

**BYLAWS OF  
HOMEOWNERS ASSOCIATION OF 1000 SHARON PARK DRIVE  
(As Revised in 2015)**

**TABLE OF CONTENTS**

<b><u>ARTICLE I ASSOCIATION GENERALLY</u></b>	<b>1</b>
Section 1.1. Name and Location	1
Section 1.2. Purpose	1
<b><u>ARTICLE II MEMBERSHIP</u></b>	<b>1</b>
<b><u>ARTICLE III MEMBERSHIP VOTING AND MEETINGS</u></b>	<b>2</b>
Section 3.1. Member Voting Rights	2
Section 3.2. Voting Policy	2
3.2(a) Voting and Election Procedures	2
3.2(c) Inspectors of Election	3
Section 3.3. Other Voting Provisions	4
3.3(a) Election of Directors	4
3.3(a)(1) Nominations	4
3.3(a)(2) No Write-In Voting	4
3.3(a)(3) No Cumulative Voting	4
3.3(a)(4) Acclamation	4
3.3(a)(5) Election by Ownership Type.	4
3.3(b) Quorum Requirements	5
3.3(c) Contract Purchasers	5
3.3(d) No Proxies	5
Section 3.4 Member Meetings	6
3.4(a) Types of Member Meetings	6
3.4(a)(1) Annual Report and Informational Meeting	6
3.4(a)(2) Special Meeting of the Members	6
3.4(a)(3) Other Member Meeting	6
3.4(b) Minutes of Member Meetings	7
<b><u>ARTICLE IV BOARD OF DIRECTORS</u></b>	<b>7</b>
Section 4.1. General Association Powers	7
Section 4.2. Directors	7
4.2(a) Number	7
4.2(b) Term of Office	7
4.2(c) Co-Owners	7
4.2(d) Compensation	7
4.2(e) Determination of Election Results and Succession to Office	8
4.2(f) Vacancies Generally	8
4.2(g) Resignation	8
4.2(h) Removal	8
4.2(h)(1) By Board	8
4.2(h)(2) Arising From Court Action	9
4.2(h)(3) By Members	9

4.2(i) Filling Vacancies .....	9
4.2(i)(1) By the Board .....	9
4.2(i)(2) By the Members .....	9
Section 4.3. Officers .....	9
4.3(a) Election .....	9
4.3(b) Term of Office .....	9
4.3(c) Resignation .....	10
4.3(d) Removal .....	10
4.3(e) Vacancies .....	10
4.3(f)(1) President .....	10
4.3(f)(2) Vice President .....	10
4.3(f)(3) Secretary .....	10
4.3(f)(4) Treasurer .....	11
Section 4.4. Non-Officer/Director(s) at Large .....	11
<b>ARTICLE V BOARD MEETINGS .....</b>	<b>11</b>
Section 5.1. Board Meetings .....	11
5.1(a) Meeting Defined. ....	11
5.1(b) Regular Meetings .....	11
5.1(c) Annual Report to Members Meeting .....	11
5.1(d) Special Meetings .....	11
5.1(e) Emergency Meetings .....	11
5.1(e)(1) Who Initiates .....	11
5.1(e)(2) Circumstances .....	12
5.1(e)(3) Format .....	12
5.1(f) Executive Session .....	12
Section 5.2. Notice to Directors .....	12
Section 5.3. Quorum Requirements .....	12
Section 5.4. Participation by Members .....	13
Section 5.5. Recording .....	13
<b>ARTICLE VI NOTICE TO MEMBERS .....</b>	<b>13</b>
Section 6.1. Notice of Proceedings .....	13
6.1(a) Notice of Member Meetings .....	13
6.1(a)(1) Timing .....	13
6.1(a)(2) Delivery Methods .....	13
6.1(a)(3) Content .....	13
6.1(b) Notice of Board Meetings .....	13
6.1(b)(1) Timing .....	13
6.1(b)(2) Delivery Methods .....	14
6.1(b)(3) Content .....	14
6.1(d) Notice of Disciplinary Hearings .....	14
6.1(d)(1) Timing .....	14
6.1(d)(2) Delivery Methods .....	14
6.1(d)(3) Content. ....	14

6.1(e) Notice of Hearing Results. ....	14
Section 6.2. Informational Notices to Members .....	14
6.2(a) Assessment-Related Notices .....	14
6.2(b) Voting and Election Notices. ....	15
6.2(c) Notices re Rules and/or Policies .....	15
Section 6.3. Delivery of Documents. ....	15
6.3(a) Annual Budget Report and Annual Policy Statement .....	15
6.3(a)(1) Timing .....	15
6.3(a)(2) Delivery Methods .....	15
6.3(a)(3) Content .....	16
6.3(b) Documents and Information Related to Sale .....	16
6.3(c) Documents in Response to Member Inspection Request .....	16
 <b><u>ARTICLE VII DUTY AND AUTHORITY OF THE BOARD</u></b> .....	
Section 7.1. Generally .....	16
Section 7.2. Board Discretion .....	18
Section 7.3. Association Finances .....	18
Section 7.4 Inspection of Books and Records .....	18
7.4(a) Member Access to Records .....	18
7.4(b) Adoption of Reasonable Inspection Rules .....	19
7.4(c) Documents Available for Inspection .....	19
7.4(c)(1) Accounting Books and Records .....	19
7.4(c)(2) Membership Lists .....	19
7.4(d) Timing of Association Response .....	19
7.4(e) Director Inspection Rights .....	19
Section 7.5. Rules .....	20
Section 7.6. Committees .....	20
7.6(a) Board Appointed Committees Generally .....	20
7.6(b) Member Elected Committees .....	20
7.6(b)(1) Condominium Committee .....	20
7.6(b)(2) Townhouse Committee .....	20
7.6(c) Committees Generally .....	21
 <b><u>ARTICLE VIII DEFENSE AND INDEMNIFICATION</u></b> .....	21
Section 8.1. Member Responsibility .....	21
Section 8.2. Indemnification by Association of Directors and Officers .....	21
Section 8.3. Advancement of Expenses .....	21
Section 8.4. Insurance .....	22
Section 8.5. Limitations on Personal Liability of Individual Directors/Officers .....	22
 <b><u>ARTICLE IX TAX-EXEMPT STATUS</u></b> .....	22
Section 9.1. Tax-Exempt Status .....	22
Section 9.2. Filing .....	22

<b>ARTICLE X MISCELLANEOUS</b>	22
Section 10.1. Amendment of Bylaws	22
Section 10.2. Document Hierarchy	22
Section 10.3. Fiscal Year	23
Section 10.4. Members or Other Occupants May Not Direct Association Employees, Agents or Vendors	23
Section 10.5. Davis-Stirling Act and CC&R Updates	23
10.5(a) Correction of Numbering	23
10.5(b) Updating of Preempted Content or Other Statutory Reference in Bylaws	23
<b>SECRETARY'S CERTIFICATION</b>	23

Glenn H. Youngling, PLC  
1108 Irwin Street, San Rafael, CA 94901  
(415) 454-1090

**BYLAWS OF  
HOMEOWNERS ASSOCIATION OF 1000 SHARON PARK DRIVE  
(As Revised in 2015)**

These Revised **Bylaws** of the Homeowners Association of 1000 Sharon Park Drive ("**Bylaws**") supersede and replace any and all earlier **Bylaws** and amendments thereto ("Former Bylaws"). These **Bylaws** are a companion document to the **Declaration** and defined terms (in bold) in these **Bylaws** have the same meaning as in the **Declaration**.

**ARTICLE I  
ASSOCIATION GENERALLY**

**Section 1.1. Name and Location.** The name of this Nonprofit Mutual Benefit Corporation is "HOMEOWNERS ASSOCIATION OF 1000 SHARON PARK DRIVE" (hereinafter referred to as the "**Association**"). The principal location of the **Association** is in the City of Menlo Park, County of San Mateo, State of California.

**Section 1.2. Purpose.** The purposes of the **Association** are:

1.2(a) to control, own, repair, maintain, manage, protect and/or enhance the **Common Areas**, common facilities, and other areas for which the **Association** is obligated to care;

1.2(b) to generally enforce and implement the **Governing Documents** of the Homeowners Association of 1000 Sharon Park Drive, including the **CC&Rs** and the rules;

1.2(c) to enhance and promote the use and enjoyment of the **Common Areas** and common facilities by the residents and/or **Members**;

1.2(d) to enhance and protect property values and the quality of life of residents;

1.2(e) to maintain the aesthetic and architectural standards of Sharon Park.

**ARTICLE II  
MEMBERSHIP**

Every **Owner** of a residence within Sharon Park is a **Member** of the **Association**. Membership in the **Association** is linked to, and may not be separated from, ownership of any residence. Upon the sale, conveyance or other transfer of an **Owner's** interest, the **Owner's** membership shall automatically transfer to the new **Owner(s)**. Residence, as used in this context, includes the entire separate interest (whether improved or not) owned by the **Member** (see generally, definition of **Condominium** and **Lot** under the **CC&Rs**).

**ARTICLE III**  
**MEMBERSHIP VOTING AND MEETINGS**

**Section 3.1. Member Voting Rights.**

**3.1(a) One Vote Per Lot or Unit.** On each matter submitted to a vote of the **Members**, each **Member** shall be entitled to cast one vote for each **Lot** or **Unit** owned by such **Member**. When more than one (1) **Person** owns an interest in a single **Lot** or **Unit**, any vote cast by a single **Member** shall be deemed the authorized vote for that **Lot** or **Unit**. If conflicting votes are cast for the **Lot** or **Unit**, no vote shall be counted except towards a quorum.

**3.1(b) Eligibility to Vote.** Only **Members** in good standing shall be entitled to vote on any issue or matter presented to the **Members** for approval. In order to be in good standing, a **Member** must not be subject to any suspension of voting privileges as a result of delinquent **Assessments** and/or any disciplinary proceeding conducted in accordance with the **Governing Documents**. In order to suspend a **Member's** right to vote, the **Board** must conduct a duly noticed hearing.

**Section 3.2. Voting Policy.** **Member** decision-making shall be accomplished in accordance with the law as supplemented by the **Association's** voting policy. Voting by **Members** is by ballot, which may be cast by mail (or otherwise delivered) and/or cast at a **Member** meeting. Most **Member** voting shall be conducted by secret mail-in ballot, as required by law. While return mail may be the most commonly used, hand-delivery, or such other method of return specified by the **Board** can be used at the discretion of the **Board**.

**3.2(a) Voting and Election Procedures.**

**3.2(a)(1)** When any issues are put to a vote of the **Members**, if required by law direct ballots by mail will be used. The specific procedures to accomplish this type of secret ballot vote shall be set forth in a policy adopted by the **Board**. Even if there is no policy, the provisions of Civil Code §§5100-5145 still apply. Mailed ballots and instructions will be delivered to **Members** at least 30 days before the close of voting. The ballots can be returned by mail or otherwise delivered, such as by hand-delivery. Prior to opening the received ballots, the **Board** may reasonably extend the voting period to achieve greater **Member** participation in reaching quorum requirements (if applicable).

**3.2(a)(2)** If the **Board** opts to permit casting of ballots at a meeting of **Members**, the Voting Policy or voting instructions delivered with the ballot shall describe the process.

**3.2(a)(3)** The counting of the ballots will be conducted by one or three Inspector(s) of Election at the scheduled **Board** meeting or general membership meeting referenced in the balloting material.

**3.2(b) Lot or Condominium Specific.** Sharon Park is one **Association** where both **Lot Owners** and **Condominium Owners** participate as one group in meetings and decision-making (voting). However, when an issue to be voted on affects solely one group and not the other, quorums and approval percentages shall be based only on the number of interests in that group. In order to segregate such a vote, all sitting Directors must unanimously agree that the issue is specific to the subgroup. (See **Section 3.3(a)(5)** for election of Directors.)

**3.2(c) Inspectors of Election.** The **Board** shall appoint one or three individuals to be "Inspectors of Election." The job of the Inspector(s) is to assure confidentiality in the voting, to process and count ballots as well as to make judgment calls if there is a problem in the paperwork. An Inspector of Election must be an independent third party (i.e., a **Member** of the **Association** but not a member of the **Board**, candidate or a co-owner with either, or an immediate family member of a **Board** member or candidate). The Inspectors of Election have the following authority:

**3.2(c)(1)** Determine the number of memberships entitled to vote and the **Voting Power** of each.

**3.2(c)(2)** Receive ballots or direct how they are to be received.

**3.2(b)(3)** Disqualify subsequent ballots received from a **Member** after receipt of the first ballot from that **Member** or co-**Owner**.

**3.2(c)(4)** Disqualify any ballot that is not an Official Ballot prepared by the **Association**.

**3.2(c)(5)** Appoint, direct and supervise assistant(s) to help with the balloting and tally process.

**3.2(c)(6)** Exercise discretion to fix a record date of ownership for determining membership right to vote.

**3.2(c)(7)** When an unsigned ballot envelope is received, utilize discretion as to if and how the **Member** may be given an opportunity to sign the envelope prior to the start of opening envelopes and counting.

**3.2(c)(8)** Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.

**3.2(c)(9)** Count and tabulate all votes.

**3.2(c)(10)** Determine or confirm when the voting (or polling) shall close.

**3.2(c)(11)** Determine the result(s) of the voting.

**3.2(c)(12)** Address any other irregularities which may arise during the voting process.

**3.2(c)(13)** Unless specified in the **Association's** Voting Policy, determine a method to break tie votes in election of Directors (which may include "drawing straws", involved candidates' agreement and directions, or other reasonable method).

The Inspectors of Election may also take other actions to assure fairness in the election process and compliance with the voting policy.

### **Section 3.3. Other Voting Provisions.**

#### **3.3(a) Election of Directors.**

**3.3(a)(1) Nominations.** Any **Member** may put his or her own name into nomination. The **Board** may appoint a Committee to solicit **Members** to run for the **Board**. The close of nominations may be anytime specified by the **Board**, typically to coincide with the printing/distribution of ballots. If, at the close of nominations, the number of qualified nominees is equal to or less than the number of Directors to be elected, the **Board** may extend the nominations period to encourage greater participation in the electoral process.

**3.3(a)(2) No Write-In Voting.** "Write-in" candidates are not permitted.

**3.3(a)(3) No Cumulative Voting.** Cumulative voting is not permitted.

**3.3(a)(4) Acclamation.** If, at the close of nominations, the number of qualified nominees is equal to or less than the number of Directors to be elected, the **Board** may declare that all of the qualified nominees are elected without further action. In that event, the **Board** shall send notice to **Members** that the candidates have been elected by "acclamation."

**3.3(a)(5) Election by Ownership Type.** The intent of this section is to have a balanced **Board** with two Directors from the **Condominiums** and two Directors from the Planned Development **Lots**. The fifth position is to alternate its term from one group to the next. Voting shall be as follows:

- **Two Positions Open:** In years that two Directors are elected, **Owners of Lots** will elect one candidate owning a **Lot** and **Owners of Condominiums** will elect one candidate owning a **Condominium**.
- **Three Positions Open:** In years that three Directors are elected, the additional Director will be elected by **Owners of Condominiums** or **Lots** so that the representation of the ownership groups alternate each term.



**3.3(b) Quorum Requirements.** The following threshold approval requirements for **Member** balloting shall apply for those subjects not otherwise addressed by statute or the **Governing Documents**. In all instances, the **Board** may extend the time for voting so that at least a quorum or greater number of **Members** participate in the vote.

**3.3(b)(1) Election (or Recall) of Directors.** For purposes of election of Directors, a quorum equals the number of ballots received by the respective Voting Power (see also **Section 4.2(e)**). Recall of Director(s) is addressed under **Section 4.2(h)(3)**.

**3.3(b)(2) Assessment Decisions.** A **Member** vote regarding increase in **Assessments** or approval of Special **Assessments** has a quorum which is defined by statute as more than 50% of either **Voting Power of the Association**, or **Voting Power of the Condominiums** or **Voting Power of the Lots**, as applicable. See also **Section 4.2(b)** of the **CC&Rs**.

**3.3(b)(3) Member Rule Reversal.** In the event that the **Board** adopts, amends or changes a rule or policy and the **Members** seek to reverse the rule or policy pursuant to the provisions in the **Davis-Stirling Act**, reversal shall require the approval of a majority of either the **Voting Power of the Association**, or **Voting Power of the Condominiums** or **Voting Power of the Lots**, as applicable.

**3.3(b)(4) IRS Resolution.** If the **Members** are asked to vote and approve the rollover of any excess operating funds (*IRS Revenue Ruling 70-604*), approval shall be by approval of a majority of a quorum, with a quorum defined for this purpose as the number of ballots received.

**3.3(b)(5) Other Member Votes.** A decision requiring approval of the **Members** shall be subject to approval of a majority of a quorum of **Members**, with a quorum defined as fifty-one percent (51%) of the **Voting Power**. (Based on all 65 homes, this is 34 votes. If applicable only to **Lots**, based on 35 **Lots**, this is 18 votes. If applicable only to **Condominiums**, based on 30 **Condominiums**, this is 16 votes. Once quorum is achieved, approval is by a majority of **Lots** and/or **Units** voting.)

**3.3(c) Contract Purchasers.** A **Member** who uses an installment contract to sell or convey his or her **Lot** or **Unit** to a purchaser ("Contract Purchaser") must delegate his or her membership rights in the **Association**. Any such delegation shall be in writing and shall be delivered to the **Board** before such Contract Purchaser may vote. However, the seller shall remain jointly and severally liable for all charges and **Assessments** until fee title to the **Lot** or **Unit** is transferred.

**3.3(d) No Proxies.** Proxies shall not be permitted.

**Section 3.4. Member Meetings.** This section addresses both the Annual Informational Meeting (which need not be quorum-qualified) and a process to address voting at a quorum-qualified meeting, should the situation arise. Notice of meetings is addressed in **Article VI**.

**3.4(a) Types of Member Meetings.**

**3.4(a)(1) Annual Report and Informational Meeting.** The **Board** shall have discretion to schedule and conduct an Annual Report to **Members** Meeting to be held in the first quarter of each calendar year. Any such meeting shall be held on the premises or at a location within a reasonable distance. There shall be no **Member** quorum requirements to convene and conduct this as an informational meeting. The meeting may be simultaneously conducted as a **Board** meeting so the **Board** can make decisions relevant to the subject matter. Secret balloting conducted by mail may be coordinated with or independent of the Annual Report and Informational Meeting ("Annual Meeting"). If the **Board** opts to convene a meeting of **Members** at which "live" voting occurs, any ballots received by mail (or otherwise) shall be counted toward any applicable quorum. Voting for Directors (and any related **Member** approvals) may be conducted before, during or after and may be independent of the Annual Report Meeting. At the time of the mailing of the ballots and/or other voting material, the instructions shall explain how the voting will be conducted and what the deadlines are.

**3.4(a)(2) Special Meeting of the Members.**

**3.4(a)(2)(i)** A Special Meeting of the **Members** may be called at any time by the President or by two Directors. Additionally, a Special Meeting of the **Members** shall be promptly called by the **Board** upon receipt of a written request signed by **Members** representing not less than five percent (5%) of the total **Voting Power of the Association**, or the **Voting Power of the Condominiums** (if the subject affects only the **Condominium Owners**), or the **Voting Power of the Lots** (if the subject affects only the **Lot Owners**). Only those matters specifically described in the special meeting notice may be addressed at the special meeting.

**3.4(a)(2)(ii)** So long as Corporations Code section 7511 provides that **Members** can petition the **Board** to conduct a Special Meeting of the **Members**, and if the purpose of the Special Meeting is to recall one or more Directors, then the **Board** shall have the discretion to reconcile any inconsistencies between the old process of meeting-based voting with the Civil Code §5115 process of balloting by mail.

**3.4(a)(3) Other Member Meeting.** Nothing in these **Bylaws** shall preclude the holding of a quorum-qualified meeting of the **Members** pursuant to Corporations Code section 7510(b). Any such meeting shall be conducted in accordance with parliamentary procedures adopted by the **Board** at that time.

**3.4(b) Minutes of Member Meetings.** At any quorum-qualified **Member** meeting, whether regular or special, minutes shall be taken. The minutes may be approved either by a vote of the **Members** or approval of the **Board**. Approval by the **Members** shall be by majority of a quorum, with a quorum defined for this purpose as the number of votes received by ballot or otherwise. As a third option, the **Board** may appoint a committee of non-Director **Members** who are present at the meeting, to review the draft minutes, review any suggested edits and formally adopt the final minutes. Approval may be at any subsequent **Board** or **Member** meeting.

#### **ARTICLE IV** **BOARD OF DIRECTORS**

**Section 4.1. General Association Powers.** The **Board of Directors** shall have the power and authority to conduct the business of the **Association**, except as may be limited by the **Governing Documents** or the law generally. Reference in the **Governing Documents** to action by the **Association** shall mean action by the **Board**, unless the authority for the action is expressly assigned to the **Members** by the **Governing Documents** and/or applicable statutory law.

**Section 4.2. Directors.** All Directors shall be **Members** of the **Association**.

**4.2(a) Number.** The business of the **Association** shall be conducted by a **Board** of five (5) Directors. Two (2) of the Directors shall be **Owners** of **Condominiums** elected by the **Voting Power of the Condominiums**; and two (2) of the Directors shall be **Owners** of **Lots** elected by the **Voting Power of the Lots**. Provided there are enough qualified candidates, the fifth Director position shall alternate every two years between a **Condominium Owner** and a **Lot Owner**, elected by the respective Voting Power. The **Board** has the authority to adopt transition protocol that permits fair and reasonable implementation of this alternating representation. (See also **Section 3.3(a)(5).**)

**4.2(b) Term of Office.** The term for all Directors shall be two (2) years. The terms shall be staggered such that each year there are either two (2) or three (3) positions to be elected. Each Director, including a Director who fills a vacancy (either by election or appointment), shall hold office until the later of the expiration of the term for which elected or appointed or until a successor has been elected (or appointed) and qualified.

**4.2(c) Co-Owners.** Nothing in these **Bylaws** shall prohibit more than one co-**Owner** of a **Lot** or **Unit** from being elected by ballot or acclamation to serve on the **Board**. However, the **Board** shall not appoint a second co-**Owner** to fill a vacancy.

**4.2(d) Compensation.** No Director shall receive compensation for any services rendered to the **Association** as a Director. If approved by the **Board**, a Director may, however, be reimbursed for his or her reasonable expenses actually incurred in the performance of his or her duties as a Director. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice signed and dated by the Director claiming the expense.

**4.2(e) Determination of Election Results and Succession to Office.** Election to the **Board** shall be by secret written ballot (see generally **Section 3.2**) or as otherwise provided herein. The vacancies shall be filled by the **Persons** receiving the largest number of votes, up to the number of Directors to be elected. Each newly elected Director, if present, shall take office upon presentation to the **Board** of the tabulated election results. Such presentation may be a scheduled item on the agenda. If not present, he or she shall take office after notification and acceptance of the election results.

**4.2(f) Vacancies Generally.** A vacancy on the **Board** exists on the occurrence of any of the following:

**4.2(f)(1)** the disqualification, death, resignation, or removal of a Director under **Section 4.2(h)** below; or

**4.2(f)(2)** a declaration of vacancy by the **Board** for any reason permitted by law.

**4.2(g) Resignation.** Any Director may resign by giving written notice. Such resignation shall be effective on presentation to the President or Secretary, unless the notice specifies a later time.

**4.2(h) Removal.** Notwithstanding provisions in **Section 4.2(b)** above, the term of any Director who is removed from office pursuant to this Section, shall end at the time of the **Board**, Court or **Member** decision described below.

**4.2(h)(1) By Board.** The **Board** shall have the power, authority and discretion to remove a Director and declare his or her office vacant if he or she:

**4.2(h)(1)(i)** has been declared of unsound mind by a final order of court;

**4.2(h)(1)(ii)** has ever been convicted of or pled *nolo contendere* or guilty to a felony (regardless of expungement);

**4.2(h)(1)(iii)** fails to attend three (3) consecutive regular meetings of the **Board of Directors** that have been duly noticed or regularly scheduled;

**4.2(h)(1)(iv)** becomes more than thirty (30) days delinquent in the payment of any **Assessment**;

**4.2(h)(1)(v)** maintains an adversarial proceeding, such as arbitration or litigation, against the **Association** or any other Director in his or her capacity as a Director, and in which dollar damages are sought;

**4.2(h)(1)(vi)** maintains a continuing **CC&R** violation for which a hearing has been held, a determination of violation made and where the Director has failed to timely remedy the matter as directed by the **Board**; or

**4.2(h)(1)(vii)** is subject to a Court restraining order or injunction in any way related to the **Association**, the **Property** or any **Owner(s)**, or any resident.

**4.2(h)(2) Arising From Court Action.** The Court may remove any Director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the **Association**.

**4.2(h)(3) By Members.** Any or all **Condominium** Directors may be removed by the approval of at least a majority of a quorum of **Condominium Members**, and any or all **Lot** Directors may be removed by the approval of at least a majority of a quorum of **Lot Members**. For purposes of this **Member** action, quorum shall be as set forth in **Section 3.3(b)(5)** of these **Bylaws**.

**4.2(i) Filling Vacancies.** The **Board** has the general power to fill vacancies. The exception is when the vacancy is created through removal of the Director by the **Members**.

**4.2(i)(1) By the Board.** If there is a vacancy (resulting from an inadequate number of candidates or mid-term resignation) and the remaining Directors (even if less than a quorum) have the power to appoint, all sitting Directors shall vote to appoint and fill the vacancy. Alternately, the **Board** may permit the **Members** to fill a vacancy. Any Director vacancy shall be filled by a **Member** of the ownership group that has the removal or resignation vacancy.

**4.2(i)(2) By the Members.** If removed by the **Members** (as described in **Section 4.2(h)(3)** above), the vacancy shall be filled by election by the **Members** of the respective Voting Power (i.e., **Lots** or **Condominiums**).

**Section 4.3. Officers.** The Officers of the **Association** shall be a President and a Vice President, who shall be members of the **Board**, a Secretary and a Treasurer. The **Board** may, by resolution, appoint such other Officers as the **Board** deems appropriate. The **Board** has the authority to appoint non-Directors to positions as Officers. Any such non-Director Officer has no voting authority.

**4.3(a) Election.** The election of Officers shall take place at the first meeting of the newly elected **Board** following each election by the **Members**.

**4.3(b) Term of Office.** The Officers of this **Association** shall be elected annually by the **Board**. Each Officer shall hold office for one (1) year unless he or she resigns, is removed or is disqualified.

**4.3(c) Resignation.** Any Officer may resign from his or her office by giving written notice. Such resignation shall be effective on presentation to the President or Secretary, unless the notice specifies a later time.

**4.3(d) Removal.** Any Officer may be removed and/or reassigned by the **Board** with or without cause, at any regular or special meeting of the **Board**.

**4.3(e) Vacancies.** A vacancy in any office may be filled by appointment by the remaining **Director(s)**. The Officer appointed to such vacancy shall serve the remainder of the term of the Officer he or she replaces.

**4.3(f) Duties of Officers.** Each year the **Board** may assign one Officer the responsibility for reviewing the provisions of the **Davis-Stirling Act** and making recommendations to the **Board** of any changes in financial procedures and reporting that may be required by new or revised sections which involve financial matters. The responsible Officer may consult with the **Association's** attorney, certified public accountant, reserve study consultant, and/or manager on these matters and the **Board** may delegate to the manager the day-to-day financial business of the **Association**. Subject to appropriate delegation, the duties of the Officers are as follows:

**4.3(f)(1) President.** The President shall be the Chief Executive Officer of the **Association** and shall, subject to the control of the **Board**, have general supervision, direction and control of the business and Officers of the **Association**. He or she shall (i) preside at meetings of the **Board**; (ii) see that orders and resolutions of the **Board** are carried out; (iii) sign contracts and other written instruments; and (iv) have the power to co-sign all checks and promissory notes. He or she shall have such other powers and duties as may be prescribed by the **Board** or the **Bylaws**.

**4.3(f)(2) Vice President.** In the unavailability, absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. He or she shall have such other powers and perform such other duties, including co-signatory powers on accounts, as from time to time may be prescribed by the **Board** or the **Bylaws**.

**4.3(f)(3) Secretary.** The Secretary is responsible to oversee the **Association** records, minutes of all **Board** meetings and **Member** meetings, as well as **Member** rosters. The Secretary is also responsible for giving or overseeing notice of all **Board** meetings and **Member** meetings. He or she shall keep the seal of the **Association**, if any. He or she shall have such other powers and perform such other duties, including co-signatory powers on accounts, as may be prescribed by the **Board** or by the **Bylaws**.

**4.3(f)(4) Treasurer.** The Treasurer is responsible for overseeing or maintaining adequate and correct accounts of business transactions of the **Association**. This includes accounts of the **Association's** assets, liabilities, receipts, disbursements, reserves, and other matters

customarily included in homeowner association financial statements. The financial records shall at all times be open to inspection by any Director.

The Treasurer is responsible for overseeing the deposit of all monies and other valuables in the name of and to the credit of the **Association** with such depositories as may be designated by the **Board**. The Treasurer is responsible for overseeing the disbursement of the funds of the **Association** as may be directed by the **Board**, shall render to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the **Association**. The Treasurer has such other powers and perform such other duties, including co-signatory powers on accounts, as may be prescribed by the **Board**, the President or these **Bylaws**.

**Section 4.4. Non-Officer/Director(s) at Large.** Any Director who is not an Officer shall be called "Director-at-Large" and shall be responsible to attend meetings, review meeting packets and information provided to Directors for review; vote on matters before the **Board** unless abstaining, and to participate in the leadership, management, and administration of the **Association**. Directors-at-Large may also co-sign checks.

## **ARTICLE V** **BOARD MEETINGS**

### **Section 5.1. Board Meetings.**

**5.1(a) Meeting Defined.** The term "meeting" shall mean any congregation of a majority of the members of the **Board** at the same time and place to hear, discuss or deliberate upon any item of business that is within the authority of the **Board**. However, one or more Directors may participate by teleconference (audio and/or video) so long as all Directors can hear each other and at least one person designated by the **Board** is present at a physical location where **Members** of the **Association** may attend.

**5.1(b) Regular Meetings.** Regular meetings of the **Board** shall be held at least quarterly. Regular meetings shall be held on the premises or within a reasonable distance and on the date and time and at a location fixed by the **Board**.

**5.1(c) Annual Report to Members Meeting.** The **Board** may convene a **Board** meeting to occur simultaneously with an Annual Report to **Members** Meeting.

**5.1(d) Special Meetings.** Special meetings of the **Board** shall be held when called by the President of the **Association**, or by any two Directors.

#### **5.1(e) Emergency Meetings.**

**5.1(e)(1) Who Initiates.** An emergency meeting of the **Board** may be called by the President or by any two Directors other than the President.

**5.1(e)(2) Circumstances.** The emergency meeting can only be called when 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 by **Article VI**.

**5.1(e)(3) Format.** An emergency meeting may be conducted in the same manner as any other **Board** meeting except that electronic transmissions may be used only if all Directors consent in writing (which may be email ) to that action and the consents are filed with the minutes of the meeting.

**5.1(f) Executive Session.**

**5.1(f)(1)** The **Board** may meet in executive session to address personnel matters, formation of contracts with third parties, **Assessment** delinquencies, **Governing Document** violations, or actual or possible litigation.

**5.1(f)(2)** As to **Member** discipline, the **Board** has general discretion as to whether or not it will meet in executive session. Any disciplinary hearing must, however, be conducted in executive session if requested by the **Member** charged.

**5.1(f)(3)** The **Board** may adjourn any regular or special meeting or convene an executive session to discuss matters described above. If adjourning into executive session at any open meeting, the topic(s) to be discussed in such session shall be announced, in general terms, to the **Members** in attendance at the meeting.

**5.1(f)(4)** The **Board** may also conduct an executive session meeting independent of an open **Board** meeting. **Members** shall be given notice of the time and place of a meeting that will be held solely in executive session at least two (2) days prior to the meeting. The accompanying agenda shall be general (i.e. categorical) in nature.

**Section 5.2. Notice to Directors.** Notice to a Director shall be given at least four (4) days prior to the meeting and may be delivered by mail, personally, by telephone (including an answering machine or voice message system), facsimile, or electronic mail or other similar means. The notice shall contain the agenda for the meeting.

**Section 5.3. Quorum Requirements.** Three (3) Directors shall constitute a quorum for the transaction of business. Every act done or decision made by the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the **Board**. In the event one or more Directors leaves the meeting, the remaining Directors may continue to transact business, provided that any action taken is approved by the same number of Directors as required at the outset of the meeting. If a quorum cannot be obtained because of vacancies on the **Board**, the remaining Director(s) (one or two) must promptly undertake to appoint additional Directors and/or conduct an election of Director(s) by the **Members**. If there are three or more vacancies, the authority of the remaining Director(s) to spend money is affirmed but limited to budgeted expenses



previously approved (including an adopted budget) by a duly constituted **Board** (three (3) or more Directors) and to pay for costs incurred in collection of delinquent **Assessments**.

**Section 5.4. Participation by Members.** With the exception of executive sessions of the **Board**, emergency meetings and any meetings conducted in a judicial proceeding, all scheduled **Board** meetings shall be open to attendance by **Members** of the **Association**, and **Members** shall be allowed to address the **Board**. Because the purpose of the **Board** meeting is for the **Board** to conduct the business of the **Association**, a reasonable time limit and time for **Members** to speak to the **Board** may be established by the **Board**. The agenda for **Board** meetings may include a specific time for **Member** comments. The **Board** may, at its discretion, exclude any **Person** not a **Member** from the **Board** meeting.

**Section 5.5. Recording.** No meeting of the **Board** or any Committee may be electronically recorded without the prior consent of the **Person** presiding over the meeting.

## **ARTICLE VI** **NOTICE TO MEMBERS**

### **Section 6.1. Notice of Proceedings.**

**6.1(a) Notice of Member Meetings.** Written notice of regular and special meetings of the **Members** shall be given as follows:

**6.1(a)(1) Timing.** Notice for a meeting shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting. As provided by the Corporations Code, a meeting called pursuant to petition of the **Members** shall be set at least thirty-five (35) but not more than ninety (90) days after receipt by the **Board** of the request. Attendance at a meeting shall constitute a waiver of any defect in the notice, other than content.

**6.1(a)(2) Delivery Methods.** Notice of a meeting may be given to each **Member** by **Individual Notice**.

**6.1(a)(3) Content.** Notice of a meeting shall specify the place, day and hour of the meeting. It shall also specify those matters which, at the time the notice is given, are to be presented for action by the **Members** (if any). Notice of a special meeting must state the purpose of the special meeting and no other business can be conducted.

### **6.1(b) Notice of Board Meetings.**

**6.1(b)(1) Timing.** Notice of the time and place of meetings of the **Board** (except emergency meetings) shall be given to **Members** at least four (4) days prior to the meeting. Notice of executive session meetings shall be given to **Members** at least two (2) days prior to the meeting.

**6.1(b)(2) Delivery Methods.** Such notice may be given by **General Notice**. Any attendance by a **Member** at a meeting shall constitute a waiver of any defect in the notice.

**6.1(b)(3) Content.** The notice shall contain the time and place of the meeting and shall include the agenda for the meeting.

**6.1(c) Notice of Executive Session.** Except for an emergency meeting, **Members** shall be given notice of the time and place of a meeting that will be held solely in executive session at least two (2) days prior to the meeting.

**6.1(d) Notice of Disciplinary Hearings.** Prior to taking disciplinary action against a **Member**, the **Association** must provide the **Member** with due process as set forth in **CC&R Section 12.4**.

**6.1(d)(1) Timing.** The **Association** shall notify a **Member** at least ten (10) days prior to any meeting at which the **Board** is considering or imposing discipline upon a **Member** (including the levying of fines).

**6.1(d)(2) Delivery Methods.** Notice of a hearing on a **Governing Document** violation must be in writing and delivered to the **Member** either by personal delivery or **Individual Notice**.

**6.1(d)(3) Content.** Notices from the **Association** shall include at a minimum, the date and time for the meeting at which the **Board** will consider disciplinary action, a brief description of the action or inaction constituting the alleged violation, a reference to the relevant **Governing Document** provision or other authority, and a statement that the **Member** has a right to attend the meeting, may address the **Board**, and may request that the meeting be conducted in Executive Session.

**6.1(e) Notice of Hearing Results.** If the **Board** imposes discipline on a **Member**, the **Association** will provide notice of the outcome of the disciplinary action to the **Member** within fifteen (15) days following the action. Such written notice may be delivered to the **Member** by personal delivery or **Individual Notice**.

## **Section 6.2. Informational Notices to Members.**

### **6.2(a) Assessment-Related Notices.**

**6.2(a)(1) Members** shall be notified of a Special **Assessment** or an increase in Regular **Assessments** not less than 30 nor more than 60 days prior to the increased **Assessment** becoming due. Such written notice may be delivered to **Members** by **Individual Notice**.

**6.2(a)(2)** Notices to **Members** who are delinquent in payment of their **Assessments** (as required under Civil Code §§5660, 5675) shall be delivered by both first class and certified mail. Additionally, certain notices are required by statute to be personally served (see Civil Code §§2924, 5705(d)).

**6.2(b) Voting and Election Notices.**

**6.2(b)(1)** Balloting packages (including instructions, secret ballots and two return envelopes) for election or recall of Directors, amendments to **Governing Documents**, **Assessment** decisions or grant of exclusive use of **Common Area** shall be delivered to **Members**, either by personal delivery or first class mail, at least 30 days prior to the meeting at which the votes will be tallied.

**6.2(b)(2)** Within 15 days of the meeting at which the votes were tallied, the tabulated results of the election shall be delivered to **Members** by **General Notice**.

**6.2(b)(3)** Voting materials on subject matters other than those listed in **Section 6.2(b)(1)** above may be distributed to **Members** by personal delivery or first class mail and may indicate a reasonable time to be returned for tallying, as determined by the **Board**.

**6.2(c) Notices re Rules and/or Policies.** The following notices may be distributed to **Members** by **General Notice**.

**6.2(c)(1)** Written notice of a proposed rule change shall be provided to **Members** at least 30 days before making the rule change. The notice shall include the text of the proposed rule change and a description of the purpose and effect of the proposed rule change.

**6.2(c)(2)** Notice of adoption of a rule change shall be delivered to the **Members** within 15 days following formal adoption.

**6.2(c)(3)** The **Association** shall annually deliver the policies or procedures related to architectural changes requested by **Members**.

**Section 6.3. Delivery of Documents.**

**6.3(a) Annual Budget Report and Annual Policy Statement.**

**6.3(a)(1) Timing.** The Annual Budget Report and Annual Policy Statement shall be distributed to **Members** not less than 30 nor more than 90 days prior to the start of the fiscal year.

**6.3(a)(2) Delivery Methods.** Such notice may be given by **General Notice**.

**6.3(a)(3) Content.** Both the Annual Budget Report and Annual Policy Statement include a number of required summaries and disclosures (see Civil Code §5300 and §5310, respectively).

**6.3(b) Documents and Information Related to Sale.** The **Association** shall provide a requesting **Member** with copy of the **Governing Documents** and such other documents and information as are required by California Civil Code §4525 within 10 days of receipt of the written request. Such documents may be delivered by **Individual Notice**.

**6.3(c) Documents in Response to Member Inspection Request.** If a **Member** submits a written request to the **Association** for copies of specifically identified records pursuant to Civil Code §5200, which request must state the reason, the **Association** may satisfy the requirement to make the records available for inspection and copying by mailing copies of the records to the **Member** by first-class mail. The **Member** is responsible for the costs of copying and delivery. Different documents have different response times, see specifically Civil Code §5210.

## **ARTICLE VII** **DUTY AND AUTHORITY OF THE BOARD**

**Section 7.1. Generally.** The **Board** shall have the authority or duty to:

**7.1(a)** Exercise all powers vested in the **Board** under the **Governing Documents** and under the laws of the State of California.

**7.1(b)** Appoint, remove and/or reassign the manager of the **Association**, if any, and **Association** employees; prescribe any powers and duties for such **Persons** that are consistent with law and the **Governing Documents**; and fix their compensation.

**7.1(c)** Directly or in conjunction with the management company, appoint agents, independent contractors and other employees, including attorneys and accountants, as it sees fit to assist in the operation of the **Association**, and to fix their duties and to establish their compensation.

**7.1(d)** Enforce applicable provisions of the **Governing Documents** relating to the control, management, and use of the **Lots** and **Units** within Sharon Park and the **Common Areas**.

**7.1(e)** Contract for and pay premiums for fire, casualty, liability, director and officer error and omissions, earthquake (if any) and other insurance and bonds (including indemnity bonds) that may be required from time to time by the **Association**.

**7.1(f)** Contract and pay for maintenance, landscaping, utilities, materials, supplies, labor, and services that may be required from time to time in relation to the **Common Areas** and

other portions or components of Sharon Park which the **Association** is obligated to maintain, repair or replace.

**7.1(g)** Pay all taxes, special assessments and other assessments, and charges that are or would become a lien on any portion of the **Common Areas**.

**7.1(h)** Contract and pay for construction or reconstruction of any portion or portions of Sharon Park that have been damaged or destroyed and that are to be rebuilt by the **Association**.

**7.1(i)** Delegate its duties and powers to the Officers of the **Association** or to committees established by the **Board**, subject to the limitations expressed in **Section 7.7**.

**7.1(j)** Levy and collect **Assessments** from the **Members**.

**7.1(k)** Perform all acts required of the **Board** under the **Declaration**.

**7.1(l)** Prepare budgets, for the **Condominiums** and/or the **Lots** as may be appropriate, and maintain a full set of books and records showing the financial condition of the **Association** in a manner consistent with the **Davis-Stirling Act** and generally accepted accounting principles, and prepare an annual financial report for the **Members**.

**7.1(m)** Appoint one or three Inspectors of Election pursuant to the **Association's Bylaws** and Voting and Election Procedures Policy;

**7.1(n)** Appoint such committees as it deems appropriate from time to time in connection with the business of the **Association**.

**7.1(o)** Fill vacancies on the **Board** or in any committee, except a vacancy created by the removal of a Director by the **Members**.

**7.1(p)** Open bank accounts on behalf of the **Association** and designate the signatories to such bank accounts.

**7.1(q)** Bring and defend actions in the best interests of the **Members** and/or the **Association**.

**7.1(r)** Enter **Lots** or **Units** as necessary, subject to the notice requirements of the **Declaration**, in connection with construction, maintenance, or emergency repairs for the benefit of the **Common Areas** or the **Members** in common.

**7.1(s)** Negotiate, settle and/or otherwise dispose of disputes and litigation.

**7.1(t)** After consultation with the **Association's** certified public accountant and/or counsel, at its discretion, establish and maintain a seismic reserve fund. Such funds may be in conjunction with or in lieu of earthquake insurance.

**7.1(u)** Delegate limited or shared control of an operating account to the management company so long as the **Board** is satisfied that sufficient safeguards are in place.

**7.1(v)** In the event of a natural disaster, the **Association** may, in conjunction with its **Assessment** powers as provided in the **Declaration** at **Article IV**, seek governmental assistance (such as from the Federal Emergency Management Agency).

**7.1(w)** Borrow money, including granting a security interest in the **Association's** personal property, including Reserve and Operating funds and **Assessment** stream, (without encumbering any **Association Common Area**).

**7.1(x)** Adopt, revise and update rules and policies regarding voting, **Member** access to records, **Assessment** collection and any other matter as may be required by law or otherwise related to the operation of the **Association**.

**7.1(y)** Recommend and/or facilitate the use of Alternative Dispute Resolution between individual **Members** when there is a dispute arising out of or related to the **Governing Documents** or neighbor relations generally.

**7.1(z)** Upon reasonable request of an **Owner** or resident requiring special accommodation, reassign parking spaces subject to such terms and conditions as the **Board** may determine.

**Section 7.2. Board Discretion.** The **Association** acts by and through the **Board of Directors** unless the decisions on a particular subject have been assigned to the **Members** by the **Governing Documents** or by statute. The **Board** may conduct "straw votes" to determine **Member** preferences or support. In other instances, the **Board** may structure a decision as a funding question to be voted on by **Members**.

**Section 7.3. Association Finances.** In addition to the terms of the **Bylaws** and the **Declaration**, the **Association** is governed by the **Davis-Stirling Act** including provisions related to financial documents, operating and reserve accounts and regular and special **Assessments**. Because the legislature periodically amends and may restate the **Davis-Stirling Act**, the Directors may annually consult with the professionals servicing the **Association** as to any changes in financial procedures and reporting that may be required by new or revised sections and shall conform the **Association's** practices accordingly.

**Section 7.4 Inspection of Books and Records.**

**7.4(a) Member Access to Records.** **Members** may review many of the **Association's** records by submitting a written request which must include the reason for reviewing the

records. The **Board** may adopt and require the use of a written request form. The **Member** is responsible for all costs incurred related to the request and production; a deposit may be required in advance.

**7.4(b) Adoption of Reasonable Inspection Rules.** The **Board** may establish reasonable rules which may include provisions regarding notice of inspection, hours and days of the week when inspection may be made, location of the documents to be inspected, and payment of the costs incurred including reproducing and/or redacting copies of documents requested by the **Member**.

**7.4(c) Documents Available for Inspection.**

**7.4(c)(1) Accounting Books and Records.** The following **Association** records shall be available for inspection and copying by any **Member**, or his or her duly appointed representative, during reasonable business hours: any financial document required to be provided to a **Member** in Civil Code §5300; any financial document or statement required to be provided in Civil Code §4525; interim unaudited financial statements, periodic or as compiled containing any of the following: balance sheet, income and expense statement, budget comparison, general ledger; executed contracts not otherwise privileged under law; written **Board** approval of vendor or contractor proposals or invoices; state and federal tax returns; reserve account balances and records of payments made from reserve accounts; agendas and minutes of meetings of the **Members**, the **Board** and any committees appointed by the **Board**, excluding, however, agendas, minutes, and other information from executive sessions of the **Board** as described in Civil Code §5200; check registers; enhanced **Association** records (meaning invoices, receipts and canceled checks for payments made by the **Association**, purchase orders approved by the **Association**, statements for services rendered, and reimbursement requests submitted to the **Association**, provided that the person submitting the reimbursement request shall be solely responsible for removing all personal identification information from the request).

**7.4(c)(2) Membership Lists.** Membership lists, including name, property address, and mailing address (for first class mail) shall also be made available for inspection by any **Member**, or his or her duly appointed representative. Note that the **Members** may request that their information not be shared. The **Association** may require statement of a proper purpose before providing any information.

**7.4(d) Timing of Association Response.** Access to or copies of **Corporation** records shall be provided in accordance with the time frames designated by the **Davis-Stirling Act** (see Civil Code §5210).

**7.4(e) Director Inspection Rights.** Every Director shall have a right at any reasonable time to inspect all books, records, documents, and minutes of the **Association** and the physical properties owned or controlled by the **Association**. The right of inspection by a Director includes the right to make extracts and copies of documents. This right does not

include records of disciplinary or adversarial actions involving a Director. The **Board** may adopt reasonable restrictions on review of ballots in order to preserve **Member** expectations of confidentiality or if a Director maintains a legal action adverse to the **Association**.

**Section 7.5. Rules.** The **Board** shall have the power, pursuant to the provisions in the **Davis-Stirling Act**, to adopt and establish rules and policies consistent with the **Declaration**, governing the use of the **Property** and the conduct of the **Members** and their guests, tenants or others on the premises. In the event of an omission, ambiguity or conflict in the provisions of the **Articles**, **Bylaws** and/or **CC&Rs**, the **Board** may adopt a policy to address any such irregularity.

**Section 7.6. Committees.**

**7.6(a) Board Appointed Committees Generally.** The **Board** may appoint committees as deemed appropriate in carrying out its purposes. All committees with decision-making authority shall keep written minutes of their proceedings, report their proceedings to the **Board** and file their minutes with the Secretary. Unless the **Board** determines otherwise by unanimous vote, no more than two (2) Directors may serve on a Committee.

**7.6(b) Member Elected Committees.**

**7.6(b)(1) Condominium Committee.** Annually, to coincide with the election of Directors, the **Condominium Owners** shall elect a committee of three (3) **Condominium Owners** to be known as the **Condominium Committee**. Only the **Condominium Owners** will be entitled to vote in any election of the **Condominium Committee**. Committee members may, but are not required to be, **Condominium Directors**. In any event, no more than two (2) **Condominium Directors** may serve on the Committee simultaneously. The primary function of the **Condominium Committee** shall be to provide the **Board** with information and recommendations regarding repair and maintenance of the **Condominiums** as well as budget allocations and **Assessment** allocations for the purpose of contributing to the Annual Budget. The Committee's input shall be in the form of recommendations to the **Board**. The **Board** may appoint from among **Condominium Owners** to fill mid-term vacancies on this Committee.

**7.6(b)(2) Townhouse Committee.** Annually, to coincide with the election of Directors, the **Townhouse Owners** shall elect a committee of three (3) **Townhouse Owners** to be known as the **Townhouse Committee**. Only the **Townhouse Owners** will be entitled to vote in any election of the **Townhouse Committee**. Committee members may, but are not required to be, **Townhouse Directors**. In any event, no more than two (2) **Townhouse Directors** may serve on the Committee simultaneously. The primary function of the **Townhouse Committee** shall be to provide the **Board** with information and recommendations regarding repair and maintenance of the **Townhouses** as well as budget allocations and **Assessment** allocations for the purpose of contributing to the Annual Budget. The Committee's input shall be in the form of recommendations to the **Board**.



The **Board** may appoint from among **Townhouse Owners** to fill mid-term vacancies on this Committee.

**7.6(c) Committees Generally.** No committee shall have the power to:

**7.6(a)(1)** take any final action on any matter that requires the approval of the **Board** and/or **Members**,

**7.6(a)(2)** fill vacancies on the **Board** or any committee,

**7.6(a)(3)** amend or repeal **Bylaws** or adopt new **Bylaws**,

**7.6(a)(4)** amend or repeal any resolution of the **Board**, or

**7.6(a)(5)** appoint committees of the **Board** or **Members**.

## **ARTICLE VIII**

### **DEFENSE AND INDEMNIFICATION**

**Section 8.1. Member Responsibility.** Each **Member** shall be liable to the **Association** for any damage to the **Common Areas** or areas which the **Association** must maintain, repair or replace caused (directly or indirectly) by the **Member** or his or her family, guests, invitees or lessees (including but not limited to negligence or willful misconduct or otherwise), and each **Member** shall protect, defend, hold harmless and indemnify the **Association** and Directors for any third party claim arising out of such conduct.

**Section 8.2. Indemnification by Association of Directors and Officers.** The **Association** shall, to the fullest extent permitted by law, protect, defend and indemnify its past or present Directors, Officers and Committee members from potential liability for their activity while acting in good faith and engaged in **Association** business. Such protection may include that provided for in (a) the **Association's** insurance, including the liability insurance in the case of damage to person or property, and/or (b) the Corporations Code, specifically section 7237. In the event that any claim of indemnification is made to the **Association** by such individual, the **Association** shall, in a timely way, tender the claim to its broker and/or insurance carriers. To the extent that the individual seeking indemnification has exposure to any uninsured loss, the **Association** shall also submit the matter to its counsel for a legal opinion as to **Association** obligations.

**Section 8.3. Advancement of Expenses.** To the fullest extent permitted by law, the **Association** shall, consistent with Corporations Code section 7237(f), advance all costs of defense of an Officer, Director or Committee Member, if such costs of defense are not being provided by insurance.

**Section 8.4. Insurance.** The **Association** shall have the power to purchase and maintain that insurance commonly known as Directors and Officers Liability Insurance. It should be noted that this is separate and distinct from general liability insurance which covers damage to **Persons** and property.

**Section 8.5. Limitations on Personal Liability of Individual Directors/Officers.**

**8.5(a)** No action shall be brought against an individual Director or Officer unless expressly permitted by the provisions of Civil Code §5800.

**8.5(b)** No suit or action against a Director or Officer or other volunteer of the **Association** personally shall be sustainable in any court unless commenced within the earliest of twelve (12) months of the date claimant knew or should have known of alleged misconduct and/or the inception of damage or injury.

**ARTICLE IX**  
**TAX-EXEMPT STATUS**

**Section 9.1. Tax-Exempt Status.** The **Board** shall take all steps reasonably possible to ensure the continued tax-exempt status of the **Association**.

**Section 9.2. Filing.** The **Board** shall cause to be timely filed an annual designation for tax-exempt status as may be required under federal or state law. It shall cause the **Association** to comply with the statutes, rules and regulations adopted by federal and state agencies pertaining to such exemptions.

**ARTICLE X**  
**MISCELLANEOUS**

**Section 10.1. Amendment of Bylaws.** These **Bylaws** may be revised (including replacement) by approval of a majority of the **Board** and by the affirmative vote of a majority of a quorum of **Members**. A quorum is fifty-one percent (51%) of the **Voting Power of the Association**. The Secretary of the **Association** shall certify adoption of any duly approved amendment to the **Bylaws** and a copy of said certificate and the amendment shall be included in the **Association's** corporate records and sent to the **Members**.

**Section 10.2. Document Hierarchy.** To the extent of any conflict between the **Governing Documents** and the law, the law shall prevail. To the extent of any conflict between the **Articles** and the **Declaration**, the **Declaration** shall prevail. To the extent of any conflict between the **Bylaws** and the **Articles** or **Declaration**, the **Articles** or **Declaration** shall prevail. To the extent of any conflict between the operating rules and the **Bylaws**, **Articles** or **Declaration**, the **Bylaws**, **Articles** or **Declaration** shall prevail.

**Section 10.3. Fiscal Year.** The fiscal year of the **Association** shall be January 1 through December 31, unless otherwise determined by the **Board**.

**Section 10.4. Members or Other Occupants May Not Direct Association Employees, Agents or Vendors.** No **Person** shall confront, criticize, intimidate, attempt to engage or direct any employee, agent or vendor of the **Association**. Communications on such subjects shall be in writing to the **Board** or manager. If there is a pattern of inappropriate communications to the **Board**, the **Board** may limit the type and timing of communications and/or take other appropriate measures.

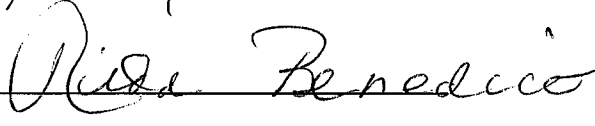
**Section 10.5. Davis-Stirling Act and CC&R Updates.**

**10.5(a) Correction of Numbering.** If the **Governing Documents** include a reference to a provision of the **Davis-Stirling Act** that has been changed or added, the **Board** may amend the **Governing Documents**, solely to correct the cross-reference, by adopting a **Board** resolution that shows the correction. **Member** approval is not required in order to adopt a resolution pursuant to this authority.

**10.5(b) Updating of Preempted Content or Other Statutory Reference in Bylaws.** In addition to the authority in **Section 10.5(a)**, the **Board** shall have authority to update these **Bylaws** if or when changes in any statutory law or **CC&R** revisions preempt the content set forth in these **Bylaws**. Unless provided for in **Section 10.5(a)**, before the **Board** can approve such an update, the **Board** must have confirmation from counsel of the nature of the statutory preemption and must provide **Members** with at least thirty (30) day notice of the proposed change. The **Board** may then approve revision of these **Bylaws** to conform to change(s) in the law.

**SECRETARY'S CERTIFICATION**

As Secretary of the corporation known as the Homeowners Association of 1000 Sharon Park Drive, I hereby certify that the foregoing revised **Bylaws** consisting of 23 pages (excluding the Table of Contents), were duly adopted by the **Members** of said **Association** on the 27 day of August, 2017 and that they are now the official **Bylaws**.

By: 








Secretary of Homeowners Association of 1000 Sharon Park Drive


2015 SP Bylaws.v9.wpd  
dlr: 2/27/15

Glenn H. Youngling, PLC  
1108 Irwin Street, San Rafael, California 94901  
(415) 454-1090

## Director and Manager Reference Sheet

(Not Formally Part of the Bylaws)

Number of Members	65 (35 Lots & 30 Condominiums)	
MEMBER VOTING ISSUES	APPROVAL REQUIREMENT / QUORUM*	
ANNUALLY:		
Election of Directors 	Quorum = ballots received Threshold Quorum not applicable	Bylaws, Section 3.3(b)(1)
IRS Resolution Approval	Majority of Quorum Quorum = ballots received	Bylaws, Section 3.3(b)(3)
Minutes of Member Meeting	Majority of Quorum Quorum = ballots received (or by Board or Committee)	Bylaws, Section 3.4(b)
AMENDMENTS:		
Amendment of CC&Rs 	58% of Members (38 votes) Threshold Quorum not applicable	CC&Rs, Section 13.4
Amendment of Bylaws 	Majority of a General Quorum Quorum = 51%	Bylaws, Section 10.1
Amendment of Articles 	Majority of a General Quorum Quorum = 51%	Articles, Article VII
OTHER:		
Assessment Approval 	Majority of a Quorum Quorum = more than 50%	CC&Rs, Section 4.2(b) & Civil Code §5605
Dedication of Common Area	Majority of Voting Power Threshold Quorum not applicable	CC&Rs, Section 2.3(c)
Grant of Exclusive Use of Common Area 	20% of Members Threshold Quorum not applicable	CC&Rs, Section 2.10
Member Reversal of Rule Change 	Majority of Association Voting Power Threshold Quorum not applicable	Bylaws, Section 3.3(b)(2)
Recall of Board of Directors	Majority of General Quorum Quorum = 51%	Bylaws, Section 4.2(h)(3)
*General Quorum Requirement (if not otherwise specified)	Requires participation of 51% of the Voting Power	Bylaws, Section 3.3(b)(5)

 = Requires Double Secret Envelope Voting.

Glenn H. Youngling, PLC  
1108 Irwin Street, San Rafael, California 94901  
(415) 454-1090