

RESTATED BYLAWS

of

**THE STRATFORD OF SAN MATEO
HOMEOWNERS' ASSOCIATION**

a California nonprofit mutual-benefit corporation

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RESTATED BYLAWS
of
THE STRATFORD OF SAN MATEO HOMEOWNERS' ASSOCIATION
a California nonprofit mutual-benefit corporation

These Restated Bylaws ("Bylaws") revoke all previous bylaws and all amendments to those bylaws, and substitute in their place these Bylaws.

ARTICLE 1
NAME AND PURPOSE

1.01 **Name.** The name of this corporation is The Stratford of San Mateo Homeowners' Association ("Association"), a California nonprofit mutual-benefit corporation.

1.02 **Corporate Purpose.** The specific and primary purpose for which this corporation is formed is to exercise the powers granted to it by the Restated Declaration of Covenants, Conditions and Restrictions Establishing a Plan of Condominium Ownership ("CC&Rs") recorded against the property located at 601 Laurel Avenue, San Mateo, California, in the office of the County Recorder of San Mateo and amended from time to time.

ARTICLE 2
DEFINITIONS

2.01 **"Board"** shall mean the Board of Directors of the Association.

2.02 **"Bylaws"** shall mean these duly adopted Restated Bylaws of the Association, including any amendments.

2.03 **"Committee"** shall mean any committee appointed by the Board to assist in the management and administration of the affairs of the Association.

2.04 **"Director"** shall mean any member of the Association's Board of Directors.

2.05 **"General Delivery"** shall mean delivery of notice by the Association to the Members as specified in Section 13.01 of these Bylaws.

2.06 **"Governing Documents"** shall mean the CC&Rs, the Articles of Incorporation, these Bylaws, any Rules, the Condominium Plan, any amendments to these documents, and such other written documents, reports, maps, schedules and exhibits as are required by law to be recorded, filed or issued in connection with the Project.

2.07 **"Individual Delivery"** shall mean delivery of notice by the Association to the Members as specified in Section 13.01 of these Bylaws.

2.08 **“Officer”** shall mean the president, vice president, secretary, treasurer, and any other officer of the Association, as defined in the Bylaws.

2.09 **“Secret Ballot”** shall mean ballots distributed to the Members for their vote outside of a membership meeting in compliance with California Civil Code Sections 5100 *et seq.*

2.10 **Other.** All other capitalized words shall have the same meanings as defined in the CC&Rs.

ARTICLE 3 MEMBERSHIP

3.01 **Membership.** There is one class of membership. Each person or entity who is the record owner of a Unit in the Association shall be a Member. Membership does not include persons or entities who hold an interest in a Unit merely as security for the performance of an obligation. Members shall be subject to the CC&Rs, the Articles of Incorporation, these Bylaws and the Rules. All owners of one Unit shall have one joint membership for that Unit. If two or more Units are combined into one larger unit, the owner(s) of such combined unit shall retain one membership for each of the original Units. Therefore, at all times there will be 67 memberships in the Association.

3.02 **Proof of Membership.** No person or entity may exercise the rights of membership without an ownership interest in a Unit in the Association. If the Board requests proof of ownership, such proof shall be in the form of a recorded deed or, if the property was transferred within the past 30 days and a copy of the newly recorded deed is not available, a completed escrow closing statement.

3.03 **Record Date.** The Board may set a “record date” a specific number of days before a membership vote, membership meeting, or other action by the Association. The Association will send communications or ballots to the Member who owned the Unit as of the record date, and that Member is the Person who is entitled to attend and vote at the membership meeting, receive Secret Ballots or notice of any meeting, or take any other lawful action. If a Unit transfers title after the record date, the Association is not obligated to send any such communications to the new Member, or to allow the new Member to attend any meeting.

- A. **Timeframe.** No record date can be set for more than 60 days before the action.
- B. **Meeting Notices.** If the Board does not set a record date for a meeting notice, it shall be two business days before the date on which notice is given or, if notice is waived, it shall be the business day preceding the date on which the meeting is held.
- C. **Secret Ballots Without a Meeting.** If the Board does not set a record date for determining the recipient and mailing/delivery address for a Secret Ballot, the record date is two business days before the earliest date on which Secret Ballots are delivered to the Members.
- D. **Voting at Meeting.** If the Board does not set a record date for determining who is entitled to attend and vote at a membership meeting, the record date is the date on which the meeting is actually held.

- E. **Other.** If the Board does not set a record date for any other type of action, the record date is ten days prior to the action.

3.04 **Termination of Membership.** Membership in the Association shall automatically terminate when such Member no longer holds an interest in a Unit.

3.05 **Voting Rights.** Each Member shall be entitled to one vote per Unit on all matters presented to the Members for a vote, and at all elections shall be entitled to one vote for each open position on the Board, subject to the following restrictions.

- A. **Entities.** If title to a Unit is held in the name of the trustee of a trust, the trustee shall be considered to be the Owner of the Unit for purposes of exercising membership rights. If title to a Unit is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to be a Member entitled to a Member's exercise of voting rights.
- B. **Co-Owners.** Where there is more than one record owner of a Unit ("Co-Owners"), all Co-Owners shall be Members and may attend any meeting of the Association, but only one Co-Owner may exercise the Unit's vote. Fractional votes shall not be allowed.
- C. **No Cumulative Voting.** Cumulative voting shall not be used. In any election of Directors, Members shall not be able to cast more than one vote per candidate.
- D. **Presumption of Consent.** It is presumed that any ballot received from a Member is cast with the consent of his or her Co-Owners. If the Board receives a written statement to the contrary from a Co-Owner before that Unit's ballot is received, the ballot shall be void.

3.06 **Guardians, Conservators, Executors, Powers of Attorney.** The duly appointed guardian, conservator, or executor of a Member; a person with a general power of attorney for a Member; or any other personal representative authorized by law to act with respect to the property of a Member shall have the right to exercise that Member's voting privileges.

ARTICLE 4 **MEETINGS OF MEMBERS**

4.01 **Place of Membership Meetings.** Membership meetings shall be held at a suitable location in or reasonably close to the Association.

4.02 **Types of Membership Meetings.**

- A. **Annual Meetings.** There shall be an annual meeting each year for the purpose of conducting pending membership business. The Board shall set the date and hour for the annual meeting. Each annual meeting shall be held in April.
- B. **Special Meetings.** Special meetings of the Members may be called by the Association's president, a majority of the Board, or at least five percent of the Members of the

Association. (See Section 3.01. All owners of a Unit together share one membership and constitute one Member.)

- C. **Teleconference Meetings With No Physical Location.** Membership meetings may be conducted entirely by teleconference through audio or video, or both, with no physical location. All Members participating in the meeting must be able to hear one another and participate in the meeting.
- (1) Any person who is entitled to participate in the meeting must be given the option of participating by telephone.
 - (2) No Secret Ballots may be counted and tabulated at any membership meeting without a physical location unless both of the following requirements have been met:
 - a. Gathering in person is unsafe or impossible because the Association is in an area affected by (i) a state of disaster or emergency declared by the federal government, (ii) a state of emergency proclaimed by the Governor under Government Code Section 8625, or (iii) a local emergency proclaimed by a local governing body or official under Government Code Section 8630.
 - b. The tabulation of Secret Ballots is conducted by video conference and a camera is placed so that Members can witness the inspector of elections counting and tabulating the votes.

4.03 **Members' Petition for Special Meeting or Other Membership Vote.** If a special meeting or a request for a membership vote is called by Members, the request shall be in writing, specifying the nature of the business to be transacted and signed by at least five percent of the Members. (See Section 3.01. All owners of a Unit together share one membership and constitute one Member.) The request shall be delivered to the Association as stated in Section 13.01, below. The Officer receiving the request shall promptly deliver the request to the remaining Directors.

- A. **Vote by Secret Ballot.** If the petition requests a vote of the Members for any matter which these Bylaws or California law require be taken by Secret Ballot, the Board shall distribute the Secret Ballots and set a meeting to count them.
- B. **Vote Taken at Membership Meeting.** If the petition requests a meeting of the Members to vote on any matter which these Bylaws or California law authorize the Members to vote on at a membership meeting, the Board shall set a meeting of the Members for the purpose of conducting such vote. The meeting shall be set for a date from 35 to 150 days after the receipt of the petition, or for such later date as required by law or as reasonably needed in order to comply with the required statutory procedures for any Member vote on the removal or election of one or more Directors.
- C. **Unauthorized Vote.** If the petition does not request a vote of the Members, or if it requests a vote of the Members on a matter which is within the Board's authority or

otherwise outside the scope of the Members' authority, the Board is not obligated to call a meeting.

- D. **Timing.** If the petition is received within 150 days of an upcoming annual Director election, the recall shall be combined with the annual election.

4.04 **Scheduling of Special Meeting.** The person or persons calling a special meeting of the membership may request a date, time and location for holding the meeting. The Board shall set the date, time and location of the meeting as requested by the person or persons calling the meeting if such date, time and location is reasonable and otherwise complies with these Bylaws. If not, the Board shall set a date, time and/or location which is reasonable and relatively close to the original date, time and location requested by the parties calling the meeting.

4.05 **Notice of Members' Meetings.** Notice of all meetings of the Members shall be given by the Board.

- A. **Special Meetings by Member Request.** Notice of any special meeting called by the Members shall be given within 20 days after Board receipt of the Members' petition.

- B. **Notice Period.**

- (1) Notice of membership meetings where Secret Ballots will be tabulated for Director elections shall be given at least 15 but not more than 90 days before the date of the meeting.
- (2) Notice of all other membership meetings shall be given at least 10 but not more than 90 days before the date of the meeting.

- C. **Delivery of Notice.** Except as stated in Subsection (E), below, notice of any membership meeting, whether annual or special, shall be given by personal delivery or by Individual Delivery (see Section 13.01, below). In case of a meeting during a government-declared state of emergency, notice may be given by electronic transmission or other means of remote communication.

- D. **Notice Contents.** The notice shall specify the place, date, and hour of the meeting, and, if the Members may participate by electronic transmission, the way to participate.

- (1) In the case of a special meeting, the notice shall list the nature of the business to be transacted as specified by those persons calling the meeting (and that no other business may be transacted except as specified in the notice).
- (2) In the case of the annual meeting, the notice shall list those matters which the Board intends to present for action by the Members. Neither of the following actions shall be valid unless listed in the notice:
 - a. Approval of a contract or transaction between the Association and one or more of its Directors, or between the Association and another entity

when a Director of the Association has a material financial interest in, or is a director of, the other entity; or

b. Dissolution of the Association.

(3) If at the meeting ballots are to be counted for an election of Directors, the notice must include a list of all candidates.

E. **Notice Contents – Teleconference Meetings with No Physical Location.** The notice of membership meetings held entirely by teleconference with no physical location shall contain the following additional information:

(1) Clear technical instructions on how to participate by teleconference.

(2) The telephone number and electronic mail address of a person who can provide technical assistance with the teleconference process, both before and during the meeting.

(3) If at the meeting the ballots are to be tabulated for a vote conducted by Secret Ballot, the following requirements must also be met

a. Notice of the first such membership meeting must be delivered to Members by Individual Delivery (*see* Section 13.01).

b. If a Member's address on file with the Association is onsite and, as a result of the government-declared emergency, mail delivery or mail retrieval is not possible at the Association's onsite address, then the Association shall send the notice of the first such Meeting to any email address provided to the Association by that Member in writing.

c. Each such meeting notice must include a reminder that a Member may request Individual Delivery (*see* Section 13.01) for future meeting notices, with instructions on how to do so.

F. **Declaration of Delivering Notice.** A declaration of the delivery of notice of any Members' meeting may be executed by the secretary, president, or any other party giving the notice, and shall be prima facie evidence of the effective transmittal of the notice.

G. **Failure to Give Notice.** If the Board fails to give notice, the persons calling the special meeting may give notice consistent with these Bylaws.

4.06 **Waiver of Notice.** Any business transacted at a Members' meeting which is not properly called and noticed shall be as valid as though taken at a duly called, noticed and held meeting if a quorum is present either in person, by proxy, or by Secret Ballot, and if either before or after the meeting each Member entitled to vote but not present in person, by proxy, or by Secret Ballot provides a written waiver of notice, or a consent to holding the meeting, or an approval of the minutes of the meeting. A Member's attendance at a meeting in person, by proxy, or by Secret Ballot constitutes a

waiver of notice of that meeting unless the Member objects at the start of the meeting to the transaction of business because the meeting is not lawfully called or convened.

4.07 **Attendance at Meetings.**

- A. **Members Only.** Only Association Members are entitled to attend membership meetings. Tenants, non-Member family members, Member representatives or agents, vendors, contractors, and other parties will be allowed only at the invitation of, or with the express permission of, the Board.
- B. **Member Attendance Electronically.** If authorized by the Board in its sole discretion and subject to any rules and procedures adopted by the Board, Members may attend membership meetings by electronic communication. Such attendance may only be authorized by the Board if:
 - (1) the Members have a reasonable opportunity to participate and vote at the meeting;
 - (2) the Association can verify that each person participating is a Member; and
 - (3) the Association maintains records of any vote or action taken at such a meeting, including the participation by Members appearing by electronic communication.

If authorized, the notice of the Members' meeting shall state the type of electronic transmission by which Members may participate, which can include conference telephone, video screen communication, or other means of remote communication.

4.08 **Conduct of Meetings.** Meetings of the membership shall be conducted in a fair and businesslike manner, but need not follow any technical or formal parliamentary rules of procedure. The Board shall promulgate any Rules it deems necessary regarding voting and meeting procedures.

- A. All persons are prohibited from audio recording or videotaping membership meetings without the Board's prior written approval.
- B. Disrupting a membership meeting to the point where the Association cannot conduct its business shall be considered the commission of a nuisance, which is a violation of the CC&Rs, enforceable by fines or other penalties.

4.09 **Chair of Meeting.** The president of the Association or, in his or her absence, the vice president, or any other person designated by the Board, shall call the membership meeting to order and shall chair the meeting unless a majority of the Members attending the meeting in person or by Secret Ballot select another person to chair the meeting. The secretary of the Association shall act as secretary. However, in the absence of the secretary the presiding Officer shall appoint someone to serve as acting secretary for the meeting.

4.10 **Quorum.** At all Members' meetings 20% of the Members represented in person, by proxy, or by Secret Ballot scheduled to be counted at the meeting, shall constitute a quorum unless

stated otherwise in these Bylaws or the CC&Rs. Quorum for any vote to remove one or more Directors from office shall be a majority of all Members.

4.11 **Adjourned Meetings.** Any Members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the Members represented at the meeting in person or by proxy. In the absence of a quorum, no business may be transacted except to adjourn the meeting.

- A. **Adjourned Meeting Date.** Meetings may be adjourned for no more than 45 days. If election Secret Ballots are to be counted at a meeting adjourned for lack of quorum, the adjournment must be for at least 20 days.
- B. **Notice.** No notice of the adjourned meeting need be given if the meeting is adjourned to a specific date and time. Otherwise the Board shall cause written notice of the date, time and place of the adjourned meeting, or the means of participating by electronic transmission, to be given to the Members.
- C. **No Effect on Balloting Deadline.** Adjourning a meeting date does not affect the deadline for the return of Secret Ballots. That deadline may only be extended as described in these Bylaws, below.

4.12 **Loss of Quorum.** The Members present at a duly called meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the loss of a quorum so long as the business is approved by enough Members to constitute at least a majority of a quorum had a quorum been present.

4.13 **Authorized Voting at Meetings.** The following Member votes cannot take place at a Members' meeting: (i) Special or Regular Assessments, (ii) removal or election of Directors, (iii) adoption or amendments of Governing Documents, or (iv) a grant of exclusive use of a portion of the common area. Instead, to the extent required under California law, these votes must be taken by Secret Ballot. Any other Member business authorized by California law may be conducted at any Members' meeting.

4.14 **Approval by Majority.** Except as provided elsewhere in these Bylaws or in the Articles of Incorporation or CC&Rs, once a quorum has been established, the affirmative vote of a majority of the Members represented at the meeting may pass any measure properly presented for a vote.

4.15 **Proxies.** Proxies can only be used in lieu of attendance in person at membership meetings, and for votes taken in person at a meeting. Proxies cannot be used for votes taken by Secret Ballot or by other means outside of a meeting, even though such votes may be tabulated at a membership meeting.

- A. **Proxy Holders.** Members may only assign their proxies to another Association Member.
- B. **Duration.** Proxies shall be valid for eleven (11) months from the date of execution unless stated otherwise in the proxy. No proxy shall exceed a term of three (3) years.
- C. **Revocation.** Proxies may be revoked by any one of the following:

- (1) A written notice from the Member executing the proxy stating the proxy is revoked, delivered to the Association before the vote takes place;
- (2) The Member executing another, later proxy, which is delivered to the Association;
- (3) The Member attending the meeting and voting in person;
- (4) The Member's conveyance of their Unit; or
- (5) When the Association receives written notice of the death or judicially declared incompetence of a Member.

D. **Rules.** The Board may adopt additional rules regarding the use of proxies.

ARTICLE 5

MEMBER VOTING BY SECRET BALLOT

5.01 **Application.** This Article shall apply to all votes of the membership on all matters that California Civil Code Section 5000 *et seq.* or any successor statute requires to be taken by Secret Ballot. Despite anything to the contrary in these Bylaws or the CC&Rs, Member voting, or any individual procedure listed herein, may be omitted or take place by any alternative means to the extent allowed under California law.

5.02 **Secret Ballots.** All membership votes on (i) Special or Regular Assessments, (ii) removal or election of Directors, or (iii) adoption or amendment of Governing Documents shall be taken by Secret Ballots delivered to all of the Members.

5.03 **Appointment of Inspector of Election.** Before distributing the Secret Ballots, the Association shall select either one or three independent third party(ies) to serve as inspectors of election. The inspectors may not be Board members, candidates for election, or their relatives, but they may be Members of the Association. The inspector of election may not be the Association's manager, accountant, attorney, or any other person who is employed by the Association or otherwise under contract to provide services to the Association other than serving as the inspector of election.

5.04 **Inspector of Election.** Inspectors of election may appoint or be assigned one or more assistants to aid in receiving and counting the Secret Ballots. Assistants shall meet the same qualifications as the inspector(s) of election. The inspector of election shall have the power and duty to:

- A. Determine the number of memberships entitled to vote and the voting power of each.
- B. Invalidate any proxies received, or reject any proxies attempted to be delivered.
- C. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
- D. Determine when the polls shall close.

- E. Determine the results of the election.
- F. Take any further actions necessary to conduct a fair vote that conforms with the Governing Documents and applicable law.

5.05 **Candidate Qualifications.**

- A. ***Units Owned by Entities.*** If the Unit is owned by a corporation or other impersonal entity other than a trust, the entity's governing authority may designate one person to stand for election to the Board on its behalf. If the Unit is owned by a trust, the designee entitled to stand for election to the Board is a trustee of the trust who is listed as the Unit Owner on the current deed to the Unit.
- B. ***Automatic Disqualification.*** A person is disqualified from a nomination as a candidate if:
 - (1) They are not a Member at the time of the nomination;
 - (2) They have been declared of unsound mind by a final order of court; or
 - (3) They would be elected to their third consecutive term on the Board.
- C. ***Disqualification After Dispute Resolution.*** Members shall be disqualified from nomination If, once elected, they would be serving on the Board at the same time as another person who holds a joint ownership interest in the same Unit and the other person is either properly nominated for the current election or an incumbent Director. However, before being disqualified, the Association must have provided the Member the opportunity to engage in internal dispute resolution as set out in California Civil Code Sections 5900 *et seq.*
- D. ***Optional Disqualification.*** Persons may be disqualified from nomination if they have been convicted of a felony, but only if the Association has first provided them the opportunity to engage in internal dispute resolution as set out in California Civil Code Sections 5900 *et seq.*

5.06 **Optional Election Procedures to Preserve Right to Election by Acclamation.**

- A. ***Prerequisites.*** The procedures in this Section 5.06 may be used, at the Board's discretion, if:
 - (1) The Board wishes to declare the election by acclamation if the number of candidates does not exceed the number of Directors to be elected;
 - (2) The Association has held a regular election for the Directors in the last three years. This time period shall be calculated from the date ballots were due in the last election to the start of voting for the proposed election; and

- (3) The Director election is not part of a vote to recall one or more directors and at the same time elect their replacement(s).

Otherwise the procedures described in this Section 5.06 do not need to be followed.

- B. **Initial Notice.** At least 60 days before sending out the call for nominations provided in Section 5.10, the Association shall provide by Individual Delivery (see Section 13.01, below) an initial notice of the election and the procedure for nominating candidates. The initial notice shall include all of the following:

- (1) The number of Board positions that will be filled at the election.
- (2) The deadline for submitting nominations, which must be at least 90 days after the notice is sent out.
- (3) How Members can submit nominations.
- (4) A statement informing Members that if, at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are Board positions to be filled, then the Board of Directors may, after voting to do so, seat the qualified candidates by acclamation without balloting.

- C. **Reminder Notice.** Between seven and 30 days before the deadline for submitting nominations, if the number of qualified candidates received by this date does not exceed the number of Board positions to be filled, the Association shall send out a reminder notice. The reminder notice shall include all of the following:

- (1) The number of Board positions that will be filled at the election.
- (2) The deadline for submitting nominations.
- (3) How Members can submit nominations.
- (4) A list of the names of all of the qualified candidates to fill the Board positions as of the date of the reminder notice.
- (5) A statement reminding Members that if, at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are Board positions to be filled, then the Board may, after voting to do so, seat the qualified candidates by acclamation without balloting.

- E. **Confirmation of Nominations.**

- (1) To Member Nominating a Candidate. Within seven business days of receiving a nomination, the Association shall provide to the Member who submitted the nomination a written or electronic acknowledgement of the nomination.

- (2) To Candidate. Within seven business days of receiving a nomination, the Association shall provide to the nominee a written or electronic communication indicating either of the following:
 - (A) The nominee is a qualified candidate for the Board, or
 - (B) The nominee is not a qualified candidate for the Board, the basis for the disqualification, and the Association's procedure for internal dispute resolution (Civil Code Section 5900 *et seq.*) by which the nominee may appeal the disqualification.
 - (3) If a Member nominated him/herself, these two notices may be combined into one.
 - D. ***Disqualifying Candidates***. The Association shall permit all candidates to run if nominated, except for nominees disqualified in accordance with these Bylaws.
 - E. ***Disqualified Candidates - Contesting Disqualification***. Nominees who are Members of the Association may contest their disqualification as a candidate by requesting that the Board participate in an internal dispute resolution ("IDR" or "meet and confer") with the nominee.
 - F. ***Election by Acclamation***.
 - (1) If, as of the deadline for submitting nominations, the number of qualified candidates is not more than the number of vacancies to be elected, as determined by the inspector of election, the Board may, but is not required to, consider the qualified candidates elected by acclamation.
 - (2) The Board shall vote to consider the qualified candidates elected by acclamation at an open Board meeting for which the agenda lists the name of each qualified candidate that will be seated by acclamation if the item is approved.
- 5.07 **Call for Nominations.**
- A. ***Nominations Period***. The Board shall set the close of nominations for a date at least 30 days before the Secret Ballots are sent out.
 - B. ***Notice of Nomination Procedure***. The Association shall provide the procedure and deadline for submitting a nomination by General Delivery (see Section 13.01, below) at least 30 days before any deadline for submitting a nomination. Notice shall be delivered to a Member by Individual Delivery (see Section 13.01, below) if requested by that Member. This notice shall include the date for the close of nominations.
 - C. ***Submittal of Nominations***. Nominations must be submitted in writing. Only Members may nominate candidates. Members may nominate themselves.

5.08 **Uncontested Election.** Unless prohibited by law, even if the procedures for election by acclamation have not been followed, an election of Directors shall be canceled if at the close of nominations:

- A. The only nominees are Board incumbents, or
- B. There are not more nominees than there are Board positions to be filled, and as of the date by which ballots were to be mailed out the Directors whose terms have expired and who were not nominees have resigned and all of the nominees have been appointed to fill their vacancies.

However, the Association must hold an election at least once every four years.

5.09 **Candidate Registration List; Voter List.** The Association shall prepare election materials consisting of:

- A. If the vote is a Board election, a candidate registration list containing the names and addresses of all candidates nominated for election to the Board.
- B. A voter list that includes:
 - (1) The Members' names;
 - (2) The Members' voting power, which is one vote per membership;
 - (3) Either the Units' physical addresses, their parcel numbers, or both;
 - (4) The mailing address for the ballot for any Member for whom the mailing address differs from the physical address of the Unit, or for whom only the parcel number is used.
- C. Notice that each Member is permitted to verify the accuracy of his or her individual information on both the candidate registration list and the voter list. If a Member requests, the Association shall provide the Member with voting information for that individual, only, so the Members may verify the accuracy of their information. The Association or Member shall report any errors or omissions to either list to the inspector of election at least 30 days before the ballots are distributed. The inspector make the corrections within two business days.

5.10 **Pre-Ballot Notice - Director Elections.** For Director elections only, the Association shall provide notice of all of the following after the nominations period has closed and at least 30 days before the ballots are distributed. Notice shall be given by General Delivery (see Section 13.01, below) except notice shall be provided by Individual Delivery (see Section 13.01, below) to any Member on request:

- A. The due date and time for return of the ballots;
- B. The physical address where ballots are to be returned by mail or handed to the inspector or inspectors of elections;
- C. The date, time, and location of the meeting at which a quorum will be determined and the ballots will be counted;

- D. A statement that the Board may call a subsequent meeting at least 20 days after a scheduled election if the required quorum is not reached, at which time the quorum of the membership for a vote to elect Directors will be 20 percent of the Members voting in person, by proxy, or by Secret Ballot;
- E. The number of authorized directors; and
- F. The list of all candidates' names that will appear on the ballot.

5.11 **Distribution of Secret Ballot and Election Materials.**

- A. ***Ballot Package.*** At least 30 days before the due date for return of the Secret Ballot, the inspector(s) of election shall cause the following documents to be delivered to each Member by the Member's preferred method of voting.

- (1) A Secret Ballot.
- (2) An inner envelope containing no information to identify the Member using it. The Member is to fill in the Secret Ballot, put it in this inner envelope, seal the envelope, and place it in the outer envelope.
- (3) A return envelope containing in the upper left-hand corner the following information, or a place for the Member to fill in the following:
 - a. Signature line;
 - b. Member's printed name; and
 - c. The address of Member's Unit.

This envelope is to be returned to an address designated by the inspector of election appointed by the Association for this membership vote.

- (4) In any vote of the Members to approve an amendment to the Bylaws, CC&Rs or any other Governing Document, the text of the proposed amendment shall be included with the Secret Ballot delivered to the Members.
- B. ***Election Rules.*** At least 30 days before the due date for return of the Secret Ballot, the inspector(s) of election shall cause a copy of the Association's election rules to be delivered to the Members either by Individual Delivery (*see* Section 13.01, below) or by first-class mail. Alternatively, the election rules may be delivered by posting them on an internet website and including the website's address on the Secret Ballot with this phrase in at least 12-point font: "The rules governing this election may be found here."
 - C. ***Persons Entitled to Receive Ballots.*** Persons may only be denied ballots if they are not a Member at the time the ballots are distributed. A person holding a general power of attorney for a Member is entitled to receive a ballot and to vote the ballot on behalf of the Member.

5.12 **Ballot Form.** The Secret Ballots shall not include any place for Members to sign or to write their names, addresses, or other identification. The Secret Ballot shall include:

- A. The address for returning the Secret Ballot;
- B. Each proposed action and a space to specify approval or disapproval of it;
- C. The due date and time for returning the Secret Ballot;
- D. The number of responses needed to satisfy the quorum requirement;
- E. For actions other than Board elections, the percentage of Members required to pass the proposal; and
- F. For Board elections, a statement that write-in candidates are not allowed.

5.13 **Deadline for Voting.**

- A. **Timeframe.** The Members shall be given at least 30 days to return their Secret Ballots. The deadline for return of Secret Ballots shall be listed clearly in the materials delivered to the Members with their Secret Ballots and empty envelopes.
- B. **Lack of Response.**
 - (1) Before Deadline for Returning Ballots. The Board may (but is not obligated to) extend the deadline for return of Secret Ballots if there is a lack of response. The Board shall distribute to all Members notice of the deadline extension before the original deadline has expired, using the same delivery method as was used to distribute the Secret Ballots.
 - (2) After Deadline for Returning Ballots. If a quorum of Secret Ballots was not returned by the deadline, at the open Board meeting scheduled to count the ballots, the Board may table the ballot counting until a future Board meeting scheduled between five and 30 days after the original Board meeting.

5.14 **Receipt of Secret Ballots.** The inspector of election, or his or her designee, shall have custody of the sealed Secret Ballots, signed envelopes, voter list, and candidate registration list, or they shall be kept at a location designated by the inspector, until the Secret Ballots are counted. He or she may keep a record of which Units have returned Secret Ballots prior to the meeting at which the Secret Ballots are to be counted.

5.15 **Secret Ballots are Irrevocable.** Once a Secret Ballot has been received by the inspector of election, it cannot be revoked. Any subsequent ballots received for the same Unit shall be deemed invalid.

5.16 **Campaigns.**

- A. **Media Access.** If, during a membership vote, any candidate or Member is provided access to Association media, newsletters, or Internet websites to advocate a point of view for purposes that are reasonably related to that vote, equal access shall be provided to all candidates and all Members for the same purpose. The Association shall not edit or redact any content from these communications, but it may include a

statement specifying that the candidate or Member, and not the Association, is responsible for that content.

- B. **Meeting Places.** During a membership vote, any candidate and any Member advocating a point of view may access Common Area meeting space, if any, at no cost, for purposes reasonably related to the vote.
- C. **Use of Association Funds.**
 - (1) Association funds shall not be used for campaign purposes in connection with any Board election. "Campaign purposes" include, but are not limited to, the following:
 - a. Expressly advocating the election or defeat of any candidate.
 - b. Including the photograph or prominently featuring the name of any candidate on a communication from the Association or its Board, excepting the Secret Ballot and ballot materials, within 30 days of an election.
 - (2) Association funds shall not be used for campaign purposes in connection with any other Association election except to the extent necessary to comply with duties of the Association imposed by law.
 - (3) For the purposes of this subsection (c), "campaign purposes" do not include communications for which this Section requires that equal access be provided to another candidate or advocate.

5.17 **Counting of Secret Ballots.** The inspector of election shall open the envelopes and count the Secret Ballots at either a membership meeting or an open Board meeting, in a public location where the Members can observe the counting process. The inspector of election can mark off a small area where Members cannot enter to keep the Secret Ballots out of reach of the public, as long as the Members can see and hear the counting process. If a quorum of ballots are not returned, the ballots shall not be opened or counted.

5.18 **Approval Requirement.** Unless a different percentage of approval is required by law or the Governing Documents, approval by Secret Ballot shall be valid only when (i) the number of Secret Ballots returned by the deadline equals or exceeds the quorum requirement, and (ii) over half of the Secret Ballots cast votes in favor of the measure voted on. In an election of Directors, those candidates receiving the largest number of votes shall be elected to the Board.

5.19 **Voting Results.** The results of every Member vote by Secret Ballot shall be recorded in the minutes of the current or next open Board meeting. In addition, within 15 days after the votes have been counted, the Board shall notify the Members of the vote results by General Delivery as defined in Section 13.01, below.

5.20 **Storage and Access to Election Materials.** Secret Ballots, signed envelopes, the voter list, and the candidate registration list ("election materials") shall remain in the custody of the inspector

of elections, or at a location designated by the inspector, for one year after the election. After one year, the election materials shall be delivered to the Association. The Association may destroy the election materials at any time after one year from the subject vote. For one year after the Secret Ballots are counted, in the event of a recount or other challenge to the voting process, the election materials shall be made available for inspection and review by a Member or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

5.21 **Termination of Inspector's Duties.** The inspector of election's authority terminates when the inspector reports to the Board, or should have reported to the Board, the election results. The inspector of election's duties and obligations terminate when the inspector returns the Secret Ballot materials to the Association.

ARTICLE 6

BOARD OF DIRECTORS

6.01 **Powers.** The business and affairs of the Association shall be controlled by the Board. In addition to the powers and duties set forth in the Association's Governing Documents, the Board shall have the power to perform any and all other acts that a nonprofit mutual benefit corporation is empowered to do in the administration of the Association's affairs and to protect and advance the general welfare of the Association.

6.02 **Number of Directors.** The Board shall consist of either five, six or seven Directors. The Board may change the number of directors in any open Board meeting, except the number may not be changed during any Director election after the pre-ballot notice has been sent out. Notice of the authorized number of Directors must be given to the Members with the pre-ballot notice.

6.03 **Election.** Directors are elected by the Association's Members. Elections shall be held at the expiration of a Director's seat and least once every four years.

6.04 **Two-Year Staggered Terms.** The term of office served by Directors shall be two-year staggered terms and until their successors are elected and qualified. If in any Board election the Members elect more than half of the number of authorized Directors, up to half of the Directors who are elected by the most votes will serve two-year terms and the remaining Director(s) elected will serve one-year terms.

6.05 **Term Limits.** Directors may not serve more than two consecutive two-year terms. After serving two consecutive terms, they must remain off the Board for at least one year before being eligible to again serve on the Board.

6.06 **Disqualification and Removal.**

A. **Automatic Removal.** A Director shall automatically cease to be a director if that person:

- (1) Ceases to be a Member of the Association, or
- (2) Has been declared of unsound mind by a final order of court.

- B. **Optional Removal.** Directors may be removed from office by the Board if they have been convicted of a felony, but only if the Association has first provided them the opportunity to engage in internal dispute resolution as set out in California Civil Code Sections 5900 *et seq.*
- C. **Removal After Dispute Resolution.** The Board shall remove a Director from office after offering to participate in dispute resolution with that Director as set out in California Civil Code Sections 5900 *et seq.* if he or she:
- (1) Is serving on the Board at the same time as another Director who holds a joint ownership interest in the same Unit and the other Director has been serving longer;
 - (2) Has been absent four meetings of the Board within any 12-month period;
 - (3) Discloses, or if the Association becomes aware of, a past criminal conviction that would, if the person was elected, either prevent the Association from maintaining the fidelity insurance coverage required by California Civil Code Section 5806 or terminate the Association's existing coverage as to that person should the person be elected;
 - (4) Disseminates confidential information learned at an executive session meeting to individuals who are not on the Board (excluding communications necessary to put into effect actions approved by the Board) without Board authorization or approval, after receiving written notification from the Board that such actions must stop immediately;
 - (5) Allows a proposed contract or other transaction to be put to a vote by the Board without disclosing that he or she will receive a financial benefit from the transaction; or
 - (6) Willfully, and with actual notice of an adopted Board resolution, takes action to block implementation of that resolution, after receiving written notice from the Board that makes specific reference to an act by the Director in violation of this subparagraph and demands that any such action must stop immediately.

6.07 **Removal by Membership.** The Members may vote by Secret Ballot to remove the entire Board or any individual Director from office, with or without cause, by a majority of a quorum of the Members. Quorum for any vote to remove one or more Directors from office shall be a majority of all Members. If any or all Directors are so removed, new Directors shall be elected at the same time.

6.08 **Resignation.** Any Director may resign by giving written notice to the president, the secretary, or the Board. The resignation shall take effect upon the giving of the notice unless a later time is specified in the notice. If the resignation is effective at a future time, the resigning Director may participate in the selection of a successor to fill the vacated seat.

6.09 **Vacancies.** A vacancy or vacancies on the Board shall be deemed to exist in the case of the death, resignation, disqualification or removal of any Director, or a shortage in the number of

Directors elected because of a lack of candidates. Each Director elected or appointed to fill the position of a removed Director shall hold office until the end of the removed Director's term.

- A. Only the Members, and not the Directors, may fill vacancies on the Board created by a membership vote to remove a Director or Directors, or a Board vote or Bylaw amendment to increase the authorized number of Directors.
- B. Any other vacancies on the Board may be filled by a vote of the Board. If there are not enough remaining Directors to constitute a quorum, then vacancies may be filled by a majority of the remaining Directors.
- C. Only Members who would be qualified to run as a candidate may be appointed to the Board.

6.10 **Authority to Contract.** Except as otherwise stated in the CC&Rs or these Bylaws, the Board may authorize any Officer, agent or employee to enter into any contract or execute any instrument in the name of and on behalf of the Association. This authority may be general or confined to specific instances. Unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to engage its credit, or to render it liable for any purpose or for any amount.

6.11 **No Compensation.** No Director or Officer shall receive compensation for any service he or she may render to the Association solely because of his or her standing as a Director or Officer. However, Directors and Officers may be reimbursed for actual expenses incurred in the performance of their duties.

6.12 **Board's Ethical Obligations.**

A. ***Conflict of Interest.***

- (1) The Association shall not enter into any contract with any party in which any Officer or Director of the Association, the Manager, management company, or any employee of the Association has a direct or indirect economic interest in the contract without (i) full disclosure of the interest to the Board, (ii) full disclosure of the interest in the minutes of the Board meeting where a discussion occurred, and (iii) recusal from the deliberations and voting by the interested party.
- (2) A Director shall not participate in any Board vote regarding:
 - a. Possible disciplinary action against that Director or a resident in the Director's Unit.
 - b. Collection of any funds owed the Association by that Director.
 - c. A payment plan request by that Director.

- d. Any dispute between that Director or a resident in the Director's Unit and the Association.

The Directors, by unanimous vote of all but the conflicted Director, may also require that Director to absent him/herself from any portion of a Board meeting at which the subject is discussed.

- B. **Commissions.** No Director shall accept any commission, rebate, or profit in any way on Association expenditures or activities. When recommending services or products, Directors shall disclose any financial benefits or fees that may be derived from such activities.
- C. **Confidential Information.** No Director shall knowingly, during or after their term of office, reveal attorney-client communications, other privileged communications, or confidential information. Neither shall any Director knowingly use any such information to his/her personal benefit at the expense of other Members or residents, or in a way that is not in the best interests of the Association as a whole. "Confidential information" as used in this subsection includes any information learned in executive session which is not available to the general public or otherwise disclosed to the Members during the regular course of the Association's business.

6.13 **Due Diligence.** The Board shall exercise due diligence in its handling of Association finances; maintenance, repairs and administration of the Project; and negotiating contracts and agreements. Directors shall act in good faith while performing their duties. After reasonable inquiry when the need is indicated by the circumstances, Directors shall be entitled to rely on information, opinions, reports or statements prepared or presented by:

- A. One or more officers of the Association whom the Director believes to be reliable and competent in the matters presented;
- B. Counsel, independent accountants, contractors, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- C. A Committee of the Board upon which the Director does not serve, as to matters within its designated authority, which Committee the Director believes to merit confidence.

6.14 **Duty to Defend.** The Association shall indemnify and defend and shall advance reasonable attorneys' fees and costs as follows to its Officers, Directors, and Committee members (for purposes of this Section, "Agents") against all expenses and liabilities reasonably incurred by Agents in connection with any proceeding (including, but not limited to, alternative dispute resolution proceedings) to which they may be a party by reason of having been an Officer, Director, or Committee member of the Association, if the Agent acted in good faith and in a manner the Agent reasonably believed to be in the best interests of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe the Agent's conduct was unlawful.

ARTICLE 7.
MEETINGS OF THE BOARD

7.01 **No Action Outside of Meeting.** The Board may not take action on any item of business outside of a Board meeting. For purposes of this Section, an "item of business" means any action within the authority of the Board, except actions that the Board has impliedly or expressly delegated to any other person or persons, managing agent, Officer, or executive Committee.

7.02 **Types of Board Meetings.**

- A. **Organizational Meetings.** Within ten days following each annual election of Directors, the Board shall hold a regular meeting for the purpose of organization, election of Officers, and the transaction of other business. If the meeting is held immediately following the meeting at which the Secret Ballots for the Board election are tabulated, notice to the newly elected Directors is not necessary to legally constitute the meeting, provided that a majority of the Board is present.
- B. **Regular Meetings.** Regular meetings of the Board are those which are scheduled to take place on a recurring regular basis, at a set day, time, and location, which is communicated in advance to the Members. The Board shall hold regular meetings at least monthly, with the option to skip a monthly meeting at the option of the President.
- C. **Special Meetings.** Special meetings of the Board may be called by the president or by a majority of the Board. Such meetings may be held upon four days' notice. In the event of a government-declared emergency, the Board may meet with less notice but must post such notice to the membership and must note in the minutes of the meeting the reason why more notice could not be given.
- D. **Executive Sessions.**
 - (1) The Board may meet or, upon the vote of a majority of the Board's quorum, adjourn a Board meeting and reconvene, in executive session exclusive of all Members who are not Directors to consider or vote upon (i) litigation, (ii) the formation of contracts with third parties, (iii) Member discipline (unless the Member and Board agree to have the matter heard in open session), (iv) personnel matters, or (v) to meet with a Member, upon the Member's request, regarding the Member's payment of assessments as required by statute.
 - (2) The Board may also meet or reconvene in executive session to consider or vote upon other matters that are protected under the Association's attorney-client privilege.
 - (3) Except to the extent protected by the attorney-client privilege, any matter considered in executive session shall be generally noted in the minutes of the next meeting that is open to the entire membership.
- E. **Teleconference Meetings.** The Board may conduct Board meetings by teleconference if a sufficient number of Directors to establish a quorum of the board, in different

locations, are connected by electronic means, through audio or video, or both. Participation by Directors in a teleconference meeting constitutes presence at that meeting as long as all Directors participating in the meeting are able to hear one another and Members speaking on matters before the Board. There are two types of teleconference meetings:

- (1) With Physical Location. At least one Director or a person designated by the Board is present at the location listed in the notice of the meeting where Members may attend.
- (2) Without Physical Location. Meetings may be conducted entirely by teleconference without a physical location if every Director and Member has the same ability to participate in the meeting that would exist if the meeting were held in person.
 - a. Any person who is entitled to participate in the meeting must be given the option of participating by telephone.
 - b. Any vote of the Directors must be conducted by a roll call vote.
 - c. No Secret Ballots may be counted and tabulated at any Board meeting without a physical location unless both of the following requirements are met:
 - i. Gathering in person is unsafe or impossible because the Association is in an area affected by (i) a state of disaster or emergency declared by the federal government, (ii) a state of emergency proclaimed by the Governor under Government Code Section 8625, or (iii) a local emergency proclaimed by a local governing body or official under Government Code Section 8630.
 - ii. The tabulation of Secret Ballots is conducted by video conference and a camera is placed so that Members can witness the inspector of elections counting and tabulating the votes.

F. ***Email Meetings for Emergency Votes.*** The Board may conduct a meeting (either open or executive session) entirely by email to take a vote on a particular issue if there are circumstances that could not have been reasonably foreseen which require immediate attention by the Board, and which of necessity make it impracticable to provide notice as required.

- (1) All Directors must unanimously consent in writing to taking that vote by email. Their consents may be given by email.

- (2) The minutes of the email meeting shall state why the vote taken at that meeting qualified as an emergency. The Directors' emailed written consents shall be filed with the minutes.

7.03 **Member Notice of Board Meetings.**

- A. **Open Board Meetings.** Members shall be given notice of the time and place of Board meetings at least four calendar days prior to the meeting. Notice shall be given by General Delivery as defined in Section 13.01, below.
- B. **Executive Session Board Meetings.** Members shall be given notice of the time and place of executive session Board meetings at least two calendar days prior to the meeting. Notice shall be given by General Delivery as defined in Section 13.01, below.
- C. **Board Meetings for Emergency Decisions.** The Association is not required to give Members notice of the time and place of Board meetings (either open or executive session) if there are circumstances that could not have been reasonably foreseen which require immediate attention by the Board, and which of necessity make it impracticable to provide notice as required.
 - (1) These meetings may be called by the president of the Association or by two Directors other than the president.
 - (2) The Board shall note in the minutes of the meeting why it qualified as an HOA emergency meeting.
- D. **Board Meetings Held Entirely by Teleconference.** The notice for each Board meeting held entirely by teleconference without a physical location must include all of the following:
 - (1) Clear technical instructions on how to participate by teleconference.
 - (2) The telephone number and electronic mail address of a person who can provide technical assistance with the teleconference process, both before and during the meeting.
 - (3) A reminder that a Member may request Individual Delivery (see Section 13.01) for future meeting notices, with instructions on how to do so.
 - (4) If a vote by Secret Ballot is to be tallied at the Board meeting, the notice must also contain the following information:
 - a. If a Member's address on file with the Association is onsite and as a result of the government-declared emergency mail delivery or mail retrieval is not possible at the Association's onsite address, the Association shall send the notice of the first such meeting to any email address provided to the Association by that Member in writing.

- b. Notice of the first such Board meeting notice for a particular government-declared emergency must be delivered to Members by Individual Delivery (see Section 13.01).

- E. **Teleconferenced Board Meetings With Physical Location.** Notice of an open partially-teleconferenced Board meeting shall identify at least one physical location where Members may attend and where at least one Director or one person designated by the Board shall be present.

7.04 **Distribution of Agendas to Members.** The notice to Members of all non-emergency Board meetings, both open and executive session meetings, shall contain the agenda for the meeting. Except as otherwise allowed in these Bylaws or California law, no item of business not listed on the agenda may be discussed by the Board or voted on at the Board meeting.

7.05 **Director Notice of Board Meetings.** Notice of Board meetings shall be given to each Director prior to the meeting to the address, phone number, fax number, or email address listed on the Association's records for the Director. Notice shall be given as follows:

- A. At least four days' notice by first-class mail, postage prepaid;
- B. At least 48 hours' notice by personal delivery of written notice;
- C. At least 48 hours' notice by telephone call to the Director, or to voicemail or answering machine; or
- D. At least 48 hours' notice by email or other electronic transmission (see Section 13.01, below).

7.06 **Waiver of Notice.** Attendance by a Director at any meeting of the Board shall be a waiver of notice by that Director of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Whether present at or absent from a meeting, any Director may provide a written waiver of notice or written consent to holding any meeting.

7.07 **Place of Meetings.** Except for meetings held by teleconference, all meetings of the Board shall be held at a place in or near the development designated by the Board or at such other place convenient to the Board.

7.08 **Quorum for Board Meetings.** A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision made or done 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. However, quorum is not required as provided in these Bylaws to (i) adjourn the meeting if there is no quorum, or (ii) appoint Directors when there are not enough Directors on the Board to constitute a quorum.

7.09 **No Proxies.** Directors may not give a proxy in lieu of their attendance at any Board meeting, their vote on any matter presented to the Board, or for the proxyholder to act in place of the Director for any other reason.

7.10 Adjournment of Board Meetings. A majority of the Directors present at a meeting, whether or not a quorum is present, may adjourn any Board meeting to a stated day and hour. If the meeting is adjourned for more than 24 hours, before the adjourned meeting is held, notice of the adjournment shall be given to Directors who were not present at the time of the adjournment.

7.11 Attendance by Members. Regular and special (non-executive session) meetings of the Board shall be open to all Members. Non-Members are prohibited from attending Board meetings unless specifically invited or authorized by the Board. A reasonable amount of time shall be set aside during the meeting to permit Members the opportunity to address the Board. However, no Member who is not an Officer or Director may participate in any deliberation or discussion unless expressly authorized by the Board.

7.12 Conduct of Board Meetings. Board meetings shall be conducted by the Association's president or, in the president's absence, an Officer or Director designated by the Board. Board meetings need not be conducted according to any particular parliamentary procedure.

- A. All persons are prohibited from audio recording or videotaping Board meetings without the Board's prior written approval.
- B. Disrupting a Board meeting to the point where the Association cannot conduct its business shall be considered the commission of a nuisance, which is a violation of the CC&Rs, enforceable by fines or other penalties.

7.13 Prohibited Discussions and Votes. Unless allowed under California law, the Board may not discuss or take action on any item at a non-emergency meeting unless the item was placed on the agenda accompanying the notice to Members of the meeting, with the following caveats and exceptions:

- A. Members who are not Directors may speak on issues not on the agenda.
- B. A Director, managing agent or other agent of the Board, or a member of the Association's staff, may:
 - (1) Briefly respond to statements made or questions posed by a person speaking at a Board meeting.
 - (2) Ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities in response to questions posed by a Member of the Association or based upon his or her own initiative.
- C. The Board may provide a reference or other resources for factual information to the Association's manager or other agents or staff.
- D. The Board may request the Association's manager or other agents or staff to report back to the Board at a subsequent meeting concerning any matter.
- E. The Board may direct the Association's manager or other agents or staff to place a matter of business on a future agenda.

- F. The Board may direct the Association's manager or other agents or staff to perform administrative tasks that are necessary to carry out this Section.
- G. The Board may take action on any item of business not appearing on the agenda under any of the following conditions, if first the Board openly identifies the item to the Members in attendance at the meeting:
 - (1) Upon a determination made by a majority of the Board present at the meeting that an emergency situation exists. For purposes of this Subsection G, an emergency situation exists if there are circumstances that could not have been reasonably foreseen by the Board, that require immediate attention and possible action by the Board, and that, of necessity, make it impracticable to provide notice.
 - (2) Upon a determination made by the Board that there is a need to take immediate action and that the need for action came to the attention of the Board after the agenda was posted and distributed. This determination must be made by a vote of two-thirds of the Directors present at the meeting, or, if less than two-thirds of the Directors are present at the meeting, by a unanimous vote of the Directors present.
 - (3) The item appeared on an agenda posted and distributed for a prior meeting of the Board that occurred not more than 30 calendar days earlier and, at the prior meeting, action on the item was continued to the present meeting.

7.14 **Minutes of Board Meetings.** The minutes, minutes proposed for adoption that are marked as draft, or a summary of the minutes of Board meetings other than executive session meetings shall be available to Members within 30 days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the Association's cost.

ARTICLE 8

OFFICERS

8.01 **Officers.** The Officers shall be president, vice president, secretary, treasurer, and such other Officers as the Board may designate. The president may not hold more than one office; however, any two of the remaining offices may be held by a single person. The president, vice president, and treasurer shall all be Directors. The secretary need not be a Director or Member.

8.02 **Term of Office.** Officers shall hold office at the pleasure of the Board. Officers shall be appointed by the Board and shall hold office until the annual election of Directors, or until he or she resigns, is removed, or is otherwise disqualified to serve. Within ten days of the election of Directors each year, the Board shall reappoint Officers. The same Directors may be appointed to the same offices. There is no limit on the number of terms served.

8.03 **Removal and Resignation.** Any Officer may be removed at any time by the vote of a majority of all the Directors then in office at any regular or special meeting of the Board at which a quorum is present. Any Officer may resign at any time by giving written or verbal notice to the Board.

Any such resignation shall take effect on the date the notice is given unless a later date is specified in the notice.

8.04 **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by the Board.

8.05 **President.** The president shall be the principal executive Officer of the Association and shall, subject to the control of the Board, supervise, direct and control all of the business and affairs of the Association. The president shall preside at all meetings of the Board, shall have the general powers and duties of management usually vested in the office of the president of a corporation, and shall have other powers and duties as may be prescribed by the Board or these Bylaws. The president shall act as spokesperson (or liaison) between the manager, if any, and the Board unless the Board directs otherwise.

8.06 **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 the powers of, and be subject to all the restrictions upon, the office of president. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

8.07 **Secretary.** The secretary shall keep, or cause to be kept, at the Association's principal office or such other place as the Board may order, (i) a book of minutes of all Board and membership meetings with the time and place of the meeting, whether regular, special or executive session, and the names of those present or represented at the meeting; and (ii) a membership register showing the names and addresses of all Directors and Officers of the Board, the names of all Members of the Association and their addresses, and the property to which each membership relates. The secretary shall have such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

8.08 **Treasurer.** The treasurer shall keep, or cause to be kept, accounts of the monies, properties and business transactions of the Association. The treasurer shall cause to be deposited all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The treasurer shall cause to be disbursed the funds of the Association as may be ordered by the Board; render to the president and Directors, whenever they request it, an account of the Association's transactions and the financial condition of the Association, which shall be made a part of the minutes of Board meetings; cause a budget to be prepared annually; and have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

8.09 **Assistant Treasurer and Assistant Secretary.** The Board may appoint one or more assistant treasurers and/or assistant secretaries who need not be Members of the Association to assist the Officers in their duties.

8.10 **Delegation of Duties.** The duties of the Officers may be delegated to subordinate Officers, the Association Manager, or other authorized agents or employees of the Association so long as the appropriate Officer is ultimately responsible for oversight and supervision of such Persons. However, no Officer shall delegate their power to sign checks, disburse Association funds, or execute contracts, promissory notes, leases, or other written instruments on behalf of the Association, except by express resolution of the Board granting such specific authority to a particular Person.

ARTICLE 9

COMMITTEES

9.01 **Establishment of Committees.** The Board may establish Committees as it deems appropriate and necessary to advise and/or assist the Board in carrying out its duties. The Board shall specify the task of each Committee. The Board may limit the number of members of any Committee, appoint non-Members to Committees, limit the term of the Committee, and appoint Committee chairpersons who need not be Directors. If not appointed by the Board, Committee chairpersons may be elected by the Committee members.

9.02 **Term of Office.** Committee members shall serve as directed by the Board. Individual Committee members may be removed at any time by the Board.

9.03 **Term of Committees.** Committees shall exist at the discretion of the Board. The term of a Committee will vary depending on the Committee's task. Committees shall disband (i) automatically with the completion of the task assigned to it by the Board, (ii) automatically at the annual meeting, or (iii) when the Board disbands the Committee. In addition, individual Committee members may be removed from time to time by the Board.

9.04 **Committee Authority.** Except as may be otherwise provided in these Bylaws, Committees are advisory only and shall have no authority to spend Association monies, enter into contracts, or direct Association personnel or vendors.

9.05 **Member Comments.** Each Committee shall receive comments and complaints from Members on any matter within its field of responsibility. Committees shall handle or dispose of such comments or complaints as it deems appropriate or refer them to any other Committee, Director, or Officer of the Association also involved in that matter, or to the Board.

9.06 **No Compensation.** Committee membership is voluntary and Committee members shall not be compensated for their services. However, Committee members may be reimbursed for reasonable expenses incurred in the performance of their duties.

9.07 **Meetings.** Committees shall meet from time to time as may be necessary to perform their duties. Committees shall make interim reports to the Board during the course of their task and shall make a final report to the Board upon completion of their tasks.

9.08 **Conflicts of Interest.** No Committee member may participate in or make recommendations on any matter which involves that Committee member or a member of his or her family, or in which the Committee member or his or her family has a direct or indirect financial interest. This does not apply to matters affecting the Association as a whole, or affecting a group or groups of Units.

9.09 **Executive Committee.** The Board may appoint an Executive Committee composed of two or more Directors. The Board may prescribe the manner in which this Committee's meetings are held. Minutes shall be kept of each such meeting. The Executive Committee may be delegated any of the powers and authority of the Board except for the following:

- A. Approval of any action which requires the approval of the Members;

- B. Filling vacancies on the Board;
- C. Appointing Committees or Committee members;
- D. Amending or repealing any Board resolution which by its express terms is not amendable or repealable by the Executive Committee;
- E. Approving any transaction involving self-dealing; or
- F. Expending corporate funds to support a nominee for Director if there are more nominees than Director positions available.

ARTICLE 10
BUDGETS, RESERVES AND FINANCIAL STATEMENTS

10.01 Review of Accounts. The Board shall do the following in accordance with California Civil Code Section 5500:

- A. Review, on a monthly basis, the current year's actual operating revenues and expenses compared to the current year's budget provided by the Stratford Controller.
- B. Review, on a monthly basis, an income and expense statement for the operating and reserve accounts provided by the Stratford Controller.
- C. Review, on a monthly basis, the check register for the Association's bank account.

These review requirements may be met when every individual Director, or a Committee of the Board consisting of the treasurer and at least one other Director, reviews these documents and statements independent of a Board meeting, so long as the review is ratified at the Board meeting subsequent to the review and that ratification is reflected in the minutes of that meeting.

10.02 Operating Budget. The Stratford Controller shall annually prepare an annual budget report for the next fiscal year. The budget shall include the information required under California Civil Code Section 5300 or any successor statute. If the Stratford Controller, in its reasonable discretion, deems it necessary at any time during the course of its fiscal year to adjust or modify the budget, it may do so, and a summary of the revised budget shall be sent to all Members within 30 days of its adoption by the Stratford Controller by General Delivery (*see* Section 13.01, below).

10.03 Annual Review. An annual review of the financial statement of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy for any fiscal year in which the Association's gross income exceeds \$75,000. A copy of the review of the financial statement shall be distributed to all Members within 120 days after the close of each fiscal year by Individual Delivery (*see* Section 13.01, below).

10.04 Reserve Study. The reserve study shall be reviewed annually, and at least once every three years the Board shall cause a site-review study of the reserve account to be performed. The study

shall, at a minimum, include all information required under California Civil Code Section 5550 or any successor statute.

ARTICLE 11
INSPECTION OF RECORDS

11.01 Maintenance of Records. The Association shall keep or cause to be kept:

- A. A membership list setting forth all names, on-site property addresses, mailing addresses, and email addresses of the Members (as may be changed from time to time by notice in writing from the Member to the Board of Directors). Any Member who is an active participant in the California Safe at Home program (Government Code Section 6205, et seq.) shall have listed on the membership list his/her substitute address designated by the Secretary of State as the Member's substitute address;
- B. The Governing Documents and minutes of the meetings of the Board; minutes of meetings of the membership. These records may be kept in written form, in any other form capable of being converted into clearly legible paper form, or any combination;
- C. Financial records and books of account of the Association, including a chronological listing of all receipts and expenditures of funds, as well as a separate account for each assessment levied or charged against each Unit or Member, the dates when so assessed and when the same is due, the amounts paid thereon, and the balance, if any, of any Assessment remaining unpaid; and
- D. All other documents required to be made available to Members under this Article. Such additional documents shall be kept for at least the time frame during which Members are entitled to inspect them, as stated below.

11.02 Records Subject to Inspection. The Association shall make the following documents available for inspection and copying by any Member or a representative designated by the Member in writing:

- A. Any financial document or statement required to be distributed annually to Members or provided during transfer of title to a Unit under these Governing Documents or California law.
- B. Interim unaudited financial statements, periodic or as compiled, containing any of the following, which shall be prepared in accordance with generally accepted accounting principles:
 - (1) Balance sheet.
 - (2) Income and expense statement.
 - (3) Budget comparison.

- (4) General ledger, showing all transactions that occurred in Association's account over a specified period of time.
- C. Executed contracts not otherwise privileged under law.
- D. Written Board approval of vendor or contractor proposals or invoices.
- E. State and federal tax returns.
- F. Reserve account balances and records of payments made from reserve accounts.
- G. Agendas and minutes of meetings of the Members, the Board and any Committees appointed by the Board; excluding, however, minutes and other information from executive sessions of the Board.
- H. Check registers.
- I. The Governing Documents.
- J. "Enhanced Association records," which are defined for purposes of this Article as invoices, receipts and canceled checks for payments made by the Association, purchase orders approved by the Association, bank account statements for bank accounts in which assessments are deposited or withdrawn, credit card statements for credit cards issued in the name of the Association, statements for services rendered, and reimbursement requests submitted to the Association.
- K. "Election materials," which are defined as returned Secret Ballots, signed voter envelopes, the voter list of names, parcel numbers, and voters to whom Secret Ballots were to be sent, and the candidate registration list. Signed voter envelopes may be inspected but may not be copied.
- L. Any record or statement which must be annually distributed to the Members per these Bylaws or in California law.
- M. Any record or information which must be provided during escrow, as stated in Section 11.10, below.

11.03 Inspection of Membership List. The Association shall make available for inspection and copying by any Member or a representative designated by the Member in writing, the Association's membership list, including each Member's name, property address, mailing address, and email address, under the following conditions:

- A. ***The Request.*** The Member requesting the list must do so in writing. The request shall state the purpose for which the list is requested, which purpose shall be reasonably related to the requester's interest as a Member. If the Association reasonably believes that the information in the list will be used for another purpose, it may deny the Member access to the list.

B. ***Members' Right to Keep Their Information Confidential.***

- (1) A Member may opt out of the sharing of his or her name, property address, mailing address, and email address by notifying the Association in writing that he or she prefers to be contacted via the alternative process described below. This opt-out shall remain in effect until changed by the Member.
- (2) Any Member who is an active participant in the California Safe at Home program (Government Code Section 6205 *et seq.*) shall be deemed to have opted out under this Subsection.

C. ***Opt-Out Procedure.*** If any Members have exercised their right to opt out, the Member requesting access to the membership list may submit to the Board stamped and sealed envelopes containing their communication, one envelope for each Member opting out. The Association shall attach mailing labels addressed to the opting out Members to the envelopes and place them in the mail within five business days of their delivery to the Association. At its option, the Association may offer to send any such communications by email instead of by mail, if the Member provides the communication in email format.

D. ***Indemnity.*** Statements made in any such mailings shall not be attributable to the Association, its Officers, Directors, employees or agents, nor shall the mailings be deemed a "publication" by the Association. The Association is specifically relieved of any responsibility or liability for screening such mailing for defamatory content. The Board shall only be responsible for making a good faith determination that the communication is consistent with the requesting party's interests as a Member. Neither the Association, nor its agents, Officers, Directors, or employees shall be liable for any damages to any person on account of any such mailing, and the Member initiating the mailing shall indemnify, defend and hold harmless the Association and its Officers, Directors, Committee members, employees and agents from all demands, costs, including reasonable legal fees and expenses, claims, damages and causes of action arising out of such material or such mailing.

11.04 **Age of Documents.** Records shall be made available to Members going back the following number of years:

- A. Association records shall be made available for the current fiscal year and for each of the previous two fiscal years.
- B. Minutes of Member meetings, Board meetings, and meetings of Committees with decision-making authority shall be permanently made available.

11.05 **Deadline for Making Records Available.** Records must be made available for inspection and copying or delivered to requesting Members within the following time frames:

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

- B. Association records prepared during the previous two fiscal years, within 30 calendar days following the Association's receipt of the request.
- C. Minutes of Member and Board meetings, within 30 days of the meeting.
- D. Minutes of meetings of Committees with decision-making authority, within 15 calendar days following approval of the minutes.
- E. Membership list, within five business days of the Association's receipt of a Member's written request.

11.06 **Inspection and Copying Procedure.**

- A. ***Inspection and Copying at Association Office.*** The Association shall make the above Association records available for inspection and copying in the Association's business office within the Project or, if there is none, at a place mutually agreed upon by the Association and the Member.
- B. ***Mailing Records.*** If there is no on-site business office for the Association and the Association and the Member cannot agree upon a place for inspection and copying, or if the Member requests in writing copies of specifically identified records, the Association may deliver copies of the requested records to the Member by Individual Delivery as detailed in Section 13.01, below.
- C. ***Computer Files.*** Members shall have the option of receiving specifically identified records by electronic transmission or machine-readable storage media as long as those records can be transmitted in a redacted format that does not allow the records to be altered.

11.07 **Withholding or Redacting Information.**

- A. ***Authorized Reasons.*** The Association may withhold or redact information from the Association records for any of the following reasons:
 - (1) The release of the information is reasonably likely to lead to identity theft. For the purposes of this Article, "identity theft" means the unauthorized use of another person's personal identifying information to obtain credit, goods, services, money, or property. Examples of information that may be withheld or redacted include bank account numbers of Members or vendors, social security or tax identification numbers, and check, stock, and credit card numbers.
 - (2) The release of the information is reasonably likely to lead to fraud in connection with the Association.
 - (3) The information is privileged under law. Examples include documents subject to attorney-client privilege or relating to litigation in which the Association is or may become involved, and confidential settlement agreements.

- (4) The release of the information is reasonably likely to compromise the privacy of a Member.
- (5) The information contains any of the following:
 - a. Records of a-la-carte goods or services provided to Members for which the Association received monetary consideration other than Assessments.
 - b. Records of disciplinary actions, collection activities, or payment plans of Members other than the Member requesting the records.
 - c. Any person's personal identification information, including, without limitation, social security number, tax identification number, driver's license number, credit card account numbers, bank account number, and bank routing number.
 - d. Minutes and other information from executive sessions of the Board, except for executed contracts not otherwise privileged. Privileged contracts shall not include contracts for maintenance, management, or legal services.
 - e. Personnel records other than the payroll records required to be provided under subsection (C), below.
 - f. Interior architectural plans, including security features, for individual homes.
- (6) Any other reason authorized or allowed by law.

- B. **Reimbursement Requests.** Any person submitting a reimbursement request to the Association that is subject to the Members' inspection shall be solely responsible for removing all personal identification information from the request.
- C. **Compensation.** Except as provided by the attorney-client privilege, the Association may not withhold or redact information concerning the compensation paid to vendors or contractors.
- D. **Explanation of Redacted Records.** If requested by the Member, the Association shall provide a written explanation specifying the legal basis for withholding or redacting requested records to that Member.
- E. **Member's Personal Information.** The Association may not transmit a Member's personal information to a third party without that Member's consent unless required to do so by law or these Bylaws.

11.08 **Billing Costs to Member.** Members may be billed for the Association's costs of providing requested records as follows.

- A. **On-Site Inspection.** If the Member inspects the records on site, the Association may bill the requesting Member for the direct and actual cost of copying requested documents. The Association shall inform the Member of the amount of the copying costs before copying the requested documents.
- B. **Records Mailed to Member.** If the records are mailed to the Member, the Association may bill the Member for the direct and actual cost of copying and mailing requested documents. The Association shall inform the Member of the amount of the copying and mailing costs, and the Member shall agree to pay those costs, before copying and sending the requested documents.
- C. **Computer Files.** The cost of duplication of records provided in an electronic transmission or machine-readable storage media shall be limited to the direct cost of producing the copy of a record in that format.
- D. **Redacting Enhanced Association Records.** If the Member requests enhanced Association records, as defined above, in addition to the direct and actual costs of copying and mailing, the Association may bill the Member an amount not in excess of \$10.00 per hour, and not to exceed \$200.00 total per written request, for the time actually and reasonably involved in redacting enhanced Association records. The Association shall inform the Member of the estimated costs, and the Member shall agree to pay those costs, before retrieving the requested documents.

11.09 **Members' Use of Records.** Members may not sell Association records or use them for a commercial or other purpose not reasonably related to their interest as a Member of the Association.

11.10 **Records Available for Escrow.** Subject to a fee for reasonable costs incurred, within ten days of receipt of a written demand, the Association shall provide to a Member or any recipient authorized by the Member copies of the following records:

- A. **Governing Documents.** The Association's Governing Documents;
- B. **Annual Disclosures.** A copy of the most recent versions of the following documents distributed to the Members:
 - (1) Operating budget, or a summary;
 - (2) Review of the financial statement, if applicable; and
 - (3) Summary of property and liability insurance coverage.
- C. **Assessments.** A true statement as to the amount of the Association's current regular and special Assessments and fees, any Assessments levied upon the Member's interest in the Association that are unpaid on the date of the statement, and any unpaid monetary fines or penalties, plus information on late charges, interest, and costs of collection;

- D. ***Change in Assessments.*** Any change in the Association's current Assessments and fees which have been approved by the Board but have not yet become due and payable;
- E. ***Violation Notices.*** A copy of any notice sent to the Member regarding any unresolved violation; and
- F. ***Minutes.*** A copy of the Board-approved minutes of Board meetings, excluding meetings held in executive session, conducted over the previous 12 months.

11.11 **Directors' Right to Inspect.** Directors shall have the right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association, provided, however, the Board may limit the right of any Director to inspect documentation relating to any litigation between the Director and the Association, or documentation entitled under applicable law to be withheld due to privacy concerns.

11.12 **Directors' Return of Books and Records.** Upon the termination, resignation or completion of a Director's term of office, that Director shall immediately deliver to the person or management company currently holding the Association's records, any and all property of the Association in their possession or control, including, without limitation, all books, records, keys, property and documents (including electronic documents).

ARTICLE 12

DISCLOSURES

12.01 **Request for Updated Member Information.** At least 45 days before distributing the Annual Policy Statement, the Association shall solicit updated contact information from the Members as described in Section 13.02.

12.02 Annual Policy Statement.

- A. The Association shall prepare an Annual Policy Statement including the following information:
 - (1) The name and address of the person designated to receive official communications to the Association.
 - (2) A statement explaining that a Member may submit a request to have notices sent to up to two different addresses. This applies to documents and notices sent to the Members under this Article and notices regarding the collection of delinquent Assessments.
 - (3) The location, if any, designated for posting of notices which the Association sends by General Delivery, as defined in Section 13.01, below.
 - (4) Notice of a Member's right to request that notices sent by General Delivery be delivered to that Member by Individual Delivery. (See Section 13.01, below.)

- (5) Notice of a Member's right to receive copies of meeting minutes, and how and where to do so.
 - (6) The form "Notice Assessments and Foreclosure" required by California Civil Code Section 5730.
 - (7) A summary of the Association's internal dispute resolution ("meet and confer") procedure to be used to informally resolve any dispute between the Association and its Members pursuant to California Civil Code Sections 5900 through 5920.
 - (8) A summary of California Civil Code Sections 5925 through 5965 regarding the use of alternative dispute resolution to resolve a dispute before filing litigation.
- B. The Association shall distribute the Annual Policy Statement, or a summary of it, to the Members within 30 to 90 days before the end of its fiscal year. If the Association distributes a summary, the summary shall include on its first page a general description of the content of the Annual Policy Statement and instructions how to request a complete copy at no cost to the Member, in at least 10-point boldface type on the first page.
 - C. If a Member has made a written request to receive full copies of the Annual Policy Statements, the Association shall deliver the full Annual Policy Statement to the Member instead of a summary.

12.03 Annual Budget Report.

- A. The Board shall annually distribute the annual budget report to all Members 30 to 90 days prior to the beginning of the fiscal year. The report shall contain all the information required under California Civil Code Section 5300, including without limitation information on funding the reserve account and a summary of the Association's insurance policies.
- B. Instead of providing the full text of the annual budget report, the Association may summarize the report. The summary shall include on its first page a general description of the content of the report. Instructions on how to request a complete copy of the report at no cost to the Member shall be printed in at least 10-point boldface type on the first page of the summary.
- C. If a Member has made a written request to receive the full copies of annual budget reports, the Association shall deliver the full report to the Member instead of the summary.

12.04 Change in Insurance Coverage.

- A. The Association will notify the Members as soon as reasonably practicable by Individual Delivery per Section 13.01, below, if any of the insurance policies listed in the annual budget report have lapsed or been canceled and are not immediately renewed,

restored, or replaced, or if there is a significant change, such as a reduction in coverage or an increase in the deductible.

- B. The Association will notify the Members immediately by Individual Delivery per Section 13.01 if the Association receives a notice of nonrenewal of any of the insurance policies listed in the annual budget report, and if replacement coverage will not be in effect by the date that the existing coverage will lapse.

12.05 **Member's Secondary Address.** Members may deliver to the Association a written request identifying a secondary address for delivery by mail or email of the documents listed in this Article. On receipt of the request, the Association shall deliver additional copies of those documents to the Member's secondary address.

12.06 **Compliance with Statute.** In the event of a conflict, the Association may disclose the items listed in this Article 12 either as stated above or in conformance with current California statute.

ARTICLE 13 **MISCELLANEOUS**

13.01 **Notices and Delivery.** This Section applies to any document that these Bylaws require to be delivered.

- A. **Timeframes.** If a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail. If a document is delivered by electronic means, delivery is complete at the time of transmission.
- B. **To Association – Recipient.** A document delivered to the Association shall be delivered to the person designated to receive documents on behalf of the Association in the annual policy statement prepared pursuant to California Civil Code Section 5310 or any successor statute. If no such person has been designated, the document shall be delivered to the president or secretary of the Association.
- C. **To Association – Method.** A document delivered to the Association may be delivered by first-class mail with postage prepaid or by any of the following methods:
 - (1) By email, facsimile, or other electronic means, if the Association has assented to that method of delivery.
 - (2) By personal delivery, if the Association has assented to that method of delivery. If the Association accepts a document by personal delivery it shall provide a written receipt acknowledging delivery of the document.
 - (3) By first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service center.
 - (4) If allowed by law,

- D. ***To Member - Address.*** Any written communication or notice of any kind to a Member permitted or required in these Bylaws shall be addressed to the Member at the address or, as provided in Subsection (E) below, email address last shown on the Association's membership list, or if none, to the Member's Unit. Members must submit any change of address in writing.
- E. ***To Members – Individual Delivery.*** If the CC&Rs or California law require Individual Delivery, the document shall be delivered by one of the following methods or by any other method allowed by law:
- (1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier.
 - (2) Email, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.
 - (3) If the Member's address last shown on the Association's membership list is their Unit at the Stratford, then, to the extent allowed by law, by hand delivery to the Member's mail slot in the lobby mailroom, hand delivery to the Member's Unit, or delivery to the Stratford concierge for pickup.

If the Owner has identified one of the options listed above as their preferred delivery method, the Association shall deliver Individual Delivery documents by that means. If the Owner has not identified a preferred delivery method, then the Association shall deliver such documents by one of the methods set out in Subsection (E)(1), above.

- F. ***To Members – General Delivery.*** If the CC&Rs or California law require General Delivery or "general notice," the document shall be provided by one or more of the following methods or by any other method allowed by law:
- (1) Any method provided for Individual Delivery listed in Subsection (E), above.
 - (2) Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this section.
 - (3) Posting the printed document in a prominent location that is accessible to all Members, if the Association has designated the location for posting general notices in the annual policy statement prepared pursuant to California Civil Code Section 5310.
 - (4) If the Association broadcasts television programming for the purpose of distributing information on Association business to the Members, by inclusion in the programming.
 - (5) If the Association maintains an internet website to distribute information on Association business to the Members that was designated in the Annual Policy Statement as a location for posting general notices, by posting the notice on the website in a prominent location that is accessible to all Members.

- G. **Member Request.** Notwithstanding Subsection (F), above, if a Member makes a written request to receive General Deliveries by Individual Delivery, all General Deliveries to that Member given under this Section shall be delivered by Individual Delivery. Any cancellation by a Member of such a request must be in writing.
- H. **Undeliverable Communications.**
- (1) **Mail.** If any mailing addressed to the Member at the address on the Association's books is returned to the Association by the U.S. Postal Service marked as undeliverable to the Member at that address, all future mailings shall be deemed to have been duly given without further mailing if they are available for the Member, on written demand, at the Association's principal office for one year from the date of the mailing to all other Members. The Association may also, at its option, mail notices to the Member's Unit address.
 - (2) **Email.** If an email bounces or results in another type of error notification indicating failure of the message, the Association shall resend the notice to a mailing address or other email address shown on the Association's membership list. If there is none, all future notices shall be deemed to have been duly given without being sent out if they are available for the Member, on written demand, at the Association's principal office for one year from the date of the mailing to all other Members. The Association may also, at its option, mail notices to the Member's Unit address.

13.02 **Members' Informational Updates.**

- A. Annually, at least 45 days before sending out its Annual Policy Statement, the Association shall deliver to each Member, by any means reasonably calculated to reach the Member, a reminder that Members are required to provide the Association with updated information at least 30 days before the Annual Policy Statement is sent out. The Association's reminder shall include:
- (1) A statement that the Member does not have to provide an email address to the Association;
 - (2) A simple method for the Member to inform the Association in writing of any changes in their preferred delivery method; and
 - (3) A request for the following updated information:
 - a. The email or street address or addresses to which Member requests that the Association delivered notices.
 - b. An alternate or secondary email or street address to which notices from the Association are to be delivered.

- c. The name, mailing address, and email address (if available) of the Member's legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the Member's extended absence from the separate interest.
- B. At least 30 days before sending out its Annual Policy Statement, the Association shall enter any updated Members' data it has received into its books and records. If a Member fails to provide updated information, the last address provided in writing by the Member or, if none, the Member's property address shall be deemed to be the address to which notices are to be delivered.

13.03 Enactment of Rules. The Board may adopt, amend, or repeal Rules for the use, occupancy and maintenance of the Project; for the general health, welfare, comfort, and safety of Members; and to interpret and implement the CC&Rs, using the following procedure or any other procedure required or provided as an alternative by statute.

- A. **Applicability.** This Section applies to Rules that relate to:
 - (1) Use of the Common Area, Exclusive Use Common Areas, or Units;
 - (2) Standards for payment plans for Members' delinquent Assessments;
 - (3) Dispute resolution procedures; and
 - (4) Election procedures.
- B. **Exclusions.** This Section does not apply to (i) Common Area maintenance; (ii) decisions on a specific situation that are not intended to apply generally; (iii) Assessment rates; (iv) Rules changes or the issuance of other documents that are required by law or that repeat existing law or the Governing Documents, if the Board has no discretion as to the substantive effect of the change; or (v) the adoption of any Rules where the procedures outlined in this Section are not required by law, including without limitation California Civil Code Sections 4340 *et seq.*, and any amendments or successor statutes thereto.
- C. **Distribution to Members.** Except for emergency rule changes, discussed below, the proposed Rules shall be distributed to the Members by General Delivery (see Section 13.01, above) at least 28 days before an open Board meeting at which the Board will vote on adopting the policy. The distribution shall include a description of the purpose and effect of the proposed Rules.
- D. **Emergency Rule Change.** If the Board determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, it may make an emergency rule change, and no advance notice to the Members is required. An emergency rule change is effective for 120 days unless the rule change provides for a shorter effective period. An emergency rule change cannot be re-adopted as another emergency rule change.

- E. **Vote on Rules.** At the scheduled Board meeting, the Board shall vote on adoption, amendment or repeal of the Rules after considering any comments received by the Members on this issue.
- F. **Approved Rules.** Within 15 days of approving the Rules, the Association shall distribute notice of the Rules change to the Members by General Delivery (See Section 13.01, above). If it is an emergency Rule, the notice shall include the text of the emergency Rule, the proposed purpose and proposed effect of the emergency Rule, and the date that it expires.
- G. **Member Vote to Reverse Rule Change.** Thirty days or less after notice of the Rule change is delivered to the Members, the Members may deliver to the Association a written request signed by the Members of at least 5% of the Units for a vote to overturn the Rule change. The Association shall hold a vote of the Members by secret mail-in ballot on whether to reverse the Rule change within 35 to 90 days of receipt of a proper request from the Members, using the procedure for secret mail-in ballots described in the Bylaws. The approval of a majority of the Members is required for the vote to pass. A Rule which is reversed according to this Section may not be re-adopted for one year after the date of the Member vote reversing the rule change. However, the Board may at any time adopt a different Rule on the same subject as the Rule change that had been reversed.
- H. **Election Rules.** The Board shall not count the Secret Ballots for any membership vote less than 90 days after it amends or adopts election or voting rules.

13.04 **Disbursement of Funds.** All expenditures by or in the name of the Association and all reserve account withdrawals or transfers shall require prior written Board approval and signatures by two Officers.

13.05 **Procedure for Internal Dispute Resolution.** If the Association and an Owner are involved in a dispute involving their rights, duties, or liabilities under California law or the Governing Documents, either the Association or the Owner may invoke the following procedure:

- A. **Written Request.** Either party may request in writing that the parties meet and confer in an effort to resolve the dispute. The writing shall include a description of the dispute.
 - (1) If the Owner initiates the request, the Association shall accept, unless the parties have already used this procedure to meet and discuss the same dispute within the past three months and to the Association's knowledge there has been no change in any relevant circumstances since that prior meeting. In that case, the Association may accept or reject the Owner's request at its option.
 - (2) If the Association initiates the request, the Owner is not obligated to accept.
 - (3) If the Owner has initiated the request, the Association may not file a civil action against the Owner until it has engaged in good faith in the internal dispute resolution procedures after the Owner's request.
- B. **Association Designee.** If the request is accepted, the Association's Board of Directors shall designate one or more members of the Board to meet and confer with the Owner.

- C. **Meet and Confer.** The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- D. **Party Representatives.** At their own cost, and after giving at least two days' notice to the other side of their intent, either the Owner or the Association may bring an attorney or other person to the meet and confer to help explain their position.
- E. **Written Resolution.** If the dispute is resolved, the agreed-upon resolution will only be enforceable if it is put in writing and signed by the parties. The Board designee may sign on behalf of the Association unless the resolution exceeds the scope of authority given to the designee. In that case the resolution shall not be binding until it is approved and signed by the Board.
- F. **No Fees.** No fee shall be charged to the Owner for participation in this process.
- G. **Limited Scope.** This Section shall not apply to hearings held by the Association to consider imposition of discipline against an Owner or to require that a violation be cured before entry into a Unit. Neither shall this Section apply to parties proposing alternative dispute resolution before filing litigation as discussed in this Article. Exercising the provisions of this Section is not required before filing litigation.

13.06 **Pre-Litigation Dispute Resolution.**

- A. **Application.** This Section applies to any potential litigation between an Owner and another Owner or the Association over enforcement of the Governing Documents or California law relating to the Project. This Section applies to actions for declaratory or injunctive relief or writ relief, either alone or in conjunction with a money claim within the jurisdiction of small claims court. It does not apply to small claims actions, Assessment disputes, or claims for money damages, only.
- B. **Request for Resolution.** Before filing a lawsuit covered under this Section, the party seeking litigation shall serve on the other a Request for Resolution. The Request for Resolution shall include (i) a brief description of the dispute, (ii) a request for either mediation or arbitration, (iii) a notice that the other party must respond within 30 days or the request will be deemed rejected, and (iv) if the party being served is an Owner, a copy of Civil Code Sections 5925 through 5965. The Request shall be served by personal delivery, first-class mail, express mail, fax, or other means reasonably calculated to provide the person with actual notice of the Request.
- C. **Attempt to Resolve Dispute.** If accepted by the other party, the mediation or arbitration shall be completed within 90 days of the receipt of acceptance by the party seeking litigation, unless extended by written stipulation of the parties.
- D. **Costs.** The parties shall share the costs of hiring an arbitrator or mediator unless otherwise determined as a result of the arbitration or mediation.

13.07 **Fiscal Year.** The fiscal year of the Association shall be a calendar year, unless a different fiscal year is adopted by the Board.

13.08 **Singular Includes Plural.** Wherever the context of these Bylaws requires same, the singular shall include the plural and the masculine shall include both feminine and the neuter.

13.09 **Conflicts.** If there is any conflict between these Bylaws and the law, the law controls. If there is any conflict between these Bylaws and the Condominium Plan, the CC&Rs, or the Articles of Incorporation, the other document shall control. To the extent required by law, election rules that comply with California Civil Code Section 5105 shall control over any conflicting provision in the Bylaws. Otherwise, if there is any conflict between these Bylaws and any Rules, these Bylaws shall control. For the sake of this Section, a “conflict” shall only exist if compliance with the requirements of both sources is impossible.

13.10 **Amendments.**

- A. **Amendment by Members.** These Bylaws may be modified, amended or replaced with new bylaws by the vote or written consent of a majority of the Members. Any such vote shall be conducted by Secret Ballot.
- B. **Amendment to Conform to Statute.** If at any time a provision in these Bylaws contradicts current law according to a written opinion of the Association’s legal counsel, or if an applicable provision of statute is not reflected in the Bylaws, the Board of Directors will have the authority, on the unanimous approval of the Directors and without approval of the Members, to amend the provision to the extent necessary to render it compliant with applicable law, or to add the statutory provision not previously included in the existing Bylaws.

WE HEREBY CERTIFY this ____ day of _____, 202__ that these Restated Bylaws have been duly approved and adopted by a majority of a quorum of the Members of the Association.

The Stratford of San Mateo Homeowners’ Association

President

Secretary