

**2021 AMENDED AND RESTATED BYLAWS**

**OF**

**San Elijo Hills Homeowners Association, Inc.**

***An Association for a Residential Community***

**NOTICE**

**(Gov. Code § 12956.1)**

**If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, military or veteran status, genetic information, national origin, source of income as defined in subdivision (p) of section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.**

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**2021 AMENDED AND RESTATED BYLAWS**

**OF**

**San Elijo Hills Homeowners Association, Inc.**

**ARTICLE 1 - NAME; LOCATION AND APPLICABILITY**

1.1 **Name.** The name of the corporation is San Elijo Hills Homeowners Association, Inc. dba San Elijo Hills #1 HOA ("Association"). The Association has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (Corp. Code §§ 7110-8970) as a nonprofit mutual benefit corporation.

1.2 **Principal Office.** The principal office of Association is located in San Diego County, California. The Board shall have the full power and authority to change the principal office of the Association from one location to another in the County of San Diego, California. Any such change shall be adopted by a resolution of the Board and noted in the meeting minutes.

1.3 **Application.** These Restated Bylaws are applicable to the Association and all Owners, residents, tenants, employees, and other persons who use the facilities of the residential Community known as San Elijo Hills Homeowners Association, Inc. ("Community"), comprised of one hundred ninety-two (192) residential Lots, located in the County of San Diego, State of California.

1.4 **Documents Being Replaced; Approvals.** These Restated Bylaws amend and restate, in their entirety, the Bylaws of San Elijo Hills Homeowners Association, approved August 25, 1975, as amended November 15, 1995, and as amended May 21, 1997 ("Original Bylaws"). In accordance with Section 8.02 of Article VIII of the Original Bylaws, these Restated Bylaws have received the approval of at least two-thirds of the members of the Corporation or by the vote of a majority of a quorum at a meeting duly called and noticed for that purpose.

1.5 **Definitions.** Unless otherwise specified in these Restated Bylaws, the definitions set forth in Article 1 of the Amended and Restated Declaration of Protective Covenants and Restrictions for San Elijo Hills HOA, Inc. recorded on November 1st, 2021 as File/Page No. 2021-0758682 of Official Records of the County Recorder of San Diego County, apply to these Restated Bylaws.

1.6 **References to Statutes.** Statutes that are shown in brackets at the beginning of a section or paragraph in these Restated Bylaws show that the respective section or paragraph is based on the particular statute referred to in the brackets. Unless otherwise noted, all references are to statutes of the State of California. Any issues not addressed expressly by the Governing Documents of the Association shall be controlled by relevant provisions of the Applicable Law and by judicial interpretations of it, whether the Association is incorporated or not.

1.7 **Membership Rights.** The qualifications for membership are set forth in Article 3 of the Restated PC&Rs and are hereby incorporated by reference.

1.8 **Continuity of Life of Association.** If the Association should be dissolved or suspended, an unincorporated association immediately and without further action or notice shall be deemed to exist and shall succeed to all rights and duties of the Association. The affairs of such unincorporated association shall be governed by the laws of the State of California and the Governing Documents. In the event of dissolution of the Association and the formation of an unincorporated association, each Member of the Association shall have an underlying beneficial interest in all of the Association's property in direct proportion to the number of Lots owned by such Member.

## ARTICLE 2 - MEETINGS OF MEMBERS

2.1 **Place of Membership Meetings; Conduct.** [Corp. Code §§ 7510(a) & 7511] All meetings of the Members shall be held at a place designated by the Board. This meeting place shall be within one mile of the Community or as close to it as reasonably possible. If no meeting place is designated, the meetings shall be held at the principal office of the Association. No meeting of the Members shall, unless unusual conditions exist, be held outside of San Diego County, California. Meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such other parliamentary procedures as the Board may adopt by resolution.

2.2 **Annual Membership Meetings.** [Corp. Code §§ 7510(a) & (b)] The annual meeting of the Members shall be held in the month of June on a date and time established by the Board, provided that adjournments of such meeting for lack of quorum or otherwise may be held as soon thereafter as practical. The actions to be taken at any annual meeting may be taken by ballot without holding an annual meeting, at the discretion of the Board.

2.3 **Recording of Membership Meetings.** The Board may electronically record (audio or video) membership meetings but no one else may electronically record a membership meeting without the approval of a majority of the Members present at such meeting.

2.4 **Special Membership Meetings.** [Corp. Code §§ 7151(e), 7510(e) & 7511(a)] Special meetings of the Members may be called for any lawful purpose by a majority of a quorum of the Board, the President of the Association, or by a written request signed by Members representing at least five percent (5%) of the Voting Power.

2.4.1 If the special meeting is requested by the Members, it shall be held not less than thirty-five (35) or more than ninety (90) days after receipt of the request by an Officer of the Association.

2.4.2 Only that business stated in the meeting notice shall be transacted at the special meeting. The actions to be taken at any special meeting may be taken by ballot without holding a special meeting, at the discretion of the Board.

**2.5 Notice of Membership Meetings.** [Corp. Code §§ 7511(a) & (b)] The Secretary of the Association shall give written notice of any Members' meeting to each Member in accordance with the following:

- 2.5.1 [Corp. Code § 7511(b)] Except as otherwise provided in this Article, the notice shall be given at least ten (10) but not more than ninety (90) days before the meeting, by first class mail, by personal delivery or Electronic Transmission. Members shall provide an email address for correspondence by Electronic Transmission or any other means approved by the Board.
- 2.5.2 [Corp. Code § 7511(b)] The notice shall be addressed to the Member at the address appearing on the books of the Association, or the address supplied by the Member to the Association for this purpose.
- 2.5.3 [Corp. Code § 7511(a)] The notice shall state the place, date, and time of the meeting and the means, if any, by which a Member may participate by Electronic Transmission or electronic video screen. If Directors are to be elected at the meeting, the ballot shall include the names of all those who are nominees at the time the notice is given. The notice or ballot shall also state those matters that the Board, at the time the notice is given, intends to present for action by the Members.
- 2.5.4 [Corp. Code § 7510(e)] In the case of a special meeting which is called by Members, the notice shall be given within twenty (20) days after receipt of the request for the meeting. If that twenty (20) day requirement is not satisfied, the Members who called the meeting may give the notice.
- 2.5.5 [Corp. Code § 7511(b)] An affidavit of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary, and if so executed, shall be filed with the corporate records or made a part of the minutes of the meeting. Such affidavit shall constitute prima facie evidence of the giving of notice.

**2.6 Waiver of Notice of Membership Meetings.** [Corp. Code § 7511(e)] Attendance by a Member or proxyholder for a Member at a meeting or submission of a ballot by a Member shall constitute a waiver of notice of that meeting, except when the Member or proxyholder objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting which are required to be described therein if that objection is expressly made at the meeting.

**2.7 Voting Rights of Members.** Members shall have the power to exercise their voting rights subject to the following provisions:

- 2.7.1 Each Lot shall be assigned one (1) vote. In an election of Directors, each Lot shall be assigned one (1) vote for each position on the Board to be filled at the election.
- 2.7.2 Fractional votes shall not be allowed. When there is more than one (1) Owner of a Lot (co-owners), all of the co-owners shall be Members, but only one of them shall be entitled to cast the single vote attributable to the Lot. Co-owners may designate in writing one of the co-owners to vote. If no such designation is made or if it is revoked, the co-owners shall decide among themselves, by majority vote, how that Lot's vote is to be cast. Unless the Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the voting co-owner is acting with the consent of his or her co-owners. No vote shall be cast for the Lot on a particular matter if a majority of the co-owners present in person, by proxy, or by ballot, do not agree on a vote.
- 2.7.3 [Corp. Code § 5034] If no percentage of the Voting Power is specified in the Governing Documents or by California law for a particular action or decision by the membership, the approval by a majority of the votes cast when a quorum is established shall be required.
- 2.7.4 [Corp. Code § 7611] The Board may fix, in advance, a record date or dates for the purpose of determining the Owners who are entitled to exercise voting rights.
- 2.7.5 A Member's voting rights may be suspended by the Board after Notice and Hearing.

**2.8 Quorum at Membership Meetings.** [Corp. Code §§ 7510 & 7512]

- 2.8.1 At any meeting, Members may be considered present by appearing in person, by proxy, or by ballot. The presence of Members entitled to cast votes equal to at least one-third ( $\frac{1}{3}$ ) of the Voting Power shall constitute a quorum for any action except as otherwise provided in the Governing Documents or Applicable Law.
- 2.8.2 At the Board's discretion, Members may, by Electronic Transmission or electronic video screen, participate, be considered present for quorum purposes and vote at a meeting of Members subject to the requirements of Corporations Code section 7510.

2.8.3 The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if the action taken, other than adjournment, is approved by at least a majority of Members required to constitute a quorum.

**2.9 Adjournment for Lack of Quorum at Membership Meetings.**

2.9.1 If a quorum is not present at a duly called meeting, a majority of those Members present in person or by proxy may adjourn the meeting to a time not less than five (5) days or more than thirty (30) days from the meeting date, but no other business may be transacted.

2.9.2 Provided that the date, time and place of the adjourned meeting are announced at the original meeting, the adjourned meeting may be held without additional written notice. If no such announcement is made, or if the selected date is changed after adjournment, notice of the time and place shall be given to Members in the manner provided in these Restated Bylaws for notice of the annual meeting.

2.9.3 The quorum for any adjourned meeting shall be twenty-five percent (25%) of the Voting Power.

**2.10 Adjustment of Voting Power and Quorum at Membership Meetings.**

For purposes of establishing a quorum and approving an action by the membership, the Voting Power of the Association shall be reduced by an amount equal to the number of any Lots for which membership voting rights are suspended as provided in the Governing Documents.

**2.11 Voting by Proxy at Membership Meetings.** [Corp. Code §§ 5069, 7514 & 7613] At all meetings of Members, each Member may vote by proxy. All proxies shall be in writing, filed with the Secretary of the Association, and comply with any Applicable Laws.

**2.12 Voting by Ballot at Membership Meetings.** Votes cast at an annual or special membership meeting by ballot may be counted to establish a quorum at such meeting.

**2.13 Voting by Ballot Without a Membership Meeting.** [Corp. Code § 7513] Any action that may be taken at an annual or special meeting of the Members may be taken without a meeting provided the following ballot requirements are satisfied:

2.13.1 The Association shall distribute a ballot in any manner allowed by Applicable Law to every Member entitled to vote on the matter.



- 2.13.2 The ballot shall comply with any Applicable Law and any applicable Rules. If allowed by Applicable Law, Owners may vote electronically.
- 2.13.3 The proposed action shall be considered approved if:
- (a) The number of votes cast by ballot within the specified time period equals or exceeds the quorum required to be present at a meeting authorizing the action; and
  - (b) The number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- 2.13.4 Once a written ballot is submitted to the Association, the Member submitting the ballot may not revoke it.
- 2.13.5 Any deadline stated for return of the ballots may be extended for successive reasonable periods with the approval of the inspectors of election.

### **ARTICLE 3 - BOARD OF DIRECTORS**

**3.1 Number and Qualification of Directors.** The affairs of the Association shall be managed and its duties and obligations performed by an elected Board of Directors, consisting of seven (7) persons. Members of the Board must be Members of the Association. No more than one (1) Owner of any Lot may serve on the Board at the same time.

**3.2 Nomination Procedures.** The Board of Directors shall establish reasonable nomination procedures for election to the Board. The procedures may provide whether and to what extent nominations must be received before the secret ballots are prepared and mailed to Owners, whether nominations may be accepted from the floor at the annual meeting and whether to allow write-in votes.

**3.3 Qualifications of Candidates for Election to the Board.** Candidates for election to the Board must be Members in good standing. Good standing shall mean that as of the date specified in advance by the Board for the preparation of the ballot (1) all assessments, fees, charges or monetary penalties due the Association must be no more than thirty (30) days delinquent and (2) the membership rights of the Member must not be suspended for any violations of the Association's Governing Documents.

**3.4 Board Election.** [Corp. Code § 7615] The Members shall fill, by election, all positions of Directors whose terms are due to expire annually in accordance with the following:

- 3.4.1 The election may be held at an annual or special meeting of Members called for that purpose or held by secret ballot without a meeting.
- 3.4.2 Voting for Directors shall be by secret ballot. However, if the number of candidates equals or is less than the number of positions to be filled at the election, Members may elect the Directors by acclamation.
- 3.4.3 At an election, each Lot shall be assigned one (1) vote for each Board position to be filled at the election unless voting rights for the Lot have been suspended. Cumulative voting is not allowed.
- 3.4.4 The candidates receiving the highest number of votes shall be elected. In the event of a tie vote between candidates for the last position on the Board, the winner of the tie shall be determined by a game of chance.

**3.5 Term of Office of Directors.** [Corp. Code § 7220(b)] The terms of office of all members of the Board shall be staggered two (2) year terms, with four (4) terms expiring in even-numbered years, and three (3) terms expiring in odd-numbered years. Staggered terms shall be initiated at the first election following adoption of these Restated Bylaws. If this election is in an odd-numbered year, the three Directors elected with the most votes will serve a two (2) year term and the four Directors elected with the least number of votes will serve a one (1) year term. If the election is in an even-numbered year, the four (4) Directors elected with the most votes will serve a two (2) year term and the three (3) Directors elected with the least votes will serve a one (1) year term. Thereafter, all terms shall be two (2) years. There shall be no limit to the number of consecutive terms to which a Director may be reelected. Each Director shall hold office until the election of his or her successor or until the Director's death, resignation or removal.

**3.6 Vacancies and Removal of Directors.** [Corp. Code § 7221] Vacancies may be declared, or Directors may be removed as follows:

- 3.6.1 The Board may declare vacant the office of a Director on the occurrence of any of the following events:
  - (a) The Director is declared of unsound mind by a final order of court.
  - (b) The Director is convicted of a felony.
  - (c) The Director has failed to attend three (3) consecutive regular meetings of the Board;
  - (d) The Director ceases to be an Association Member.

- (e) The Director is more than ninety (90) days delinquent in the payment of any assessments, fees, charges or monetary penalties due the Association.
- (f) The Director fails to comply with all duly approved actions of the Board.
- (g) The Director fails to comply with the Governing Documents and to correct, within five (5) days after receipt of notice, any violation of the Governing Documents for which that Director has been determined to be responsible pursuant to a Notice and Hearing.
- (h) The Director fails to exhibit respect, professionalism and courteous behavior to Owners, committee members, vendors, and any other persons associated with or retained by the Association.
- (i) The Director is found after a Notice and Hearing not to be an Owner in good standing.
- (j) The Director is found to have accepted any type of gain, such as money, services, products, gifts or gratuities of a significant value, as determined by a majority vote of the Directors who meet all of the required qualifications to serve as such, which gain is offered in relation to the Owner's service as a Director.

3.6.2 [Corp. Code § 7222] One or more Directors may be removed prior to the expiration of their terms, without cause, by a vote of the Members. Any removal without cause shall be approved by the vote of Members representing a majority of the votes cast when a quorum is established.

3.6.3 [Corp. Code § 7222(f)] By a majority vote, the Board may remove any Director who was appointed by the Board to fill a vacancy on the Board.

**3.7 Resignation of Directors.** [Corp. Code § 7224] Any Director may resign at any time by giving written notice to the Board, the President, or the Secretary, or by giving verbal notice at an open Board meeting or an executive session. Such resignation shall take effect on the date of receipt of such notice, or at any time later specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**3.8 Return of Association Materials.** Upon resignation, removal or expiration of the Directors' terms, Directors shall return to the Association those Association materials in their possession.

**3.9 Filling Vacancies on the Board.** [Corp. Code §§ 7220(b) & 7224]

- 3.9.1 The remaining Directors shall have the sole authority to appoint a new Director to fill any vacancy on the Board caused by the death, removal or resignation of a Director or for any other reason unless the vacancy is created by the removal of a Director by the Members.
- 3.9.2 The Members shall vote to fill any vacancy on the Board created by the removal of a Director by the Members.
- 3.9.3 Any Director appointed to fill a vacancy must meet the same qualifications as a candidate for election.
- 3.9.4 A successor Director shall serve for the unexpired term of the Director he or she replaced. If the Board accepts the resignation of a Director which is scheduled to take effect at a future date, the Board may appoint a successor to take office when the resignation becomes effective, and the resigning Director may participate in the appointment of a successor.

**3.10 No Compensation of Directors.** No Director shall receive any compensation for any service he or she may render to the Association; provided, however, that a Director may be reimbursed for actual out-of-pocket expenses incurred by the Director in the performance of his or her duties. Any expenses for travel outside of San Diego County must have prior approval of the Board.

**3.11 Powers and Duties of Directors.** [Corp. Code § 7140] The Board shall exercise for the Association all powers and duties vested in or delegated to the Board or the Association by the Governing Documents, and the California Corporations Code governing nonprofit mutual benefit corporations and Applicable Law. Said powers and duties shall include, but not be limited to, the following:

- 3.11.1 Conducting membership meetings and elections.
- 3.11.2 Enforcing the applicable provisions of the Governing Documents and any other instruments governing the ownership, management, and control of the Community.
- 3.11.3 [Corp. Code § 7614] Appointing inspectors of elections for any membership vote.
- 3.11.4 Adopting reasonable Rules, subject to Section 3.5.2 of the Restated PC&Rs.
- 3.11.5 Initiating and executing disciplinary proceedings against Members for violations of provisions of the Governing Documents after Notice and Hearing.

- 3.11.6 Fixing and establishing the fiscal year for the Association, including the power to modify the fiscal year.
- 3.11.7 Contracting for casualty, liability, and other insurance on behalf of the Association.
- 3.11.8 Subject to the limitations set forth in Section 3.12 herein, contracting for goods and services for the Slopes, and operation of the Association, and borrowing money, incurring indebtedness and executing promissory notes or other evidences of debt for the Association.
- 3.11.9 [Corp. Code § 7212] Creating committees pursuant to resolution adopted by a majority of the Board; provided that if a committee will exercise any power or authority of the Board, it shall consist of two (2) or more Directors, and only Directors. No Directors need serve on any committee which does not exercise any power or authority of the Board (e.g., social committees). Committee members must be Members of the Association.
- 3.11.10 Establishing standing committees including the Architectural Committee described in the Restated PC&Rs; Slopes Committee to supervise Slope planting and maintenance; and Membership Committee to keep Members informed, organize the Annual Meeting, and to organize the election of Directors, all within any limitations imposed by the Governing Documents or the Board. The chair of any such standing committee shall be a member of the Board.
- 3.11.11 [Corp. Code § 7210] Delegating its authority, duties, and responsibilities to its Officers, employees, committees, or agents, including a community association manager. The term of any agreement with a manager shall not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods, and shall provide for termination by either party for cause with no more than thirty (30) days' written notice, or without cause and without payment of a termination fee or penalty upon no more than ninety (90) days' written notice.
- 3.11.12 Authorizing the withdrawal of monies from the Association's reserve accounts, upon the signatures of two (2) Directors.
- 3.11.13 Entering any Lot to perform necessary construction, maintenance, or emergency repair work for the benefit of the Slopes or the Association.
- 3.11.14 Filling vacancies on the Board, except for a vacancy created by the removal of a Director by the Members.

- 3.11.15 Providing any Owner with any documents required by any Applicable Law to be provided to an Owner.

**3.12 Limitations on Board's Powers.** Notwithstanding the provisions of Section 3.11, the Board shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the Voting Power:

- 3.12.1 Entering into a contract with a third person under which the third person will furnish goods or services for the Slopes or the Association for a term longer than one (1) year with the following exceptions:
  - (a) A contract with a public utility if the rates charged are regulated by the Public Utilities Commission, provided that the term shall not exceed the shortest term for which the utility will contract at the regulated rate.
  - (b) Prepaid casualty and liability insurance of not more than three (3) years' duration provided that the policy provides for pro rata or short rate cancellation by the insured.
  - (c) A contract for a term not exceeding three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty, or other obligation upon thirty (30) days' written notice of termination to the other party.

**3.13 Board to Report Financial Status.** At every Annual Meeting, or more often as determined by the Board, the Board of Directors shall report to the Members regarding the financial status of the Association. A draft budget for the new fiscal year shall be presented to the Members for informational purposes, and to be discussed, amended as appropriate, and approved later by the Board of Directors at an open meeting of the Board.

**3.14 Notice and Hearing Procedures for Disciplinary Actions Against Owners.** [Corp. Code § 7341] In connection with the general power of enforcement, the Association may discipline Owners for violation of any of the provisions of the Governing Documents by one or both of the following: (1) suspending the Member's membership rights, including the Member's voting rights, and the right to be a candidate for the Board, and (2) imposing monetary fines, subject to the following Notice and Hearing procedures:

- 3.14.1 The accused Owner shall be given at least ten (10) days' prior written notice of the intention of the Board to meet and consider imposition of a suspension, monetary fine, or a combination of these, with respect to any alleged violation.
- 3.14.2 In any matter relating to the disciplining of a Member, the Board shall meet in executive session if requested by that Member, or upon the Board's own decision. The Member subject to discipline

shall be given an opportunity to be heard, orally or in writing, at the Member's discretion during that portion of the executive session.

- 3.14.3 Notwithstanding the foregoing, under circumstances involving conduct or a condition of the Lot that constitutes (1) an immediate and unreasonable infringement of, or threat to, the health, safety or quiet enjoyment of neighboring Owners; (2) a traffic or fire hazard; or (3) a threat of material damage to, or contamination, or destruction of, the Slopes or other Lots, the Board or its agents may undertake immediate corrective action and conduct a hearing as soon thereafter as reasonably possible, if either (1) requested by the offending Owner within five (5) days following the Association's notification, or (2) on its own initiative.
- 3.14.4 The amount of any monetary penalties shall be established from time to time by the Board, and a schedule thereof shall be distributed to the Members. Distribution of additional schedules is not required unless there are any changes to an existing schedule.
- 3.14.5 If the Board imposes discipline on a Member, the Board shall provide notification of the disciplinary action by either personal delivery or first-class mail to the Member within fifteen (15) days following the action.
- 3.14.6 Any Owner's membership privileges may be suspended (1) for any violation of the Governing Documents, and (2) during any period of time that the Owner is more than thirty (30) days delinquent in the payment of assessments, fees, charges or monetary penalties due the Association. Suspension of membership privileges shall include suspension of the right of a Member to vote at meetings of the Association, and the right to be a candidate for the Board. Any such suspension shall not include suspension of the right of a sitting Board member to continue serving as a Board member. However, a Director may be removed pursuant to Section 3.6.1(e) herein if the Director is more than ninety (90) days delinquent in the payment of any assessments, fees, charges or monetary penalties due the Association.
- 3.14.7 Any disciplinary actions against an Owner may occur before or concurrently with any dispute resolution procedure required by any Applicable Law.
- 3.14.8 Except as provided in the Restated PC&Rs relating to foreclosure for failure to pay assessments, or as a result of the judgment of a

court or a decision arising out of arbitration, the Association shall in no way abridge the right of any Owner to the full use and enjoyment of his or her Lot.

**3.15 Expending Reserve Funds.** The Board may not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement or maintenance of, or litigation involving the repair, restoration, replacement or maintenance of, Slopes which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established except as allowed by Applicable Law.

## **ARTICLE 4 - MEETINGS OF DIRECTORS**

**4.1 Regular Board Meetings.** [Corp. Code § 7211(a)(2)] Regular meetings of the Board of Directors shall be held every month at a time and place fixed by resolution of the Board. The meeting place shall ordinarily be within one mile of the Community unless, in the judgment of the Board, a larger meeting room is required. Any larger meeting room selected by the Board shall be as close as possible to the Community.

**4.2 Special Board Meetings.** [Corp. Code §§ 7211(a)(1) & (2)] Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two (2) Directors other than the President. The meeting notice shall specify the time and place of the meeting and the nature of any special business to be considered.

**4.3 Board Meeting Notice to Board Members.** [Corp. Code § 7211(a)(2)]

4.3.1 Regular meetings of the Board may be held without notice to Board members if the time and place of the meetings are fixed by the Board.

4.3.2 Regular meetings, if the time and place are not fixed by the Board, and special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, including a voice messaging system or by Electronic Transmission to Board members. Board members shall provide an email address for correspondence by Electronic Transmission or any other means approved by the Board.

4.3.3 Notice need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

**4.4 Organizational Board Meetings.** Immediately after the annual meeting or as soon thereafter as reasonably practicable, the Board shall meet to elect the Officers of the Association and conduct any other business of the Association as the Board, in its discretion, shall determine is necessary.

**4.5 Emergency Board Meetings.**



4.5.1 An emergency meeting of the Board, either in open session or executive session, may be called by the President or by any two (2) Board members if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board and which of necessity make it impracticable to provide notice as required herein.

4.5.2 Electronic Transmissions may be used as a method of conducting an emergency meeting if all Board members agree in writing or Electronic Transmission to conducting the emergency meeting by Electronic Transmission. The consent of each Board member must be filed with the minutes of the emergency meeting. If all the Board members consent to conducting the emergency meeting by Electronic Transmission, a decision by a majority of the Directors voting on the item of business shall be the act of the Board as long as a quorum of the Board votes.

#### 4.6 **Executive Sessions of the Board.**

4.6.1 The Board may, with the approval of a majority of a quorum of the Board, meet in executive session with its legal counsel, or meet to discuss and vote upon (1) litigation in which the Association is or may become involved, (2) matters that relate to the formation of contracts with third parties, (3) personnel matters, (4) Member disciplinary matters, (5) orders of business of a similar nature, and (6) to meet with a Member, upon the Member's request, regarding the Member's payment of assessments.

4.6.2 An executive session which does not follow an open meeting may be called and noticed to the Board members in the same manner as a special meeting or as an emergency meeting if required by the circumstances.

4.6.3 Any matter discussed in executive session shall be generally noted in the Board minutes of the next meeting of the Board of Directors which is not an executive session.

#### 4.7 **Quorum at Board Meetings.** [Corp. Code §§ 7211(a)(7) & (8)]

4.7.1 A majority of the number of the Directors then in office, so long as there is more than one (1) such Director, shall constitute a quorum.

4.7.2 If a quorum is present, the decision by a majority of the Directors present shall be the act of the Board.

4.8 **Adjournment of Board Meetings.** [Corp. Code § 7211(a)(4)] A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to

another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment shall be given, prior to the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

#### **4.9 Owner Attendance at Board Meetings; Notice.**

- 4.9.1 Any Member of the Association may attend meetings of the Board except when the Board adjourns to executive session. Members who are not on the Board may speak at any meeting, except executive sessions, subject to reasonable limitations established by the Board of Directors.
- 4.9.2 Notice of the time and place of a Board meeting, except for emergency meetings and executive sessions, shall be communicated to Members not less than four (4) days prior to the meeting.
- 4.9.3 Notice of the time and place of executive session Board meetings, except for emergency meetings, shall be communicated to Members not less than two (2) days prior to the meeting.
- 4.9.4 No one may electronically record (audio or video) a Board meeting without the prior written consent of the Board.

**4.10 Board Meeting Minutes; Availability to Owners.** [Corp. Code § 8320] The Board shall keep accurate written minutes of its meetings, and shall retain them in the permanent records of the Association. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any Board meeting, other than executive session, shall be available to Members within thirty (30) days after the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement for the costs in making that distribution. Members shall be notified in writing at the time that the budget is distributed, or at the time of any general mailing to the entire membership, of their right to have copies of the minutes of meetings of the Board, and how and where those minutes may be obtained. The Association may make its records available for inspection by the Members through its website at [www.sanelijohills1.org](http://www.sanelijohills1.org).

### **ARTICLE 5 - OFFICERS**

**5.1 Enumeration of Officers.** [Corp. Code § 7213(a)] The Officers of this Association shall be a President, a Vice-President, a Secretary, and a Treasurer. The Board may appoint such additional Officers as it may, in its sole discretion, determine necessary or desirable. Any number of offices may be held by the same person except for the offices of (1) President and Treasurer, and (2) President and Secretary. Officers must be Board members.

**5.2 Appointment and Term.** The Officers shall be elected annually by the Board. Each shall hold office until the next annual meeting unless he or she shall sooner resign, or be removed, or otherwise become disqualified to serve. Any vacancies shall be filled by the Board. Each Officer shall hold his or her office at the pleasure of the Board.

**5.3 Duties of Officers.** Unless otherwise delegated by the Board, the duties of each Officer shall be as follows:

5.3.1 The President shall:

- (a) Preside over all meetings of the Members and of the Board.
- (b) Sign as President all deeds, contracts, and other written instruments that have been approved by the Board, unless the Board, by duly adopted resolution, authorizes the signature of a lesser Officer, or other person or entity.
- (c) Call meetings of the Board in accordance with any rules and notice requirements imposed by the Board and the Governing Documents.
- (d) Have, subject to the approval of the Board, general supervision, direction, and control of the affairs of the Association.
- (e) Discharge any other duties required of him or her by the Board.

5.3.2 The Vice-President shall:

- (a) Act in the place and in the stead of the President in the event of the President's absence, inability, or refusal to act.
- (b) Exercise and discharge any other duties required of the Vice President by the Board.

5.3.3 The Secretary shall:

- (a) Keep a written record of all Member and Board meetings.
- (b) Serve all required notices of meetings of the Board and the Members.
- (c) Keep current records showing the names and addresses of all Members.

- (d) Sign as Secretary all deeds, contracts, and other written instruments that have been approved by the Board, if the instruments require a second Association signature and the Board has not passed a resolution authorizing another Officer to sign in the place and stead of the Secretary.

5.3.4 The Treasurer shall:

- (a) Receive and deposit all of the funds of the Association in any bank or banks selected by the Board.
- (b) Be responsible for and supervise the maintenance of books and records to account for Association funds and other Association assets.
- (c) Disburse and withdraw Association funds in the manner specified by the Board.
- (d) Prepare and distribute the financial statements for the Association required by the Governing Documents.

5.3.5 Operational Disbursements. No disbursement from the Association's operating account may be made without the signature or written approval (including by Electronic Transmission) of two (2) Officers, including either the President or the Treasurer.

5.4 **Delegation of Officers' Duties.** With Board approval, an Officer may delegate his or her powers and duties to any committee, employee or agent of the Association, including, but not limited to, a community association manager.

5.5 **Resignation and Removal of Officers.**

5.5.1 The Board may remove any Officer from office either with or without cause.

5.5.2 An Officer may resign at any time by giving written or verbal notice to the Board, the President or the Secretary or by giving verbal notice at an open Board meeting or executive session. The resignation shall take effect on the date of receipt of the notice or at any later time specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation by the Board shall not be necessary to make it effective.

5.6 **Return of Association Materials by Officers.** All books, records, papers and other materials provided by or from the Association to Directors or Officers remain property of the Association. Upon resignation, removal or expiration of the Officers'

terms, Officers shall return to the Association those Association materials in their possession.

**5.7 No Compensation of Officers.** An Officer shall not receive any compensation for any service he or she may render to the Association; provided, however, that any Officer may be reimbursed for actual out-of-pocket expenses incurred by the Officer in the performance of his or her duties. Any expenses for travel outside of San Diego County must have prior approval of the Board.

**5.8 Limitation of Officers' Powers.** No Officer may enter into any contract or incur any debt or other obligation for the Association without authorization of the Board of Directors.

## **ARTICLE 6 - BOOKS AND RECORDS; INSPECTION RIGHTS**

### **6.1 Member Inspection of Association Records.**

6.1.1 Association Records, including financial records, executed contracts not otherwise privileged, written Board approval of vendor or contractor invoices or proposals, tax returns, account balances and records of payments from Association accounts, agendas and minutes of Board or Membership meetings, membership lists, check registers, and governing documents, shall be open to inspection and copying upon the written demand on the Association by any Member for a purpose reasonably related to such Member's interests as a Member. Notwithstanding the foregoing the Association may redact its records, at the expense of the requesting member, prior to copying or inspection, if the release of such information may lead to identity theft or fraud, to protect the release of privileged information, to prevent the release of information that is likely to compromise the privacy of individual members, or if the information contains records of goods or services provided a la carte to a member, records of disciplinary action, collection activities, or payment plans of members, personal identification information, including, without limitation, social security number, tax identification number, driver's license number, credit card account numbers, bank account numbers, and bank routing numbers, or minutes from executive session meetings.

6.1.2 Members may not inspect the minutes of executive session meetings, information related to disciplinary matters, individual Lot files (except their personal Lot file), or any other records except those specifically allowed herein or as allowed by the Board or by Applicable Law.

- 6.1.3 The Association may withhold or redact information if the release of the information is reasonably likely to lead to fraud in connection with the Association or identity theft or the information is privileged by Applicable Law.

**6.2 Member Inspection of Membership Register.** Subject to Section 6.3 and any Applicable Law, Members may obtain copies of the membership register within ten (10) days upon a written demand to the Association and payment of a reasonable charge for copying and mailing costs. The demand shall state the purpose for which the list is requested.

**6.3 Denial of Inspection Request for Membership Register.** [Corp. Code § 8338] In accordance with section 8338 of the Corporations Code, the membership register is a corporate asset. The Association may deny a Member access to the membership register, including copies thereof, where the Association reasonably believes that the information will be used for a purpose not reasonably related to the Member's interest as a Member, or where the Association provides a reasonable alternative method of achieving the purpose identified in the written demand from the Member in accordance with section 8330(c) of the Corporations Code.

**6.4 Director Inspection of All Association Records.** [Corp. Code § 8334] Subject to any limitations imposed by Applicable Law, every Director shall have the right to inspect all Association records and the physical properties owned or controlled by the Association at any reasonable time as provided by section 8334 of the Corporations Code.

**6.5 Removal of Records.** No Member or Director may remove the Association's copies of the Governing Documents, books and records of account, minutes, the membership register, or other records or documents from the Association's office or designated depository without the prior consent of the Board.

## **ARTICLE 7 - NONLIABILITY AND INDEMNIFICATION**

**7.1 Limitation on Liability of Association's Directors and Officers.** [Corp. Code § 7237] It is the intent of this Article to provide the Association's volunteer Directors, Officers and other agents with protection from liability to the fullest extent permitted by any Applicable Law, and to the extent any of these provisions are inconsistent with Applicable Law, or more restrictive than Applicable Law, the Applicable Law shall prevail. No Directors, Officers, committee members, or agents of the Association (collectively and individually referred to as the "Released Party") shall be responsible to any Owner, any member of an Owner's family, any of the Owner's tenants, guests, servants, employees, licensees, invitees, or any other person for:

- 7.1.1 Any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required by the Governing Documents, provided that such Released Party has, upon the basis of such information as may be possessed by

the Released Party, acted in good faith, in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Association's annual financial budget, the decision whether to purchase insurance, the funding of Association reserve accounts, repair and maintenance of Slopes, and enforcement of the Governing Documents.

7.1.2 Any loss or damage suffered by reason of theft or otherwise of any article, vehicle or other item of personal property which may be stored by such Owner or other person within any Lot or for any injury to or death of any person or loss or damage to the property of any person caused by fire, explosion, the elements or any other Owner or person within the Community, or by any other cause, unless the same is attributable to his or her own willful or wanton act or gross negligence.

**7.2 Indemnification by Association of Directors, Officers, Employees and Other Agents.** [Corp. Code § 7237] To the fullest extent permitted by Applicable Law, the Association shall indemnify its Directors, Officers, committee members, employees, and other agents described in Corporations Code section 7237, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in Corporations Code section 7237 and including an action by or in the right of the Association, by reason of the fact that such person is or was a person described by that section. "Expenses," as used in this Section, shall have the same meaning as in Corporations Code section 7237(a).

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

**7.4 Advancement of Expenses.** [Corp. Code § 7237] To the fullest extent permitted by any Applicable Law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a Director, Officer, committee member,

employee or agent seeking indemnification under this Article in defending any proceeding covered by this Article shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

7.5 **Insurance.** The Association shall have the power to purchase and maintain insurance on behalf of its Directors, Officers, committee members, employees or other agents against other liability asserted against or incurred by any Director, Officer, committee member, employee or agent in such capacity or arising out of the Director's, Officer's, committee member's, employee's or agent's status as such.

## **ARTICLE 8 - AMENDMENTS**

These Restated Bylaws may be amended by using the following procedure or as otherwise provided in the Restated PC&Rs.

First, the vote will be conducted by a secret ballot in accordance with the requirements of Applicable Law. Second, the total number of ballots returned must come from at least one-third ( $\frac{1}{3}$ ) of the Voting Power. Third, the vote must remain open for at least thirty (30) days after the date the ballots are mailed, but the initial deadline may be extended periodically after that date, if ballots have not been received from at least one-third ( $\frac{1}{3}$ ) of the Voting Power by the initial deadline. Fourth, the amendment must be approved by the affirmative vote of at least fifty-one percent (51%) of the ballots cast.



**CERTIFICATE OF SECRETARY**

**OF**

**San Elijo Hills Homeowners Association, Inc.  
a California Nonprofit Mutual Benefit Corporation**

I, the undersigned, do hereby certify that I am the duly elected Secretary of the San Elijo Hills Homeowners Association, Inc., a California Nonprofit Mutual Benefit Corporation. The foregoing Amended and Restated Bylaws of said Association constitute the fully amended and restated Bylaws as approved by the membership of the Association.

DATED: October 27th, 20 21.

  
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*Secretary* Paul Basore