place additional names into nomination.

(c) Petition Procedure. A Member can become a candidate for election to the Board by filing with the Secretary of the Association a petition in support of the Member's candidacy signed by at least ten percent (10%) of the Members. In order to count as a valid signatory, a Member signing said petition must be eligible to vote (*See* Subsection 1.4(c) and Section 4.3, above). The Member circulating the petition shall append their written certification to the petition attesting to the validity of the signatures. Candidate petitions must be filed with the Secretary no later than thirty (30) days and no earlier than fifty (50) days prior to the election.

(d) Eligibility Requirements for Candidacy and Election. To be eligible for nomination and to be elected to the Board, a candidate must be a Member, or a resident tenant of a Member, that is certified by the Association Secretary that the Member is in good standing with the Association and is current in the payment of Assessments both at the time the candidate's name is placed in nomination and as of the election date. (*See* Subsection 1.4(c) and Section 4.3, above).

All Directors must maintain the good standing status with the Association during their term of office or be subject to removal for cause pursuant to Subsection 6.6(c), below.

A majority of the Directors must be Members of the Association and Residents of the Project. The remaining Directors may be non-resident Owners or resident tenants. There may be no more than one Director residing on any particular Lot.

Section 6.5. Election of Directors.

(a) Directors Elected by Written Ballot. The annual election of Directors shall be conducted by secret ballot (either pursuant to Section 4.6, above, or a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting).

(b) Determination of Election Results and Succession to Office. The Board of Director candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected as Directors and shall take office immediately following their election. In the event there is a tie vote between those candidates who receive the lowest number of votes necessary to qualify for a Director position, the tie shall be broken by lot (*e.g.*, the candidates drawing straws).

(c) Supervision of Election Process. In order to insure secrecy of ballots and fairness in the conduct of Director elections, the Board of Directors may, but shall not be obligated to, utilize the services of the Association's legal counsel or other neutral party of good repute who may be retained to receive and tabulate all ballots (both written ballots pursuant to Section 4.6 above and ballots cast in person by Members attending the meeting at which the election takes place) and supervise the secrecy of and to conduct the voting process. The individuals or entities retained to perform such services shall have the full powers of an inspector of elections appointed by the Board under Corporations Code Section 7614 or comparable superseding statute.

Section 6.6. 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, or removal of a Director (under Subsections (b) through (d), below); (ii) an increase of the authorized number of Directors; or (iii) the failure of the Members, at any meeting of Members at which any Director or Directors are to be elected, to elect the number of Directors to be elected at such meeting.

(b) Resignation of Directors. Any Director may resign, and such resignation shall be effective on giving written notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

(c) Authority of Board to Remove Directors. The Board of Directors shall have the power and authority to remove a Director and declare their office vacant if they:

(i) have been declared of unsound mind by a final order of court;

(ii) have been convicted of a felony;

(iii) have been found by a final order or judgment of any court to have breached any duty under Corporations Code Sections 7233-7236 (relating to the standards of conduct of Directors);

(iv) fail to maintain the Director's "Member in Good Standing" status (See Subsection 1.4(c) and Section 4.3) for a period of forty-five (45) consecutive days or longer; and/or;

(v) fails to attend two (2) consecutive regular meetings of the Board of Directors that have been duly noticed in accordance with California law.

(d) Authority of Members to Remove Directors. Except as otherwise provided in this section, a Director may be removed from office prior to expiration of their term only by the affirmative vote of a majority of the voting power of the Members represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) or by written ballot conducted in accordance with Section 4.6.

Any Membership action to recall or remove a Director shall be conducted in accordance with the following procedures:

(i) A written petition must be presented in person to the President, Vice President, or Secretary of the Association and must carry the signatures of Members in good standing who represent at least five percent (5%) of the Members. Such petition must set forth the reason(s) the petitioners are seeking the Director's removal; the signature and Lot number or address of each petitioner in their own handwriting; the name(s) of the sponsor(s) of the petition; and must fulfill

all other requirements of law. The sponsors circulating the petition shall append a written, signed certification to the petition attesting to the validity of the signatures.

(ii) Within twenty (20) days after receipt of such petition, the Board shall either call a special meeting or announce the procedures for conducting a written ballot of the Members (pursuant to Section 4.6) to vote upon the requested recall. Such meeting or written ballot shall be conducted not less than thirty-five (35) nor more than ninety (90) days after the petition is presented to the Board.

(iii) If the Board fails to set a date for, and give the Members notice of, such meeting or written ballot within twenty (20) days, the Members initiating the petition may call such meeting on their own initiative without Board approval or sanction. The right of the requesting Members to notice and call said meeting on their own initiative shall not arise until after the twenty (20) day period has elapsed.

(iv) The Director(s) whose removal is being sought shall have the right to rebut the allegations contained in the petition orally, in writing, or both. If the rebuttal is in writing, it shall be mailed by the Association together with either the recall ballot (See Section 4.6, above) or the notice of meeting (See Section 5.4, above).

(v) If the quorum requirement for a valid Membership action is not satisfied or if the vote in favor of recall does not satisfy the requirements of Section 4.7, the removal action will have failed.

(vi) In order to preserve Association assets, if a recall attempt fails, the Members' right to another recall vote for the same Director(s) shall not arise until six (6) months has elapsed from the date of the last recall vote.

(e) **Removal by Court Action.** The Superior Court of Sacramento County may, in response to a suit filed by any Director or at least five percent (5%) of the Members in good standing (See Subsection 1.4(c) and Section 4.3), remove any Director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Association. The Association shall be made a party to any such action.

(f) **Filling Vacancies.** If a vacancy on the Board of Directors is created by a Member vote pursuant to Subsection (d), above, the vacancy shall be filled by a vote of a majority of the Members represented in person or by proxy at a duly held meeting of the Members at which a quorum is present or by written ballot (in accordance with Section 4.6). If more than one Director vacancy is being filled, the Director positions will be filled so that the elected Director(s) with the most votes shall fill the Director position(s) with the longest remaining term of office.

All other vacancies on the Board of Directors shall be filled by a majority vote of the remaining Directors (whether or not a quorum of Directors is present). If the Directors fail to fill any vacancy, the Members may fill the vacancy by a vote of a majority of the Members represented in person or by proxy at a duly held meeting of the Members at which a quorum is present or by written ballot (in accordance with Section 4.6).

(g) **Reduction in Number of Directors.** No amendment to these Bylaws which reduces the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 6.7. Compensation. Directors, Officers, and/or Members of Committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as the Board of Directors determines are just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.