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AMENDED BYLAWS OF
ROUND HILL PROPERTY OWNERS ASSOCIATION, INC.**

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AMENDED BYLAWS OF ROUND HILL PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE 1 NAME AND LOCATION

The name of the corporation is ROUND HILL PROPERTY OWNERS ASSOCIATION, INC. which is hereinafter referred to as the "Association." The principal office of the Association shall be located in Contra Costa County, California or at such other place reasonably convenient to the Properties as the Board of Directors may from time to time establish.

ARTICLE 2 DEFINITIONS

Any capitalized terms that are not defined below shall have the meaning set forth in Article 1 of the Declaration ("Definitions").

- 2.1 Articles. "Articles" shall mean the Amended Articles of Incorporation of Round Hill Property Owners Association, Inc., as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.
- 2.2 Assessments. "Assessment," "Annual Assessment," and "Reimbursement Assessment" shall have the meanings defined for those terms in the Declaration.
- 2.3 Association. "Association" shall mean Round Hill Property Owners Association, Inc., a California nonprofit mutual benefit corporation, its successors and assigns.
- 2.4 Board or Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.
- 2.5 Bylaws. "Bylaws" shall mean the Amended Bylaws of the Association as they shall be duly adopted by the Board of Directors and the Members and any duly-adopted amendments thereof.
- 2.6 Committee of the Board. "Committee of the Board" shall mean a committee consisting only of Directors (and no persons who are not Directors) as described in *Corporations Code* section 7212.

- 2.7 Corporations Code. "*Corporations Code*" shall mean the California *Corporations Code* as amended from time to time.
- 2.8 Declaration. "Declaration" shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Round Hill Property Owners Association, Inc., recorded in the Office of the County Recorder of Contra Costa County, California, and any duly recorded amendments thereof.
- 2.9 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, and Rules.
- 2.10 Lot. "Lot" shall mean any of the numbered parcels of land shown upon the Subdivision Maps as enumerated in Recital Paragraph B of the Declaration. There are 399 Lots within the Properties.
- 2.11 Majority of a Quorum. "Majority of a Quorum" shall mean the affirmative vote of a majority of the votes cast at a duly held meeting at which a quorum is present or by written ballot without a meeting in conformity with *Corporations Code* section 7513 provided the number of ballots cast is sufficient to establish the required quorum.
- 2.12 Member. "Member" shall mean an Owner.
- 2.13 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all Assessments and other charges imposed in accordance with the Governing Documents and who is in compliance with all of the provisions of the Governing Documents.
- 2.14 Owner. "Owner" shall mean the record owner, whether one or more persons or entities, of any interest in any Lot appearing by deed duly recorded in the off if the County Recorder of Contra Costa County, excluding those persons having such interest merely as security for the performance of an obligation.
- 2.15 Plot. "Plot" shall mean:
- (a) any parcel of land surrounding one residential building and appurtenant buildings, whether composed of (i) one or more Lots or (ii) fractions of one or more Lots or (iii) one or more Lots and a fraction of another Lot or Lots; or
 - (b) any Lot which has not been built upon or is not incorporated into a "Plot" as above defined in clause (a).

The number of Plots may be less than the number of Lots but shall not be permitted to exceed the number of Lots. There are currently 397 Plots within the Properties.

- 2.16 Properties. "Properties" shall mean all the real property described in the Declaration as comprising the Round Hill Property Owners Association development and any additional real property or interest therein as may hereafter be brought within the jurisdiction of the Association.
- 2.17 Proxy. "Proxy" shall mean a written authorization signed by a Member or a Member's attorney in fact giving another person or persons power to vote for such Member, as defined in *Corporations Code* section 5069.
- 2.18 Rules. "Rules" shall mean the policies, guidelines, rules, and regulations governing the administration, management, operation, use, and occupancy of the Properties, enforcement of the Governing Documents, and any other matter which is within the jurisdiction of the Association including but not limited to architectural guidelines for purposes of architectural approval and enforcement, as adopted, published, or amended by the Board from time to time.
- 2.19 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members In Good Standing at a particular time, calculated on the basis of one vote for each Plot, excluding any Plots as to which an Owner is not then a Member in Good Standing.

ARTICLE 3 MEMBERSHIP AND VOTING RIGHTS

- 3.1 Membership Appurtenant to Lot Ownership. Membership in the Association shall include, and shall be limited to, all Owners of any portion of the Properties. Membership shall be appurtenant to and may not be separated from such ownership. Upon becoming the Owner of a Plot, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as his or her ownership ceases for any reason. Membership in the Association shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Plot to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Plot. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a any portion of the Properties, including a transfer upon the death of an Owner, membership in the Association shall pass automatically to the transferee.
- 3.2 Notice of Transfer of Title. Upon transfer of title to a Plot, the transferee shall be responsible for notifying the Association of such transfer. The

notification shall set forth the address of the Plot, the names of the transferee and the transferor, and the date of sale or other transfer. Prior to receipt of such notification, any and all communications required or permitted to be given by the Association or the Board to the Plot Owner shall be deemed to be duly made and given to the transferee if duly and timely made and given to the person shown as the Owner of the Plot and at the address in the Association's records.

- 3.3 Voting Rights; Joint Owners. Only Members in Good Standing shall be entitled to vote on any issue or matter presented to the Members for approval or membership vote. Members in Good Standing shall be entitled to cast one vote for each Plot owned. In the event more than one person owns a given Plot, the vote for such Plot shall be exercised as the Owners among themselves shall determine, but in no event shall more than one vote be cast with respect to any Plot. If the 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 any Owner casts a vote representing a certain Plot, 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 Plot.

ARTICLE 4 MEETINGS OF MEMBERS; PROXIES

- 4.1 Record Date for Notice. As provided in *Corporations Code* section 7611(a), the Board may fix a date not more than ninety (90) days and not less than ten (10) days preceding the date of any meeting of the Members as a record date for determining the Members entitled to notice of such meeting. If the Board sets a record date for notice, only those persons identified as Members in the records of the Association on the date so fixed shall be entitled to notice of such meeting. If no record date for notice is fixed by the Board, Members at the close of business on the business day three (3) days preceding the day in which notice is given are entitled to notice of a meeting of Members.
- 4.2 Record Date for Voting. As provided in *Corporations Code* section 7611(b), the Board may fix a date not more than sixty (60) days before the date of any meeting of Members as the record date for determining Members entitled to vote and only Members in Good Standing as shown in the records of the Association as of the record date for voting shall be entitled to vote at such meeting. If no record date for voting is set by the Board, Members in Good Standing on the day of the meeting shall be entitled to vote at such meeting.
- 4.3 Annual Meeting of Members. As required pursuant to *Corporations Code* section 7510(b), an annual meeting of the Members for the purpose of

electing Directors shall be held each year in the month of June on a date and at a time and place to be designated by the Board.

- 4.4 Special Meetings of Members. Special meetings of the Members may be called at any time by the President or by the Board of Directors and, as provided in *Corporations Code* section 7510(e), shall be called upon receipt by the Board of a written request signed by Members entitled to cast at least five percent (5%) of the Total Voting Power of the Association.
- 4.5 Notice of Member Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or other person authorized to call a meeting.
 - 4.5.1 Delivery of Meeting Notice. Notices of Member meetings may be given personally, by electronic transmission (fax or email), by mail, or by other means of written communication. The written notice shall be addressed or otherwise delivered to the Member's address last appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice.
 - 4.5.2 Content of Meeting Notice. Notice of any meeting of Members shall specify the date, hour, and place of the meeting, and the general nature of those matters which the Board intends to present for action by the Members.
 - 4.5.3 Time for Sending Meeting Notice. Except for special meetings called pursuant to a written request of Members [*Corporations Code* section 7510(e)], written notices of Member meetings must be sent at least ten (10) days but not more than ninety (90) days before such meeting, to each Member in Good Standing, except that if the notice is mailed and it is not mailed by first-class, registered, or certified mail, it must be mailed at least twenty (20) days before the meeting.
 - 4.5.4 Electronic Transmission of Meeting Notice. Notices sent by electronic transmission must comply with *Corporations Code* section 20, which requires, among other things, that the Member consent to receiving notice by electronic transmission.
 - 4.5.5 Special Timing for Certain Meetings Called by Members. In the case of a special meeting called pursuant to a written request of at least five percent (5%) of the Members [*Corporations Code* section 7510(e)], notice of such special meeting must be sent within twenty (20) days after receipt of such written request by

the Board, and the date of such special meeting shall be set by the Board and shall be not sooner than thirty-five (35) days and not later than ninety (90) days after the date of the Board's receipt of such written request.

- 4.6 Conduct of Member Meetings. All meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt.
- 4.7 Place of Member Meetings. Annual and special meetings of the Members shall be held at a convenient place located as close as reasonably practicable to the Properties designated by resolution of the Board.
- 4.8 Quorum Requirement. Quorum requirements for action by the Members shall be as follows:
 - 4.8.1 Assessment Votes. For purposes of any required Member approval vote pursuant to Section 3.5.4 of the Declaration ("Increases in Annual Assessment"), the presence, in person or by proxy, of a majority of the Total Voting Power shall constitute a quorum.
 - 4.8.2 All Other Member Votes. For any other action that may be taken by the Members, a quorum shall mean the presence in person or by proxy of not less than five percent (5%) of the Total Voting Power of the Members.
- 4.9 Adjourning Member Meetings. If a required quorum shall not be present or represented at any meeting, the Members otherwise entitled to vote at that meeting shall have power to adjourn the meeting from time to time, to be reconvened on a date not less than five (5) and not more than thirty (30) days from the date of the adjourned meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. When any Member meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.
- 4.10 Act of Members Requires Majority of a Quorum. Except where the Governing Documents specify a higher percentage of a quorum or a specified percentage of the Total Voting Power of the Members for any action that may be taken by the Members, the affirmative vote of a Majority of a Quorum shall constitute the action of the Members.
- 4.11 Proxies Are Permitted. At all meetings of the Members, each Member may vote in person or by proxy.

- 4.12 Form of Proxies. All proxies must be in writing, must be signed and dated by the Member, and must be filed with the Secretary.
- 4.13 Proxies for Certain Matters. A proxy covering any of the following matters as listed in *Corporations Code* section 7613(g) shall not be valid unless it sets forth the general nature of the matter to be voted on:
- (a) removal of any or all Directors pursuant to *Corporations Code* section 7222;
 - (b) filling a vacancy on the Board created by the removal of a Director or to fill a vacancy not filled by the Directors pursuant to *Corporations Code* section 7224;
 - (c) voting on a transaction involving an interested Director pursuant to *Corporations Code* section 7233;
 - (d) amending the articles of incorporation or the bylaws to repeal, restrict, create, or expand proxy rights pursuant to *Corporations Code* section 7613(f)(1);
 - (e) amending the articles of incorporation pursuant to *Corporations Code* section 7812(a) or (c);
 - (f) voting on the sale or exchange of all or substantially all of the Association assets pursuant to *Corporations Code* section 7911(a)(2);
 - (g) voting on a merger pursuant to *Corporations Code* section 8012;
 - (h) voting on amendments to principal terms of a merger agreement pursuant to *Corporations Code* section 8015(a);
 - (i) voting to wind up or dissolve the Association as a corporation pursuant to *Corporations Code* section 8610;
 - (j) voting on a plan of distribution of Association assets in the event of dissolution pursuant to *Corporations Code* section 8719(a).
- 4.14 Revocation and Expiration of Proxies. Every proxy shall be revocable. Every proxy shall expire eleven (11) months after the date of its execution unless the Member executing the proxy has specified a length of time in the proxy, which shall not in any case be longer than three (3) years from the date of execution. A proxy remains in effect until it expires or is revoked. A proxy is automatically revoked upon conveyance by the

Member of his or her interest in all real property within the Properties. A proxy is not revoked by the death or incapacity of the Member unless, before the vote is counted, written notice of the death or incapacity is received by the Association. A Member can revoke a proxy by notifying the Association in writing that the proxy is revoked, or by executing a subsequent (later dated) proxy which is presented to the meeting, or (as to a particular meeting) by the Member attending the meeting and voting in person.

- 4.15 Voting by Members. A vote of the Members may be conducted (i) at a meeting, or (ii) by action without a meeting pursuant to *Corporations Code* section 7513 and referenced in Section 4.18 ("Action Without a Meeting").
- 4.16 Voting at Meetings. Pursuant to *Corporations Code* section 7512(b), the only matters that may be voted upon at any meeting of Members are those matters the general nature of which was given in the notice of such meeting, pursuant to Section 4.5.2 ("Content of Meeting Notice"). If any required quorum is present in person or by proxy at a meeting of the Members, the affirmative vote of a majority of the voting power so present and voting on any permitted matter shall constitute the act of the Members. The vote at any meeting of Members may be by voice vote, by show of hands, or by ballot, provided that the vote on any matter at a meeting shall be by ballot if so requested by any Member.
- 4.17 Results of Membership Votes. To the extent required by *Corporations Code* section 8325, for a period of sixty (60) days following the conclusion of an annual, regular, or special meeting of Members, a Member shall, upon written request, be informed forthwith of the result of any particular vote of the Members taken at the meeting, including the number of memberships voting for, the number of memberships voting against, and the number of memberships abstaining or withheld from voting. If the matter voted on was the election of Directors, the Association shall report the number of votes cast for each nominee for Director.
- 4.18 Action Without a Meeting. Any action that may be taken at a regular or special meeting of the Members, including election of Directors, may be taken by written ballot without a meeting conducted in compliance with *Corporations Code* section 7513, including setting forth the proposed action on the written ballot, providing an opportunity to specify approval or disapproval of any proposal, identifying the number of responses needed to meet the quorum requirement and the percentage and/or number of approvals necessary to pass the measure submitted, and specifying the time by which the ballot must be received by the Association in order to be counted. A written ballot, once cast, may not be revoked.

ARTICLE 5

BOARD OF DIRECTORS, NOMINATION, SELECTION, TERM OF OFFICE, REMOVAL

- 5.1 Number of Directors. The affairs of this Association shall be managed by or under the direction of, and the corporate powers shall be exercised by, a Board of Directors. The authorized number of Directors shall be nine (9).
- 5.2 Qualification of Directors. Only persons who satisfy all of the following qualifications shall be eligible to be elected to or serve on the Board: (i) is a Member in Good Standing (including any Member who holds title as trustee of a trust) or in the case of a Member in Good Standing that is not a natural person (such as a corporation or other entity), an officer, director, principal, or authorized representative of the Owner entity, (ii) is over eighteen (18) years of age, (iii) has not been found by a court of competent jurisdiction to be of unsound mind, and (iv) has not been convicted of a felony. Co-Owners of one or more Lots may not serve on the Board at the same time.
- 5.3 Nomination Procedures. Nominations of candidates for election to the Board of Directors may be made by any of the following ways:
- 5.3.1 By Nominating Committee. The Board may appoint a Nominating Committee to nominate candidates for election to the Board prior to any election of Directors. If appointed, the Nominating Committee shall nominate as many candidates for election to the Board as it shall in its discretion determine, but shall endeavor to nominate not less than the number of positions on the Board that are to be filled in the election. All nominations shall be made from among persons who satisfy the qualifications set forth in Section 5.2 ("Qualification of Directors").
- 5.3.2 By Self Nomination. Any Member who satisfies the qualifications set forth in Section 5.2 ("Qualification of Directors") may place his or her name in nomination for election to the Board by giving written notice to the President or Secretary of the Association before the close of nominations.
- 5.3.3 At a Meeting. Any person who satisfies the qualifications set forth in Section 5.2 ("Qualification of Directors") may be nominated from the floor at a meeting at which one or more Directors are to be elected.

- 5.4 Notice of Known Candidate Names. The names of all persons known by the Board to be candidates for election to the Board shall be set forth in the notice of the election.
- 5.5 Voting for Directors; Cumulative Voting Not Permitted. In all elections of Directors, all Members in Good Standing may cast, in respect to each position on the Board to be filled, one vote for each Plot owned. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.
- 5.6 Election by Acclamation. If, as of the close of nominations, the number of qualified candidates nominated is not more than the number of Directors to be elected, then the persons nominated and qualified to be elected shall be declared elected and written notice of the election shall be given to the Members.
- 5.7 Tied Votes. In the case of a tied vote for one or more positions on the Board, the candidates shall draw lots to determine the winner or winners.
- 5.8 Term of Office. In the annual election of Directors, the Members shall, in successive years, elect three (3) Directors for terms of three (3) years each. Each Director shall serve until the expiration of his or her term and thereafter until a successor is elected, or until the earlier disqualification, death, resignation, or removal of such Director.
- 5.9 Removal of Directors by the Members. Consistent with *Corporations Code* section 7222, any Director may be removed from the Board, with or without cause, by the vote of a Majority of a Quorum of the Members.
- 5.10 Reduction of Number of Directors. Any reduction of the authorized number of Directors shall be subject to the provisions of *Corporations Code* section 7222(c).
- 5.11 Vacancies, Resignation, Disqualification of Directors. A vacancy shall exist on the Board (i) in the event of the death, resignation, or removal (by the Members) of any Director, (ii) in the event of a declaration of a vacancy by the Board as provided below in this Section 5.11, (iii) if the authorized number of Directors is increased, or (iv) if the Members fail to elect the full authorized number of Directors.
- 5.11.1 Resignation. Any Director may resign by giving written notice to the Board. The resignation shall be effective on the date specified in the notice. Unless otherwise provided in the notice, the acceptance of a resignation shall not be necessary to make it effective. Any Director who ceases to be an Owner or ceases to be an officer, director, principal, or authorized representative

of an Owner entity that is not a natural person shall be deemed to have resigned from the Board.

- 5.11.2 Disqualification of a Director. As provided in *Corporations Code* section 7221(b), the Board of Directors, by a majority vote of the Directors who meet all of the qualifications for Directors as set forth in Section 5.2 ("Qualification of Directors"), may declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.
- 5.11.3 Failure to Perform Duties. The Board, by vote of a majority of a quorum, may declare vacant the office of any Director who: (i) fails within sixty (60) days after receiving notice of election to accept office, either in writing or by attending a meeting of the Board as a Director, (ii) is absent from two (2) consecutive meetings of the Board or is absent from four (4) meetings in any twelve-month period, (iii) fails to disclose at an open meeting of the Board any offer of any type of gain (such as money, services, products, gifts, or gratuities of a significant value) made to the Director in relation to the Director's service as a Director, or (iv) accepts any type of gain offered to the Director in relation to his or her service as a Director. The foregoing items (iii) and (iv) shall not be deemed to prohibit reimbursement of a Director for actual out-of-pocket expenses approved by the Board pursuant to Section 5.14 ("No Compensation of Directors").
- 5.12 Filling Vacancies. Any vacancy occurring on the Board of Directors, except a vacancy created by the removal of a Director by the Members, may be filled (i) by approval of the Board of Directors; or (ii) by unanimous written consent of the Directors then in office or by a sole remaining Director. The Members may elect a Director at any time to fill any vacancy not filled by the Directors. If the Board accepts the resignation of a Director tendered to take effect at a future time, the Board, including the resigning Director, may choose (or, if the Board fails to act, the Members may elect), a successor to take office when the resignation becomes effective. A Director chosen in accordance with this Section 5.12 to fill a vacancy shall serve the remainder of the term of office of the Director whom he or she replaces.
- 5.13 Removal of Entire Board; Replacement Directors. In the case of a vote by the Members to remove the entire Board of Directors, the incumbent Directors shall not be removed from office unless and until one or more replacement Directors have been elected by the Members. If, in such election, the Members fail to elect the full number of replacement

Directors, the vacancies then existing on the Board may be filled by the elected replacement Directors pursuant to clause (i) or clause (ii) of Section 5.12 ("Filling Vacancies"). All of the Directors replacing those removed by the Members shall serve until the next annual election of Directors, at which time (i) nine Directors shall be elected and the three Directors who receive the largest number of votes shall serve a three-year term, the three Directors who receive the next-largest number of votes shall serve a two-year term, and the other three Directors shall serve a one-year term, in order to create staggered terms of office; or (ii) alternatively, if the number of qualified candidates for the next annual election is less than or equal to nine, the Directors shall be elected by acclamation pursuant to Section 5.6 ("Election by Acclamation") and shall draw lots to determine three-year, two-year, or one-year terms to create staggered terms of office.

- 5.14 No Compensation of Directors. No Director shall receive compensation for any service he or she may render to the Association as a Director. However, upon approval by the Board, any Director may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.
- 5.15 Directors' Standard of Care. As provided in *Corporations Code* section 7231, a Director shall perform the duties of a director, including duties as a member of any Committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
- 5.16 Limitation of Liability of Officers and Directors. No Director, officer, committee member, employee, or other agent of the Association shall be liable to any Owner or any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association.

ARTICLE 6 MEETINGS OF DIRECTORS

- 6.1 Organizational Meeting. As soon as possible, but in any event within thirty (30) days, after each annual election of Directors, the Board of Directors shall hold a meeting for the purpose of organization, appointment of officers, and transaction of other business, as appropriate.

- 6.2 Regular Meetings of the Board. Regular meetings of the Board shall be held upon proper notice which conforms to the provisions of Section 6.4 ("Notice to Directors") and Section 6.5 ("Notice to Members"), at the place, day, and time set forth in such notice. Regular meetings of the Board may be held more frequently at such intervals as the Board may determine, but the Board shall not meet less frequently than once every three months.
- 6.3 Special Meetings of the Board. Special meetings of the Board shall be held when called by the President of the Association or by any two (2) Directors.
- 6.4 Notice to Directors. Regular meetings of the Board may be held, without further notice to the Board, at a place within or reasonably convenient to the Properties and on a day and time fixed by resolution of the Board. If not fixed by resolution of the Board, notice of each meeting of the Board shall be communicated to the Directors not less than four (4) days prior to a regular meeting, and not less than forty-eight (48) hours prior to a special meeting; *provided, however*, that shorter notice may be given in the case of a bona fide emergency; and *provided, further*, that notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, whether before or after the meeting.
- 6.5 Notice to Members. Except for bona fide emergency meetings and executive sessions as described in Section 6.7 ("Executive Session") at least four (4) days prior written notice of the day, time, and place of each meeting of the Board of Directors, whether regular or special, shall be given to all Members by mailing or delivery to each Plot, by newsletter, or by other means of communication reasonably designed to provide actual prior notice of such meeting.
- 6.6 Open Meeting. Regular and special meetings of the Board of Directors shall be open to all Members of the Association, except when the Board meets in executive session. A reasonable time limit for all Members to speak to the Board shall be established by the Board; however, the right to speak to the Board shall not entitle any Member to participate in the Board's deliberations on any matters unless requested to do so by the Board.
- 6.7 Executive Session. The Board may meet in executive session to confer with legal counsel or to discuss and/or vote upon personnel matters, Member discipline, litigation in which the Association is or may become involved, matters that relate to the formation of contracts between the Association and others, and for the purpose of meeting with a Member, upon such Member's request, regarding the Member's payment of Assessments. In any matter relating to the discipline of a Member, the

Board shall meet in executive session if requested to do so by that Member, and that Member and any other person(s) whose participation is, in the judgment of the Board, necessary or appropriate, shall be entitled to attend the executive session. There shall be no requirement that the Board convene an open meeting in order to meet in executive session.

- 6.8 Remote Participation. As provided in *Corporations Code* section 7211, Directors may participate in regular or special Board meetings through the use of conference telephone, electronic video screen communications, or other communications equipment or technologies. *Corporations Code* section 7211 includes, among other things, the requirements that (i) each Board member participating in the meeting can communicate with all of the other Board members concurrently, and (ii) that each Board member is provided the means of participating in all matters before the Board, including but not limited to the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.
- 6.9 Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.
- 6.10 Voting by Directors. Pursuant to *Corporations Code* section 7111(c), each Director shall be entitled to one vote and a Director may not vote by proxy or otherwise delegate his or her right to vote on any matter before the Board.
- 6.11 Board Action by Unanimous Written Consent Without a Meeting. As provided in *Corporations Code* section 7211(b), any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consents shall be filed with the minutes of the proceedings of the Board.
- 6.12 Minutes of Meetings of Directors. Any matter discussed in an executive session shall be generally noted in the minutes of the next following open meeting of the Board and minutes of executive sessions shall not otherwise be required. Copies of the minutes of Board meetings (other than Executive Session meeting minutes, if any) shall be provided to any Member of the Association upon request and upon reimbursement of the Association's costs in providing such copies.

ARTICLE 7

DUTIES OF THE BOARD OF DIRECTORS

The Board shall be ultimately responsible for the management and conduct of the affairs of the Association. Without limiting the generality of the foregoing, the specific duties of the Board shall include the following:

- 7.1 Supervision. The Board shall supervise all officers, agents, and employees, if any, of the Association and see that their duties are properly performed.
- 7.2 Records and Minutes. The Board shall cause to be kept a complete record of all its acts and the corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board, Committees of the Board, and any other committee appointed by the Board having decision-making authority.
- 7.3 Enforcement of Governing Documents. The Board shall enforce the Governing Documents in accordance with the procedures set forth in Article 7 of the Declaration ("Enforcement").
- 7.4 Annual Operating Budget. The Board shall prepare and distribute to the Members annually, in advance of the beginning of the Association's fiscal year, the projected operating budget for the fiscal year.
- 7.5 Notice of Assessments; Collection of Assessments. The Board shall send written notice to each Owner in advance of each fiscal year of the Regular Assessment levied against his or her Plot for that fiscal year and shall diligently pursue the collection of all Assessments.
- 7.6 Annual Financial Report. Annually, not less than thirty (30) days prior to the beginning of the Association's fiscal year, the Board shall notify each Member of the Member's right to receive a financial report pursuant to *Corporations Code* section 8321. The annual report shall contain in appropriate detail: (i) a balance sheet as of the end of the fiscal year, (ii) an income statement for the fiscal year, (iii) a statement of changes in financial position for the fiscal year, (iv) a statement of the place where the names and addresses of the current Members is located, and (v) any information required by *Corporations Code* section 8322 (concerning transactions, if any, with "interested parties" as defined in the statute). If not prepared by an independent accountant, the foregoing report shall be accompanied by a certificate of an authorized officer of the Association that the statements were prepared without an audit from the books and records of the Association. The annual report must be prepared not later than one hundred twenty (120) days after the close of such fiscal year.

- 7.7 Quarterly Review of Accounts. No less frequently than once every three (3) months, the Board shall review (i) the latest account statements prepared by the financial institutions where the Association keeps its accounts and (ii) an income and expense statement for the Association's accounts.
- 7.8 Biennial Notice to Secretary of State. The Board shall file with the Secretary of State the biennial (every two years) statement of names of officers and of agent for service of process required pursuant to *Corporations Code* section 8210.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

Subject to the provisions of the California Nonprofit Mutual Benefit *Corporations Code* (Section 7110 and following of the *Corporations Code*), the activities and affairs of the Association shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board shall have the power to exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by other provisions of the Articles of Incorporation or these Bylaws, and undertake any action on behalf of the Association as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Association and/or the interests of the Association and its Members. Without limiting the generality of the foregoing, the Board shall have the powers specified in this Article 8, subject to any limitations or conditions as may be set forth in the Articles, the Bylaws, or the Declaration.

- 8.1 Make Contracts. The Board shall have the power to authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association.
- 8.2 Consult Professional Advisors. The Board shall have the power to consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out the Board's authority and responsibility under the Governing Documents and the law, and to pay for such professional services.
- 8.3 Hire a Manager and Others. The Board shall have the power to engage the services of a manager or management company as either an employee or an independent contractor, and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties.

- 8.4 Adopt and Enforce Rules. The Board shall have the power to adopt, publish, amend, repeal, and enforce Rules, including architectural guidelines.
- 8.5 Collect Assessments by Foreclosure and/or Legal Action. As addressed in the Declaration, the Board shall have the power to collect Assessments levied by the Association by foreclosing the lien against any property for which Assessments are not paid as required by the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same.
- 8.6 Impose Sanctions. The Board shall have the power to impose sanctions on a Member who is in default in the payment of any Assessment or other charge levied by the Board or is found to be in violation of any provision of the Governing Documents. Sanctions may include loss of good standing, and/or imposition of monetary penalties (fines), as described in Section 7.9.2 of the Declaration ("Fines").
- 8.7 Open Bank Accounts, Borrow. The Board shall have the power to open bank accounts and designate signatories upon such bank accounts on behalf of the Association.
- 8.8 Indemnify Agents. To the extent provided in *Corporations Code* section 7237, the Board on behalf of the Association shall have the power to and shall indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a Director, officer, employee, or agent of the Association, or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, and other amounts, as those terms are defined by California law, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a Director, officer, employee, or agent of the Association, or member of any committee appointed by the Board.
- 8.9 Mergers. To the extent permitted by law, the Association shall have the power to participate in mergers and consolidations with other nonprofit organizations organized for the same purposes as this Association.
- 8.10 Appointment of Committees. The Board may appoint such committees as it deems appropriate in carrying out the powers and purposes of the Association except that the Board may not delegate its authority to hold hearings or impose sanctions. Any "Committee of the Board" (that is, a committee consisting only of Directors, as referred to in *Corporations Code* section 7212) shall consist of at least two (2) Directors and shall have such powers and duties as the Board shall determine, subject to the limitations of *Corporations Code* section 7212. As provided in

Corporations Code section 7212(b), a committee exercising the authority of the Board shall not include as members any persons who are not Directors.

- 8.11 Other Powers and Duties. The Board shall have the power to exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by other provisions of the Governing Documents, and undertake any action on behalf of the Association as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Association and/or the interests of the Association and its Members.

ARTICLE 9 OFFICERS AND THEIR DUTIES

- 9.1 Enumeration of Officers. The principal officers of this Association shall be a President, a Vice-President, a Secretary, and a Treasurer, who shall at all times be members of the Board of Directors.
- 9.2 Appointment of Officers. The appointment of principal officers shall take place at the first meeting of the Board following each annual election of Directors.
- 9.3 Term. The principal officers of this Association shall be appointed annually by the Board, and each shall hold office for one year, unless he or she shall sooner resign, be removed by the Board, or otherwise be disqualified to serve.
- 9.4 Special Appointments. The Board may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
- 9.5 Resignation; Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces, subject to the Board's right to remove an officer.

- 9.7 Multiple Offices. One person may hold two (2) or more offices except that neither the Secretary or any assistant secretary nor the Treasurer or any assistant treasurer may serve concurrently as President. This provision is intended to prohibit a single individual from having apparent authority to bind the Association by virtue of holding both offices, pursuant to *Corporations Code* section 7214.
- 9.8 Authority to Bind Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association or to render the Association liable for any purpose or on any account.
- 9.9 No Compensation of Officers. No Officer shall receive compensation for any service he or she may render to the Association as an Officer. However, upon approval by the Board, any Officer may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.
- 9.10 President. The President shall be the chief executive officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and the other officers and the employees and agents of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board, shall be an *ex officio* member of all standing committees, shall have the general powers and duties of management usually vested in the office of the President of an Association, and shall have such other powers and duties as may be prescribed by the Board of Directors and the Bylaws, subject, however, to any limitations contained in the Declaration.
- 9.11 Vice-President. In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting, shall have all of the powers of, and be subject to all of the restrictions upon, the President including the restriction on holding multiple offices as set forth in Section 9.7 ("Multiple Offices"). The Vice-President shall have such other powers and perform such other duties as, from time to time, may be prescribed by the Board of Directors. In the absence or disability of both the President and the Vice-President, or if there is not a Vice President in office, the Board shall designate another Director to preside at a meeting of the Board or of the Members.
- 9.12 Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may prescribe, a book of minutes of all meetings of Directors and Committees of the Board, all meetings of any other committee appointed by the Board that has decision-making authority, and all meetings and votes of Members. The Secretary shall give, or cause to be given, notice of all meetings of the

Members and of the Board of Directors required by the Bylaws or by law to be given and shall maintain a proper record of the giving of such notice; shall keep or cause to be kept in safe custody the books, records, and documents of the Association; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

- 9.13 Treasurer. The Treasurer shall be responsible for the receipt and deposit in appropriate accounts of all monies of the Association and shall cause disbursement of such funds as directed by resolution of the Board of Directors; may sign all checks and promissory notes of the Association; shall keep or cause to be kept proper books of account; shall cause an annual review of the Association's books and financial statements to be made by a public accountant at the completion of any fiscal year for which such review is required by law or as determined by the Board; shall assist the Board in preparation of an annual budget and a statement of income and expenditures to be presented to the Members of the Association as provided by law; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

ARTICLE 10 MINUTES; BOOKS AND RECORDS; FUNDS

- 10.1 Minutes of Meetings. To the extent required by *Corporations Code* section 8320(a)(2), the Association shall keep minutes of meetings and proceedings of the Members (including membership votes), meetings of the Board and Committees of the Board, and meetings of any other committee appointed by the Board that has decision-making authority. As provided in Section 6.12 ("Minutes of Meetings of Directors"), any matter discussed in executive session shall be generally noted in the minutes of the next following open meeting of the Board, and minutes of executive sessions shall not otherwise be required. Minutes shall set forth the time and place of holding of such meetings; whether regular or special, and if special, how authorized; what notice was given; the names of those present at meetings of the Directors or of any Committee of the Board or of any other committee appointed by the Board that has decision-making authority; the number of votes cast in any vote or election of the membership (or, if applicable, the number of Members present in person or by proxy at Member meetings); and all the proceedings thereof.
- 10.2 Member Access to Minutes, Books, and Records. The Association shall keep at its principal office (or at such other place in or near the Properties as the Board may prescribe) the Governing Documents and the Association's books of account; minutes of meetings of Owners, the Board and committees; and the names and addresses of the Members (collectively, the "Association Records"), which shall be made available for

inspection and copying by any Owner or the Owner's duly appointed representative for a purpose reasonably related to the Owner's interest as an Owner. The Board may establish reasonable rules regarding (i) notice to be given to the custodian of the Association Records by the Owner desiring to make the inspection, (ii) hours and days of the week when such an inspection may be made, and (iii) payment of the cost of copying any of the Association Records requested by an Owner

- 10.3 Directors' Inspection Rights. As provided in *Corporations Code* section 8334, every Director shall have the right at any reasonable time to inspect and copy all books, records, and documents and to inspect the physical properties, if any, of the Association.
- 10.4 Checks, Drafts, and Evidences of Indebtedness. All checks, drafts, or other orders for payment of money, or notes or other evidences of indebtedness issued in the name of the Association shall be signed by one or more persons and in the manner specified by resolution of the Board of Directors.
- 10.5 Funds and Deposits. Any funds of the Association shall be deposited to the credit of the Association in such banks or other depositories as the Board of Directors shall, from time to time, determine.
- 10.6 Fiscal Year. The fiscal year of the Association shall be as determined by resolution of the Board of Directors.

ARTICLE 11 AMENDMENTS

- 11.1 Amendments Generally. These Bylaws may be amended by approval of the Board and the affirmative vote of a Majority of a Quorum of the Members.
- 11.2 Record of Amendments. When an amendment or a new Bylaw provision is adopted, it shall be placed in the appropriate place in the minute book of the Association together with a certificate signed by the Secretary stating the date on which it was approved by the Board and whether at a meeting or by unanimous written consent of the Directors, and the date on which it was approved by the Members.

ARTICLE 12 MISCELLANEOUS

- 12.1 Amendments to Referenced Statutes; Time for Performance. References in the Bylaws to particular statutes, including sections of the *Corporations Code*, shall be deemed to include any successor statute and any

amendments to existing or successor statutes. Whenever these Bylaws state a time for the performance of any act by the Association which by law (as it may exist from time to time) must be performed at or within a specified time, the time for the performance of such act shall be deemed to be the widest timeframe permitted under then-applicable law.

CERTIFICATE OF AMENDMENT OF
BYLAWS OF
ROUND HILL PROPERTY OWNERS ASSOCIATION, INC.

I, the undersigned, hereby certify that:

I am the Secretary of ROUND HILL PROPERTY OWNERS ASSOCIATION, INC.

The foregoing Amended Bylaws of ROUND HILL PROPERTY OWNERS ASSOCIATION, INC. were duly approved by the Board of Directors.

The foregoing Amended Bylaws of ROUND HILL PROPERTY OWNERS ASSOCIATION, INC. were duly approved by the requisite vote of the Members of the Association.

Executed this 7 day of FEBRUARY, 2013.



Michelle Stratmore, Secretary