FIRST RESTATED BYLAWS
OF
MOUNTAIN VIEW SUNSET HOMEOWNERS ASSOCIATION

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military 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 by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. 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.

FIRST RESTATED BYLAWS
OF
MOUNTAIN VIEW SUNSET HOMEOWNERS ASSOCIATION

TABLE OF CONTENTS

ARTICLE I: RECITALS AND DEFINITIONS 1
Section 1.1. Name and Principal Office of Association 1
Section 1.2. Association Is Nonprofit. 1
Section 1.3. Specific Purpose 1
Section 1.4. Definitions 1
(a) "Election Rules" 1
(b) "General Notice" or "General Delivery" 1
(c) "Individual Notice" or "Individual Delivery" 1
(d) "Member in Good Standing" 2
(e) "Person" 2
(g) Definitions Incorporated by Reference 2

ARTICLE II: MEMBERSHIP AND MEMBERSHIP RIGHTS. 2
Section 2.1. Members of the Association 2
Section 2.2. Term of Membership 2
Section 2.3. Multiple Ownership of Unit 3
(a) One Membership Vote Per Unit 3
(b) Voting by Multiple Owners 3
Section 2.4. Furnishing Evidence of Membership 3

ARTICLE III: MEMBERSHIP VOTING 3
Section 3.1. Single Class of Membership 3
Section 3.2. Member Voting Rights 3
Section 3.3. Eligibility to Vote 3
Section 3.4. Manner of Casting, Collecting and Tabulating Votes 4
(a) Definition of Written Ballot 4
(b) Election by Written Ballots Only 4
(c) Balloting Time Requirements 4
(d) Content of Written Ballots 4
(e) Secret Ballot Requirements for Certain Elections 4
(f) Cumulative Voting 4
(g) Proxies 5
(h) Solicitation Provisions 5
(i) Inspectors of Election 5
(j) Notification of Results of Balloting Process 5
(k) Tabulation of Ballots Prior to Completion of Balloting 5
(l) Prohibition of Revocation 5

(m) Conducting Informational Meetings 5
(n) Persons Entitled to Cast Written Ballots 6
(o) Additional Balloting Procedures 6
Section 3.5. Quorum Requirements for Valid Member Action 6
(a) Assessment Increases 6
(b) No Quorum Requirement for Election of Directors or IRS Resolution 6
(c) Amendment of Governing Documents 6
(d) Quorum for Valid Action on All Other Matters 6
Section 3.6. Removal of Directors. 6

ARTICLE IV: MEMBERSHIP MEETINGS 7
Section 4.1. Place of Meeting 7
Section 4.2. Annual Meeting 7
Section 4.3. Special Meetings 7
(a) Persons Entitled To Call Special Meetings 7
(b) Procedures for Calling Special Meetings Requested by Members 7
Section 4.4. Notice of Members' Meetings 8
(a) Requirement That Notice Be Given 8
(b) Time Requirements for Notice 8
Section 4.5. Record Dates for Member Notice and Giving Consents 8
(a) Persons entitled to Notice of Members' Meetings. 8
(b) Persons entitled to Cast Written Ballots. 8
(c) Persons entitled to Exercise Other Legal Rights. 8
(d) Rights of Eligible First Mortgagees. 8
Section 4.6. Conducting Meetings 8

ARTICLE V: BOARD OF DIRECTORS 9
Section 5.1. General Board Powers 9
Section 5.2. Number and Qualification of Directors 9
Section 5.3. Term of Office 9
Section 5.4. Nomination of Directors 9
(a) Good Standing Requirement for Candidacy and Election 9
(b) Selection of Candidates 9
Section 5.5. Election of Directors 10
(a) Directors Elected by Secret Written Ballot 10
(b) Determination of Election Results and Succession to Office 10
(c) Uncontested Director Elections. 10
Section 5.6. Vacancies on Board of Directors 10
(a) Vacancies Generally 10
(b) Resignation of Directors 10
(c) Authority of Board to Remove Directors 11
(d) Authority of Members to Remove Directors 11
(e) Removal by Court Action 12
(f) Filling Vacancies 12
Section 5.7. Disputes as to Elections and/or Removal of Director(s) 12
Section 5.8. Compensation 12

ARTICLE VI: BOARD MEETINGS 13
Section 6.1. Place of Meetings 13

Section 6.2. Annual Meeting of Directors 13
Section 6.3. Other Regular Meetings 13
(a) Frequency of Regular Meetings 13
(b) Notice Requirements for Directors 13
(c) Notice to Members 13
Section 6.4. Special Meetings of the Board 13
(a) Who May Call a Special Meeting of the Board 13
(b) Notice of Special Meetings of the Board 14
Section 6.5. Emergency Meetings of the Board / Meetings by Email 14
Section 6.6. Executive Sessions 14
(a) Matters to be Discussed 14
(b) Notice to Members 15
Section 6.7. Telephonic Meetings 15
Section 6.8. Members' Rights 15
(a) Meetings Generally Open to Members 15
(b) Board Meeting Minutes 15
Section 6.9. Quorum Requirements 15
Section 6.10. Adjournment 15
Section 6.11. Waiver of Notice 16
Section 6.12. Conducting Meetings 16

ARTICLE VII: OFFICERS 16
Section 7.1. Officers 16
Section 7.2. Appointment of Officers 16
Section 7.3. Terms; Removal of Officers 16
Section 7.4. Resignation of Officers 16
Section 7.5. Vacancies 16
Section 7.6. Duties 17
(a) President 17
(b) Vice President 17
(c) Secretary 17
(d) Treasurer 17
Section 7.7. Delegation of Officers' Duties 17
Section 7.8. Officers' Authority to Execute Contracts 17

ARTICLE VIII: COMMITTEES 18
Section 8.1. Committees 18
(a) Executive Committees 18
(b) Advisory Committees 18
Section 8.2. Committee Members 18

ARTICLE IX: CONFLICTS OF INTEREST 18
Section 9.1. Conflicts of Interest 18
(a) Decisions Involving Financial Interest of Association Official 18
(b) Litigation Involving Association, Board Members or Association Manager 18
(c) Other Matters on Which an Interested Association Official May Not Vote 18
Section 9.2. Employees 19
Section 9.3. Enforcement 19
(a) Determination of Conflict of Interest by the Board 19

(b) Remedies for Violation 19
Section 9.4. Applicability 19

ARTICLE X: ASSOCIATION RECORDS AND DISCLOSURES TO MEMBERS 19
Section 10.1. Standard for Association Financial Records 19
Section 10.2. Annual Budget Report 19
Section 10.3. Review of Financial Statement 20
Section 10.4. Annual Policy Statement 20
Section 10.5. Delivery of Annual Budget Report and Annual Policy Report 20
Section 10.6. Record Keeping 20
Section 10.7. Fiscal Year 20

ARTICLE XI: INSPECTION RIGHTS OF MEMBERS AND DIRECTORS 20
Section 11.1. Member's Rights to Inspect 20
Section 11.2. Director's Rights to Inspect 20

ARTICLE XII: AMENDMENTS 21
Section 12.1. Amendment of Bylaws 21
(a) Amendment by Board of Directors 21
(b) Amendment by the Members 21
Section 12.2. Effective Date 21
Section 12.3. Book of Bylaws and Distribution to Members 21

ARTICLE XIII: GENERAL PROVISIONS 21
Section 13.1. Manager 21
Section 13.2. Notice to Association 21
Section 13.3. Secondary Address 22
Section 13.4. Construction and Definitions 22
Section 13.5. No Waiver 22
Section 13.6. Captions and Titles 22
Section 13.7. Conflicts with Other Documents 22
Section 13.8. State Law; Severability 22

CERTIFICATE OF SECRETARY 23

FIRST RESTATED BYLAWS
OF
MOUNTAIN VIEW SUNSET HOMEOWNERS ASSOCIATION

ARTICLE I: RECITALS AND DEFINITIONS.

Section 1.1. Name and Principal Office of Association. The name of this corporation is Mountain View Sunset Homeowners Association and shall be referred to herein as the "Association." The principal office of the Association will be located at the office of the Association Manager, or such other place within a reasonable distance from the Development as the Board may from time to time designate by resolution.

Section 1.2. Association Is Nonprofit. The Association has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (Corporations Code Sections 7110-8970) as a nonprofit mutual benefit corporation.

Section 1.3. Specific Purpose. The specific and primary purpose of this Association shall be to maintain, manage and repair the condominium development located in the City of Mountain View, California, commonly referred to as Mountain View Sunset, to the extent and in the manner more particularly described in the current recorded Declaration of Covenants, Conditions, and Restrictions, to enforce the terms and conditions of the Declaration and the Rules and policies adopted (from time to time) by the Board of Directors, and otherwise to enhance and promote the use and enjoyment of the Common Areas and Common Facilities by the Owners in common.

Section 1.4. Definitions.

(a) "Election Rules" means the rules and procedures adopted and amended by the Board in conformance with California Civil Code Section 5100 *et seq.*

(b) "General Notice" or "General Delivery" when used in these Bylaws means delivery of a required notice or other document by: (1) any means provided for delivery of Individual Notice described in subpart (c) below; (2) inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods authorized in this section; (3) posting the printed notice or document in a prominent location that is accessible to all members, so long as the location has been designated for the posting of General Notices by the Association in the Annual Policy Statement prepared pursuant to Section 10.4 of these Bylaws; or (4) any other method of delivery authorized by Civil Code Section 4045 or comparable superseding statute. A Member may deliver a written request to the Association to have all General Notices delivered to the Member by Individual Delivery, in which case all General Notices or documents designated for General Delivery shall be delivered to that Member by one of the means described in subpart (c) below.

(c) "Individual Notice" or "Individual Delivery" when used in these Bylaws means delivery of a required notice or other document by: (1) first-class mail, postage prepaid, registered or certified mail, express mail or overnight delivery by an express service carrier, with the notice or other document addressed to the recipient at the address last shown on the books of the Association; or (2) delivery of a required notice or other document by email, facsimile or other electronic means if the recipient has consented in writing to delivery by one of these methods. (Consent to delivery by email, facsimile or other electronic means may be revoked by a written notice delivered to the Association.) Delivery by any other

means authorized under Civil Code Section 4040 or comparable superseding statute shall be deemed included as part of this definition.

(d) "Member in Good Standing" means a Member of the Association who is current in the payment of all assessments. A Member may not be deemed to lose Good Standing for:

(1) nonpayment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party; and

(2) failure to be current in payment of Regular and Special Assessments if any of the following circumstances are true:

(A) The Member has paid the Regular Assessment or Special Assessment under protest pursuant to Civil Code Section 5658.

(B) The Member has entered into a payment plan pursuant to Civil Code Section 5665.

(C) The Member has not been provided the opportunity to engage in internal dispute resolution pursuant to Civil Code Section 5900, et seq.

A Member's loss of his or her Good Standing status shall occur only after a notice and hearing by the Board pursuant to Article XII of the Declaration.

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

(f) "Majority of all Members" means more than 50%, or at least eleven, of the Members.

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

ARTICLE II: MEMBERSHIP AND MEMBERSHIP RIGHTS.

Section 2.1. Members of the Association. Every Owner of a Unit within the Development is a Member of the Association. Only Owners of a Unit within the Development shall be Members. Membership in the Association is appurtenant to, and may not be separated from, ownership of any Unit. Membership in the Association shall not be transferred, encumbered, pledged, alienated or hypothecated in any way, except upon the transfer or encumbrance of the Unit to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Unit. Any attempt to make a prohibited transfer of a membership in the Association is void.

Section 2.2. Term of Membership. Upon becoming the Owner of a Unit, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as the ownership of said Unit ceases for any reason. The Owner's membership interest appurtenant to the Unit shall

automatically transfer to the Unit new Owner(s) upon the sale, conveyance or other transfer of an Owner's interest in a Unit, and the prior Owner shall cease being a Member and shall lose all right of membership in the Association.

Section 2.3. Multiple Ownership of Unit.

(a) One Membership Vote Per Unit. Ownership of a Unit shall give rise to a single membership vote in the Association. Accordingly, if more than one Person owns a Unit, all of these Persons shall be deemed to be one Member for voting purposes, although all such Owners shall have equal rights (as Members) to use and enjoy the Common Areas and Common Facilities. If any Owner casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Unit.

(b) Voting by Multiple Owners. If joint Owners are unable to agree by majority vote among themselves as to how their vote or votes are to be cast, the first ballot received by the Inspector(s) of Election with respect to such Unit shall be conclusively presumed for all purposes to have been sent with the authority and consent of all Owners of that Unit and no other ballots for the vote in question shall be accepted by the Inspector(s) of Election.

Section 2.4. Furnishing Evidence of Membership. A Person shall be entitled to exercise the rights of a Member (and to receive notices and documents to which Members are entitled) once the Association has received notice in writing that said Person is qualified to be a Member as set forth in Section 2.1, above. The notice shall include the Member's telephone number and the mailing address (and email address, to the extent allowed by law or agreed by the Member) to which documents are to be sent. If requested by the Board, the new Member shall provide the Board with evidence of such qualification in the form of a copy of a recorded grant deed (certified by the Office of the Recorder for Santa Clara County) or a currently effective policy of title insurance. Exercise of membership rights shall be further subject to the provisions regarding record dates set forth in Sections 3.4 and 4.5, below. Failure to provide the information required under this Section shall not relieve an Owner of the obligation to pay Assessments or conform to all other obligations and restrictions set forth in the governing documents, but may be grounds for imposition of a fine or other disciplinary measure authorized by the Governing Documents.

ARTICLE III: MEMBERSHIP VOTING.

Section 3.1. Single Class of Membership. The Association shall have one (1) class of voting membership.

Section 3.2. Member Voting Rights. On each matter submitted to a vote of the Members, each Member shall be entitled to cast one vote for each Unit owned by such Member. Single memberships in which two (2) or more Persons have an indivisible interest shall be voted as provided in Section 2.3, above. Each vacancy on the Board to be filled by a vote of the Members shall be considered a separate "matter submitted to a vote of the Members" for purposes of this Section.

Section 3.3. Eligibility to Vote. All Members shall be entitled to vote on any issue or matter presented to the Members for approval.

Section 3.4. Manner of Casting, Collecting and Tabulating Votes.

(a) Definition of Written Ballot. A "written ballot" for purposes of this Section is a ballot that is mailed or otherwise distributed to every Member entitled to vote on the matter and that complies with the requirements of this Section and California Civil Code Section 5100 *et seq.,* or comparable superseding statutes.

(b) Election by Written Ballots Only. Except for those elections and matters that must be voted on by secret written ballot (*see* Subsection (e) below), all elections or other votes by the Members may be conducted by means of written ballots mailed to the Members or as otherwise permitted by law. If laws passed after the adoption of these Bylaws by the Members should require that elections be conducted in a manner other than described in this Section 3.4, the Board shall adopt an amendment to these Bylaws that incorporates the required procedure and, pursuant to Section 12.1(a) below, such amendment shall not require a vote of the Members.

(c) Balloting Time Requirements. In the case of any matter or issue submitted to the Members for approval by written ballot, the Board shall distribute the written ballot to every Member at least thirty (30) days prior to the final date the written ballots are to be received to be counted. The time fixed for the return of written ballots may be extended if the Board so notifies the Members in the balloting materials originally sent to Members. A shorter period for return of ballots may be established by Board resolution for any matter to be voted upon except: the election or removal of Directors; assessments requiring Member approval; amendments to the Declaration, Bylaws, and Articles; or the grant of exclusive use of Common Area property to a Member.

(d) Content of Written Ballots.

(1) Written Ballots in General. Any written ballot distributed to the Members to vote on any issue shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposed action. For election of Directors, the ballots shall set forth the names of all candidates whose names have been placed in nomination at the time the ballot is issued. The Election Rules may require a space or spaces on the ballot for write-in candidates, but in the absence of such a provision in the Election Rules, write-in candidates shall not be allowed.

(2) Specification of Time for Return of Written Ballot. All written ballots shall state the date by which the ballot must be received in order to be counted.

(e) Secret Ballot Requirements for Certain Elections. Elections for the election or removal of Directors (except where acclamation procedures apply, as set forth in Section 5.5(c) below), assessments requiring Member approval, amendments to the Governing Documents, or the grant of exclusive use of Common Area property to a Member shall be conducted by secret written ballot pursuant to the requirements specified herein. The secret written ballot shall not on its face provide any method for identifying the Member voting. Instead, a double envelope system shall be used in which the completed ballot is placed in a sealed envelope, which is then placed in another sealed envelope. The Member voting shall sign the outside envelope and indicate the address of the property for which the ballot is being cast.

(f) Cumulative Voting. Cumulative voting for elections of Directors is not permitted.

(g) Proxies. Proxies shall not be used for any election.

(h) Solicitation Provisions. All solicitations of written ballots shall indicate (1) the number of responses needed to meet the quorum or approval requirement for valid action; (2) the time by which the written ballot must be received by the Association in order to be counted; and (3) in the case of any written ballot distributed to vote on matters other than the election of Directors, the percentage of affirmative votes necessary to approve the measure submitted for membership approval.

(i) Inspectors of Election. The Board shall appoint one (1) or three (3) independent third parties to act as "Inspector of Election" for all elections regarding selection or removal of Directors, assessments requiring Member approval, amendments to the Governing Documents or the grant of exclusive use of Common Area property to a Member. An Inspector of Election may be appointed for other elections at the discretion of the Board. Inspectors may be Members of the Association but shall not be a member of the Board, or a candidate for the Board, or related to a Director or candidate for the Board. Unless otherwise permitted by law and the Election Rules, an Inspector of Election may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the Association for any compensable services other than serving as Inspector of Election. The duties of the Inspector of Election shall be to receive ballots and determine their validity, count and tabulate all votes, determine when voting shall be concluded, determine the results of the election, and perform any other acts necessary to assure the fairness of the election. The Election Rules may clarify and expand upon the duties of Inspectors so long as such Rules are consistent with California law. Any Inspector of Election appointed under this Section may appoint and oversee additional persons to count and tabulate votes, so long as such additional persons meet the qualification for Inspectors of Election set forth in this Section and in the Election Rules.

(j) Notification of Results of Balloting Process. For all elections regarding election or removal of Directors, assessments requiring Member approval, amendments to the Governing Documents or the grant of exclusive use of Common Area property to a Member, the ballots shall be counted and tabulated by the Inspector of Election at a properly noticed open meeting of the Board or of the Members. The Board shall provide General Notice to the Members of the outcome of the vote within fifteen (15) days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements for valid action, the Board shall so notify the Members.

(k) Tabulation of Ballots Prior to Completion of Balloting. The Board may, at its discretion, at a regular or special meeting open to the Members, request the Inspector of Election to count the unopened ballot envelopes received to date on a matter for which a ballot has been distributed to the Members even though the deadline for return of the ballots has not yet passed. The Inspector of Election shall count the valid ballot envelopes received and announce the results at the meeting of the Board. The Board, based upon the ballot envelopes received to date, may extend the deadline for return of the ballots by a reasonable time.

(l) Prohibition of Revocation. Once cast (*i.e.,* sent to, or received by the Inspector of Election), a written ballot may not be revoked.

(m) Conducting Informational Meetings. Use of the written ballot procedures provided herein shall not preclude the Association from also conducting informational meetings of the Members or from scheduling a membership meeting to coincide with the culmination of the balloting period.

(n) Persons Entitled to Cast Written Ballots. As indicated in Section 4.5 below, those Persons identified in the records of the Association as Members of the Association on the day the first written ballot in a vote or election is mailed out, are entitled to receive and cast a written ballot in the vote or election. In addition to the foregoing, the Association shall not prohibit or otherwise deny a secret ballot to a Member who has provided the Association with a valid general power of attorney.

(o) Additional Balloting Procedures. The Board shall adopt Election Rules, which shall become part of the Association Rules, incorporating the procedures set forth in this Section and such other procedures and requirements not inconsistent with this Section or California law that the Board considers appropriate for the conduct of a fair election.

Section 3.5. Quorum Requirements for Valid Member Action. The following quorum requirements describe the minimum number of written ballots which must be received in order to take any valid Member action. Assuming this minimum number of ballots is received, the vote of a majority of those submitting ballots shall determine the outcome of the election, provided, however, that where California law or the Governing Documents require approval of a particular matter by a greater percentage of the Members, that higher percentage shall govern.

(a) Assessment Increases. In the case of a written ballot conducted for the purpose of voting on assessment increases requiring membership approval (i.e., regular assessment increases by more than 20% or special assessments over 5% of the gross budget, or as provided in the Civil Code), the quorum requirement for valid action on the proposal shall be a Majority of all Members, or other percentage specified in Civil Code § 5605 or comparable superseding statute.

(b) No Quorum Requirement for Election of Directors or IRS Resolution. There shall be no quorum requirement for the election of Directors. The candidate(s) receiving the most votes shall be elected regardless of the number of ballots received. The annual IRS Resolution (required by IRS Ruling 70-604) shall also not require a quorum, but shall be adopted if the majority of the valid written ballots pursuant to Section 3.4 (or voting at a duly noticed meeting of the Members) approve it.

(c) Amendment of Governing Documents. Nothing in this Section shall be interpreted to change the minimum number of votes required to amend the Governing Documents of the Association, which shall be as set forth in the Governing Document to be amended.

(d) Quorum for Valid Action on All Other Matters. In the case of a vote of the Members conducted for any purpose other than to vote on the matters otherwise described in this Section above, the quorum shall be at least one-third (33%) of all Members. If the minimum number of ballots is not received, the balloting period may be extended a reasonable time and the quorum requirement at the conclusion of the extended period shall be at least one-fifth (20%) of all Members of the Association.

Section 3.6. Removal of Directors. Any Director may be removed from the Board, with or without cause, by the affirmative vote of a Majority of all Members.

ARTICLE IV: MEMBERSHIP MEETINGS.

Section 4.1. Place of Meeting. Meetings of the Members shall be held within the Development or at such other reasonable place within Santa Clara County as may be selected by the Board of Directors. Meetings of the Members may also be held by videoconference or other remote communication methods, following the same requirements as for remote Board meetings (see, Section 6.7 below).

Section 4.2. Annual Meeting. There shall be no annual meeting requirement. Special meetings of the Members may still be called for informational or social purposes, as required by these Bylaws, as required by law, or as determined by the Board.

Section 4.3. Special Meetings.

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

(b) Procedures for Calling Special Meetings Requested by Members.

(1) Form of Written Request. In order to call a special meeting by five percent (5%) or more of the Members, a request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic, or facsimile transmission to the President, the Vice President or the Secretary of the Association or to the Association Manager. The written request shall bear the signatures of all requesting Members and the Member(s) circulating the request shall append a written, signed certification to the request attesting to the validity of the signatures. All costs of such requests are the responsibility of the Member(s) submitting the request.

(2) Action by Association. Upon receipt of the request by the Association, notice shall be promptly given to the Members, in accordance with the provisions of this Article, that a meeting will be held, and the date, time and purpose for such meeting, which date shall be not less than thirty-five (35) nor more than one hundred fifty (150) days following the receipt of the request. If notice of the meeting is not given to the Members within twenty (20) days after the Association's receipt of the request, the Members requesting the meeting may give the notice. The right of the requesting Members to notice and call said meeting on their own initiative shall not arise until after the twenty (20) day period has elapsed.

(3) Use of Written Ballot in Lieu of Special Meeting. If the requested special meeting is for the purpose of conducting a Member vote on any matter, the Board shall instead distribute a written ballot pursuant to Section 3.4 above in lieu of calling a special meeting of Members. The written ballot shall be distributed to the Members within twenty (20) days of receipt of the written request by the Association. The ballot shall include a deadline for return that is not more than one hundred fifty (150) days from the date of receipt of the written request. The Members submitting the request shall, as a group, be entitled to submit a written statement of their reasons for requesting the Member action which shall be included with the ballot. Such statement shall not, unless authorized by the Board, exceed two (2) 8-1/2 x 11" pages, front and back. The Members submitting the request shall be responsible for payment of the Association's actual cost for copying such statements and for any additional mailing costs.

(4) Limitation on Special Meetings Called by Members. To limit the financial burden of special meetings on the Association, no more than two (2) special meetings of the Members may be called by Members pursuant to this Subsection in any calendar year.

(5) Subsection Not Applicable to Meetings Called by President or Board. Nothing contained in this Subsection shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the President.

Section 4.4. Notice of Members' Meetings.

(a) Requirement That Notice Be Given. Individual Notice of all Members' Meetings specifying the date, time and place of the meeting shall be sent to all Members. An agenda for the meeting shall be included with the notice.

(b) Time Requirements for Notice. Except as otherwise provided herein, notice of membership meetings shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting. If notice is given by mail and the notice is not given by first-class, registered, or certified mail, the notice shall be given not less than twenty (20) days (nor more than ninety (90) days) before the meeting.

Section 4.5. Record Dates for Member Notice and Giving Consents.

(a) Persons entitled to Notice of Members' Meetings. Those Persons identified in the records of the Association as Members of the Association on the business day preceding the day on which notice of a Members' Meeting is given are entitled to receive notice of the meeting.

(b) Persons entitled to Cast Written Ballots. Those Persons identified in the records of the Association as Members of the Association on the day the first written ballot in a vote or election is mailed out, and who are otherwise entitled to vote, are entitled to receive and cast a written ballot in the vote or election.

(c) Persons entitled to Exercise Other Legal Rights. Those Persons who are identified in the records of the Association as Members of the Association on the date the Board passes a resolution relating to or establishing rights of the Members as to any other matter shall be entitled to exercise such rights.

(d) Rights of Eligible First Mortgagees. The voting and notice rights of Eligible First Mortgagees shall be as set forth in the Declaration.

Section 4.6. Conducting Meetings. All Member meetings shall be conducted in accordance with a recognized system of parliamentary procedure or such other parliamentary procedures as the Association may choose to adopt. If the Association has not adopted parliamentary procedures and a dispute arises that cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

ARTICLE V: BOARD OF DIRECTORS.

Section 5.1. General Board Powers. Subject to the limitations set forth in any of the Association's Governing Documents or California law relating to such actions that require Member approval, the business and affairs of the Association shall be vested in and exercised by the Association's Board of Directors, including, in particular, all powers and duties set forth in the Declaration and other Governing Documents. Subject to the limitations expressed in Section 8.1 (pertaining to Committees), below, and any restrictions set forth in the Declaration, the Board may delegate the management of the activities of the Association to any Person(s), management company, or committee, provided that notwithstanding any such delegation the activities and affairs of the Association shall continue to be managed and all Association powers shall continue to be exercised under the ultimate direction of the Board.

Section 5.2. Number and Qualification of Directors. The Board of Directors shall consist of three (3) natural persons, each of whom shall be both an Owner and a Member in Good Standing. In the event a Unit is owned by a trust, partnership or corporation, then a trustee, partner, officer, or director of the entity may serve on the Board so long as the Owner is a Member in Good Standing. In the case of any Unit that has multiple owners, only one (1) co-Owner shall be eligible to serve on the Board at one time. All Directors must maintain their qualifications during their term of office or be subject to removal for cause pursuant to Section 5.6, below.

Section 5.3. Term of Office. The Directors of this Association shall serve for a term of two (2) years. Each Director, including a Director elected to fill a vacancy on the Board, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified. There shall be no limit on the number of consecutive terms to which a Director may be reelected.

Section 5.4. Nomination of Directors.

(a) Good Standing Requirement for Candidacy and Election. To be eligible for nomination and election to the Board, a candidate must be certified by the Association Secretary, Association Manager, or a nominating committee that the candidate is a Member in Good Standing at the time the candidate's name is placed in nomination and as of the election date.

(b) Selection of Candidates. Prior to the date of the distribution of any ballot for any election of Directors, the Board (or a nominating committee selected by the Board) may nominate qualified candidates for election to the positions on the Board held by Directors whose term of office is then expiring (and for any vacant director positions). Prior to distribution of ballots for election of Director, the Board shall also send a request for nominations to all Members, with a notice of the last date for submitting such nominations. Any qualified Member may nominate himself or herself by returning the nomination form prior to the deadline. All qualified persons so nominated shall be included on the ballot for election of Directors.

Section 5.5. Election of Directors.

(a) Directors Elected by Secret Written Ballot. Directors (except those appointed by the Board pursuant to Section 5.6 below) shall be elected using the procedure set forth in Section 3.4 of these Bylaws and the Election Rules, except where acclamation may be permitted pursuant to paragraph (c) below. The deadline for return of ballots for the annual election of Directors shall be in approximately the month of May each year. The date of the meeting to open and tabulate the votes shall be determined by the Board, but shall be within a reasonable time after the ballots are returned. Notwithstanding paragraph (c) below, the Association shall hold a regular election for a seat on the Board at least once every three (3) years.

(b) Determination of Election Results and Succession to Office. The Board of Director candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected as Directors. In the event there is a tie vote between those candidates who receive the lowest number of votes necessary to qualify for a Director position, the tie shall be broken by luck (*e.g.,* the candidates drawing straws, flipping a coin, etc.) or any other method agreed upon by the affected candidates. If the candidates cannot agree on a method for breaking the tie, the Inspector of Elections shall determine how the tie is broken. If the terms of the Directors being replaced have expired (*i.e.*, they have served the minimum time for which the Director was elected), the newly elected Directors shall take office immediately upon the announcement of the results of the election. If the terms of the Directors being replaced have not yet expired at the time of the announcement of the election results, the newly elected Directors shall take office on the day the current Directors' terms do expire.

(c) Uncontested Director Elections. Notwithstanding any other provision of these Bylaws, an uncontested election of Directors may be deemed decided by acclamation in accordance with this paragraph. If after the close of nominations, the number of qualified candidates for Board positions equals or is less than the number of Board positions to be filled in that election, as determined by the Inspector of Elections, the Board may declare those candidates elected, and written ballots for the election of Directors shall not be distributed for that year provided the Association complies with the requirements of applicable law. The Board's vote to deem the candidates elected by acclamation must be conducted at an open Board meeting for which the agenda reflects the name of each candidate to be seated by acclamation. General Notice of the results of the election shall be provided to the Members in the same manner as the results of contested Director elections. At the time of preparation of these Bylaws, the applicable requirements are set forth in Civil Code § 5103.

Section 5.6. Vacancies on Board of Directors.

(a) Vacancies Generally. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (1) the death, resignation, or removal of a Director; (2) an increase of the authorized number of Directors; or (3) the failure of the Members to elect a sufficient number of Directors through the annual election to fill all the vacancies on the Board.

(b) Resignation of Directors. Any Director may resign, and such resignation shall be effective on giving written notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. A vacancy on the Board may be filled by a majority of the remaining Directors. If the remaining Directors fail to appoint a new Director within ninety (90) days of the date the resignation becomes effective, the Members may at any time thereafter call a meeting to

elect Director(s) to fill any vacancy not filled by the Board. A Director appointed or elected to fill a vacant position on the Board shall hold office until the end of that position's natural term.

(c) Authority of Board to Remove Directors. The Board of Directors shall have the power and authority to remove a Director and declare his or her office vacant if he or she:

(1) has been declared of unsound mind by a final order of court;

(2) has been convicted of a felony;

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

(4) fails to maintain the Director's "Member in Good Standing" status for a period of sixty (60) consecutive days or longer; and/or

(5) fails to attend three (3) consecutive regular meetings of the Board of Directors that have been duly noticed in accordance with California law.

(d) Authority of Members to Remove Directors. Except as otherwise provided in this Section, a Director may be removed from office prior to expiration of his or her term only by the affirmative vote of a Majority of all Members. Any membership action to recall or remove a Director shall be conducted in accordance with the following procedures:

(1) A written petition must be presented in person to the individual designated in the Annual Policy Statement to receive communications on behalf of the Association and must carry the signatures of Members who represent at least five percent (5%) of the Members. Such petition must set forth the reason(s) the petitioners are seeking the Director's removal; the signature and Unit address of each petitioner in his or her own handwriting; the name(s) of the sponsor(s) of the petition; and must fulfill all other requirements of law. The sponsors circulating the petition shall append a written, signed certification to the petition attesting to the validity of the signatures.

(2) Within twenty (20) days after receipt of such petition, the Board shall distribute a written ballot (pursuant to Section 3.4) to vote upon the requested recall. The deadline for return of the written ballot shall be no more than ninety (90) days after the petition is presented to the Board.

(3) If the Board fails to act within twenty (20) days of receipt of the petition, the Members initiating the petition may conduct such election on their own initiative without Board approval or sanction. The right of the requesting Members to conduct such an election on their own initiative shall not arise until after the twenty (20) day period has elapsed.

(4) The Director(s) whose removal is being sought shall have the right to rebut the allegations contained in the petition orally, in writing, or both. If the rebuttal is in writing, it shall be mailed by the Association together with the recall ballot (*See* Section 3.4, above).

(5) If the quorum requirement for a valid membership action is not satisfied or if a sufficient number of votes in favor of the recall are not attained, the removal action will have failed.

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

(7) If the removal/recall of the entire Board is approved by a vote of the Members, a ballot shall be distributed to the Members pursuant to Section 3.4 of the Bylaws as soon as reasonably possible after the tabulation of the results of the recall election. The current Board members shall continue to serve until a new Board is elected, but may conduct only the necessary routine business of the Association. No new contracts or contract renewals, and/or no extraordinary expenses may be authorized until the new Board members take office.

(e) Removal by Court Action. The Superior Court of Santa Clara County may, in response to a suit filed by any Director or at least five percent (5%) of Members in Good Standing, remove any Director determined to be guilty of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Association. The Association shall be made a party to any such action.

(f) Filling Vacancies. If a vacancy on the Board of Directors is created by a Member recall vote, the vacancy shall be filled by a vote of the Members. If more than one Director vacancy is being filled, the Director positions will be filled so that the elected Director(s) with the most votes shall fill the Director position(s) with the longest remaining term of office. All other vacancies on the Board of Directors shall be filled by a majority vote of the remaining Directors (whether or not a quorum of Directors is present). If the Directors fail to fill any vacancy, the Members may fill the vacancy by a vote of a majority of the Members returning valid ballots.

Section 5.7. Disputes as to Elections and/or Removal of Director(s). Should any dispute arise as to whether one or more Directors were validly removed, elected and/or appointed, such dispute shall be subject to binding arbitration. The arbitrator appointed to decide the dispute shall be knowledgeable/experienced in the area of corporate law or homeowner association law. The arbitration shall be held and the decision made as soon as practicable, and costs and attorneys' fees shall be allocated pursuant to applicable law.

Section 5.8. Compensation. Directors, officers, and/or committee members shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as the Board of Directors determines are just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.

ARTICLE VI: BOARD MEETINGS.

Section 6.1. Place of Meetings. Regular and special meetings of the Board of Directors may be held at any place within or reasonably near the Development that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Notwithstanding the provisions of this Section, a regular or special meeting of the Board may be held at any place to which all the Board members consent in writing (which may be done either before or after the meeting). If consents are given, they shall be filed with the minutes of the meeting.

Section 6.2. Annual Meeting of Directors. Immediately after the newly elected Board members have taken office, the Board of Directors shall hold a regular meeting for the purpose of election of new officers by the new directors, and the transaction of other business. A separate notice of this meeting is required, unless such actions take place at the same Board meeting at which the ballots for directors are opened and tabulated.

Section 6.3. Other Regular Meetings.

(a) Frequency of Regular Meetings. Other regular meetings of the Board shall be held at such time as shall from time to time be fixed by the Board of Directors. The Board shall conduct a regular Board meeting at least once every three (3) months.

(b) Notice Requirements for Directors. Individual Notice of the time and place of all regular meetings of the Board shall be given to each Director at least four (4) days prior to the meeting. In the alternative, notice may be given by telephone communication (either directly to the Director or to a person at the Director's home or office who would reasonably be expected to communicate such notice promptly to the Director) at least four (4) days before the scheduled meeting. All such written notices shall be given or sent to the Director's mail address, email address or telephone number as shown on the records of the Association or as designated by that Director. However, notice of a regular meeting need not be given to any Board member who has signed a written waiver of notice or consent to holding the meeting as more particularly provided below.

(c) Notice to Members. General Notice of the time and place of regular meetings, with an agenda for the meeting, shall be provided to the Members at least four (4) days prior to the meeting.

Section 6.4. Special Meetings of the Board.

(a) Who May Call a Special Meeting of the Board. Special meetings of the Board of Directors may be called for any purpose at any time by the President or by any two (2) Directors.

(b) Notice of Special Meetings of the Board.

(1) Manner of Giving. Notice of all special meetings of the Board shall be given to each Director by Individual Notice. All such notices shall be given or sent to the Director's email address, address or telephone number as shown on the records of the Association or as designated by that Director. Notice of a special meeting need not be given to any Director who signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof as more particularly provided below.

(2) Time Requirements. Notices sent to Directors by first-class mail shall be deposited in a United States mailbox at least four (4) days before the time set for the meeting. Notices to Directors given by personal delivery, telephone or other electronic medium/method shall be given at least forty-eight (48) hours before the time set for the meeting.

(3) Notice to Members. General Notice of the time and place of special meetings, with an agenda for the meeting, shall be provided to the Members at least four (4) days prior to the meeting.

Section 6.5. Emergency Meetings of the Board / Meetings by Email. The Board of Directors may also hold emergency Board meetings if there are circumstances that could not have been reasonably foreseen and that require immediate attention and possible action by the Board. Given the necessity of emergency Board meetings and the impracticability of providing notice, emergency Board meetings can be held without complying with the notice requirements set forth in these Bylaws. If prompt or immediate action of the Board is necessary and there is insufficient time to comply with the notice requirements set forth in these Bylaws, reasonable efforts shall nevertheless be made to contact all Board Members regarding the proposed action in advance thereof, rather than relying on notification after the fact.

Except in an emergency, action may not be taken by the Board through a series of electronic transmissions, including but not limited to electronic mail. Electronic transmissions may be used as a method of conducting an emergency meeting if all Directors, individually or collectively, consent in writing to that action, and if the written consent or consents are filed with the minutes of the meeting of the board. Written consent to conduct an emergency meeting may be transmitted electronically.

Section 6.6. Executive Sessions.

(a) Matters to be Discussed. The Board shall be entitled to call and/or to adjourn from a general Board Meeting at any time for purposes of convening in executive session to discuss: (1) litigation; (2) matters relating to the formation of contracts with third parties; (3) Member discipline; or (4) personnel matters. The Board may also convene in executive session to meet with a Member at the Member's request regarding the Member's payment of assessments. If a Member who may be subject to a fine, penalty and/or other form of discipline requests, the Board shall meet in executive session to discuss the imposition of the fine, penalty and/or other form of discipline. The Member who is the subject of the disciplinary proceeding shall be entitled to attend the executive session. Prior to adjournment to executive session, a general statement of the nature of any and all business to be considered in executive session shall be given. Any matter discussed by the Board in executive session shall be generally noted in the minutes of the next open Board meeting.

(b) Notice to Members. General Notice of the time and place of any meeting of the Board to be held solely in executive session, with an agenda for the meeting, shall be provided to the Members at least two (2) days prior to the meeting.

Section 6.7. Telephonic Meetings. Any Board meeting, open or executive session, may be held by conference telephone, videoconference, or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. Members of the Association shall be entitled to attend the portion of a teleconference meeting that is open to Members, and except in situations where physical locations are excused by applicable law (e.g., Civil Code § 5450), the open portion of the meeting shall be audible to the Members in a location specified in the notice of the meeting with at least one Director, or a person designated by the Board, physically present at that location. Telephonic meetings shall be subject to the Director and Member notice requirements set forth above, as applicable.

Section 6.8. Members' Rights.

(a) Meetings Generally Open to Members. With the exception of executive sessions of the Board, any Member of the Association may attend and speak at any Board and/or Member meetings. The Board may determine: (1) the portion of the Board meeting reserved for Members to speak (*e.g.*, beginning, middle, end.); (2) reasonable time limits for each speaker; and (3) the total time allowed for all Members to speak. Unless a majority of the Directors expressly votes to allow further non-Director participation, the participation of Members who are not Directors is limited to the period described above and in any related Association Rule or Board policy.

(b) Board Meeting Minutes. Minutes shall be kept for all Board meetings. Taking into consideration the need to maintain confidentiality of matters discussed in executive sessions, any matter discussed in an executive session shall only be generally noted in the minutes of the Board meeting. The minutes (or draft minutes that are marked to indicate draft status, or a summary of the minutes) of any meeting of the Board of Directors, other than minutes of an executive session, shall be available to the Members within thirty (30) days following the Board meeting. Upon a Member's request (and payment of the Association's costs of copying and distribution), copies of the minutes (or draft minutes that are marked to indicate draft status, or a summary of the minutes) shall be provided to the requesting Member. Members shall be notified annually in writing of the Members' right to have copies of the minutes of any Board meeting and how and where those minutes may be obtained.

Section 6.9. Quorum Requirements. A majority of Directors currently elected and serving shall constitute a quorum for the transaction of business for any and all purposes, except to adjourn as provided in Section 6.10, below. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as may be required by law.

Section 6.10. Adjournment. A majority of the Directors present, whether or not a quorum exists, may adjourn any Board meeting to another time and place. If the meeting is adjourned for four (4) days or less, no notice of the rescheduled meeting is required. If the adjournment is for a period over four (4) days, then prior to the time of the rescheduled meeting, General Notice of adjournment to the new time

and/or place shall be given to the Members and Individual Notice given to the Directors who were not present at the time of the adjournment. Except as provided above, no other notice needs to be given.

Section 6.11. Waiver of Notice. Notice of a meeting need not be given to a director who provided a waiver of notice or consent to holding the meeting or an approval of the minutes thereof in writing, whether before or after the meeting, or who attends the meeting without protesting prior to the meeting or at the commencement of the meeting, the lack of notice to that Director. All such waivers, consents and approvals shall be made a part of the minutes of the meeting.

Section 6.12. Conducting Meetings. All Board meetings shall be conducted in accordance with a recognized system of parliamentary procedure or such other parliamentary procedures as the Association may choose to adopt. If the Association has not adopted parliamentary procedures and a dispute arises that cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

ARTICLE VII: OFFICERS.

Section 7.1. Officers. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution appoint. The same individual cannot simultaneously hold the offices of both President and Treasurer.

Section 7.2. Appointment of Officers. The officers of the Association shall be selected and appointed by the Board at its first meeting following the annual election of Directors, or if ballots for election of Directors are opened and tabulated at a Board meeting, then at that Board meeting. New officer positions may be created and filled at any open meeting of the Board. Any vacant officer position may be filled at any open meeting of the Board.

Section 7.3. Terms; Removal of Officers. Generally, the officers of the Association shall hold office for a period of one (1) year. Any officer may be removed by the Board with or without cause, at any regular or special meeting. Such removal may, in the discretion of the Board, be given immediate effect.

Section 7.4. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board, the President and/or the Secretary. Any such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 7.5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled for the unexpired portion of the term by the vote of a majority of Board members present at a duly noticed Board meeting at which a quorum is also present.

Section 7.6. Duties.

(a) President. The President shall be a member of the Board of Directors. 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 affairs and officers of the Association. The President shall preside at all meetings of the Board and the Members, shall have the general power and duties of management usually vested in the office of President of a corporation, together with such other powers, acts and duties as may be authorized by the Board or are set forth in the Bylaws, and shall see that orders and resolutions of the Board are carried out.

(b) Vice President. The Vice President shall be a member of the Board of Directors. In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall perform such other acts and duties and have such powers as from time to time may be prescribed by the Board or set forth in these Bylaws.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as are required by the Board.

(d) Treasurer. The Treasurer shall be the chief financial officer of the Association and shall receive and deposit in appropriate accounts all monies of the Association; shall disburse such funds as are directed by the resolution of the Board of Directors; keep proper books of account; cause an annual review of the Association books to be made by a certified public accountant at the completion of each fiscal year; prepare an annual budget and a statement for income and expenditures to be presented to the Membership annually, and deliver or cause to be delivered a copy of each to the Members; prepare all other financial reporting and accounting documents required by California law, and shall perform such other duties as are required by the Board.

Section 7.7. Delegation of Officers' Duties. The duties set forth above may be delegated to assistant officers, the Association Manager, or to other authorized agents or employees of the Association so long as the appropriate officer is ultimately responsible for oversight and supervision of such persons. Provided, however, that such persons may not be delegated the authority to sign checks or otherwise disburse Association funds or to execute contracts, promissory notes, leases or other written instruments on behalf of the Association, except by express approval by the Board granting such specific authority to a particular person.

Section 7.8. Officers' Authority to Execute Contracts. The Board may authorize any officer(s) to enter into any contract in the name of, or on behalf of, the Association (pursuant to the Board's authority to enter into contracts as set forth in the Declaration). Unless expressly authorized by the Board, no officer shall have any power or authority to bind the Association by any contract or agreement, or to pledge the credit of the Association, or to render the Association liable for any purpose and/or on any account.

ARTICLE VIII: COMMITTEES.

Section 8.1. Committees. The Board may appoint committees to assist it in performing its duties under the Governing Documents. Said committees shall have such authority as designated and granted by the Board with respect to matters within their area of assigned responsibility.

(a) Executive Committees. Executive Committees consisting of two (2) or more directors may be appointed by Board resolution to act on behalf of the Board and with the authority of the full board with regard to the matters described in the Board resolution. Persons who are not Directors may not serve on Executive Committees. Actions and decisions of an Executive Committee which are within the authority of the Committee under the Board resolution shall be deemed to be the action or decision of the full Board.

(b) Advisory Committees. Advisory Committees may consist of Members, Directors or both Members and Directors and may be appointed by Board resolution to assist and advise the Board on matters set forth in the resolution. All actions by such committee shall be considered advisory to the Board and shall be scheduled on the agenda of the Board meeting next following the committee's action or decision. At the next following Board meeting, the Board may act to affirm, rescind, or modify any and all such committee actions, as the Board in its discretion deems appropriate.

Section 8.2. Committee Members. Members of any Committee shall be Members in Good Standing and shall serve at the pleasure of the Board. The Board resolution appointing the committee shall identify one person to act as chair of the committee and preside over its meetings.

ARTICLE IX: CONFLICTS OF INTEREST.

Section 9.1. Conflicts of Interest.

(a) Decisions Involving Financial Interest of Association Official. No Association official (including Directors, officers, committee members and/or Association Manager) shall make, participate in making, or in any way attempt to use his or her official position to influence an Association decision in which said Association official knows, or has reason to know, that said official has a direct or indirect financial interest that is distinguishable from the financial interest of the Members of the Association generally. If any matter in which a Director has such an interest is to be voted upon by the Board, the Director shall notify the Board prior to the vote of his or her interest in the matter and shall abstain from voting on that matter.

(b) Litigation Involving Association, Board Members or Association Manager. No person who is an adverse party in any pending legal action against the Association or another Director may serve or continue to serve as a Director for as long as such legal action continues. No person who is an adverse party in any pending legal action against the Association Manager may serve or continue to serve as a Director for as long as such action continues, unless such action has been authorized by a majority of Directors currently serving on the Board.

(c) Other Matters on Which an Interested Association Official May Not Vote. A Director or member of a committee may not vote on any of the following matters:

(1) Discipline of the Director or committee member;

(2) An assessment against the Director or committee member for damage to the Common Area or facilities;

(3) A request by the Director or committee member for a payment plan for overdue assessments;

(4) A decision to foreclose on a lien on the separate interest of the Director or committee member;

(5) Review of a proposed physical change to the separate interest of the Director or committee member; or

(6) A grant of exclusive use common area to the Director or committee member.

Section 9.2. Employees. The provisions of Section 9.1 shall not apply to an employee of the Association when he or she is negotiating his or her compensation or the terms of his or her employment.

Section 9.3. Enforcement.

(a) Determination of Conflict of Interest by the Board. The Board shall determine, by a majority vote on the basis of all facts, whether a conflict of interest exists with respect to an Association decision. If the Board determines that a conflict exists, the Board may (by majority vote) refer the matter under discussion to a special committee of the Board, of which the Association official with the conflict of interest is not a member.

(b) Remedies for Violation. If an Association Director is found by the Board to have violated this Article by making, participating or attempting to use his or her position to influence an Association decision or by instituting or continuing to pursue litigation against the Association, another Director or the Association Manager, the Board may commence either a recall election by the Members or an action in the superior court to have the Director removed. If an Association officer (who is not a Director) is found by the Board to have violated this Article IX by making, participating or attempting to use his or her position to influence an Association decision, or by instituting litigation against the Association, a Director or the Association Manager, the Board may remove said officer from office.

Section 9.4. Applicability. The provisions of this Article shall not apply to contracts entered into on or before the date that these Bylaws are adopted by the Association.

ARTICLE X: ASSOCIATION RECORDS AND DISCLOSURES TO MEMBERS.

Section 10.1. Standard for Association Financial Records. All Association books of account shall be maintained in accordance with generally accepted accounting principles.

Section 10.2. Annual Budget Report. The Association shall distribute an Annual Budget Report 30 to 90 days before the end of its fiscal year which shall include a pro forma operating budget, a summary of

the Association's reserves, a summary of the reserve funding plan, a summary of the Association's property, general liability, earthquake and fidelity insurance policies and all other information required by Civil Code Section 5300 or comparable superseding statute.

Section 10.3. Review of Financial Statement. A review of the financial statement of the Association shall be prepared by a licensee of the California Board of Accountancy for any fiscal year in which the gross income to the Association exceeds seventy-five thousand dollars ($75,000). A copy of the review shall be delivered to the Members within 120 days after the close of each fiscal year as required by Civil Code Section 4040 or comparable superseding statute.

Section 10.4. Annual Policy Statement. Within 30 to 90 days before the end of its fiscal year, the Board shall deliver an "Annual Policy Statement" that provides members with information about Association policies. All the information required by Civil Code Section 5310 shall be included as part of the Annual Policy Statement, plus any additional information deemed appropriate by the board.

Section 10.5. Delivery of Annual Budget Report and Annual Policy Report. Full copies of the Annual Budget Report and Annual Policy Statement shall be delivered to the Members within the time periods provided above. In the alternative, a summary of each report which includes a general description of the contents of the report and instructions on how to request a full copy of the report at no cost to the Member may be provided in lieu of the full reports. In either case, delivery shall be by first class mail, postage prepaid, certified mail, express mail or overnight delivery by an express service carrier. Email, facsimile or other electronic means may be used if the recipient has consented in writing to that method of delivery.

Section 10.6. Record Keeping. The Board shall keep or cause to be kept all Association books, records and papers, including all Governing Documents, at the principal business office of the Association or at such other place as the Board may designate.

Section 10.7. Fiscal Year. The Association's fiscal year shall be as determined by resolution of the Board.

ARTICLE XI: INSPECTION RIGHTS OF MEMBERS AND DIRECTORS.

Section 11.1. Member's Rights to Inspect. Members may inspect and copy only those Association records that California law requires be made available to Members. The Association Rules may provide a procedure for requesting such inspections, copying costs and other related matters, provided, however, that such Association Rules shall conform to current California law and the Governing Documents.

Section 11.2. Director's Rights to Inspect. Every Director shall have the right to, at any reasonable time, inspect all Association books, records, documents, and minutes and/or the Association's physical property, unless otherwise prohibited or restricted by law. The right of inspection by a Director includes the right to make extracts and copies of documents.

ARTICLE XII: AMENDMENTS.

Section 12.1. Amendment of Bylaws.

(a) Amendment by Board of Directors. The Board of Directors may, by a vote of a two-thirds (2/3) majority of all Directors, adopt amendments to these Bylaws when an amendment is needed to conform a particular provision or provisions of these Bylaws to changes in applicable California State law when said changes in applicable California State law are mandatory and nondiscretionary in nature. Before entertaining a motion to approve any such amendment(s), the Board shall receive a written opinion from the Association's legal counsel confirming that (1) a change or changes in California law necessitates a corresponding amendment to the Association's Bylaws to make the affected Bylaw provision(s) an accurate statement of current underlying California law and (2) the Association is bound by law to observe said change or changes in California law.

(b) Amendment by the Members. Except as provided in Subsection (a), above, these Bylaws may be adopted, amended, or repealed only by the affirmative vote of Members representing at least a Majority of all Members of the Association. If any provision of these Bylaws requires the vote of a larger proportion (or all) of the Members, such provisions may not be altered, amended, or repealed except by such vote, unless otherwise specifically provided herein.

Section 12.2. Effective Date. Any amendment to these Bylaws shall become effective immediately upon approval by the Directors for amendments pursuant to Subsection 12.1(a), and upon approval by the Members for amendments pursuant to Subsection 12.1(b) above.

Section 12.3. Book of Bylaws and Distribution to Members. The Secretary of the Association shall certify adoption of any duly approved amendment to the Bylaws. Whenever new Bylaw(s) or amendment(s) are adopted, a copy of the Bylaw(s) (as amended or adopted) and the certification shall be placed in the permanent records of the Association and distributed to all Members of the Association. If any Bylaw(s) are repealed, the date upon which the repeal was enacted shall also be stated in the book of Bylaws.

ARTICLE XIII: GENERAL PROVISIONS.

Section 13.1. Manager. The Board may, from time to time, employ the services of an Association Manager (or management company) to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of California, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the Association Manager any of its day-to-day management and maintenance duties and powers under these Bylaws and the Declaration, provided that the Association Manager shall at all times remain subject to the general control of the Board.

Section 13.2. Notice to Association. If a notice or other document is required by the Governing Documents or California law to be delivered to the Association, it shall be delivered to the person designated in the Annual Policy Statement prepared pursuant to Section 10.4 of these Bylaws to receive documents on behalf of the Association. If no person has been designated to receive documents, the notice or other document shall be delivered to the President or Secretary of the Association. Delivery may be by personal delivery, first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery

by an express service carrier. Email, facsimile or other means of electronic transmission may be used if authorized by the Association. Delivery shall be deemed to be complete upon receipt of the notice or document by the Association.

Section 13.3. Secondary Address. Pursuant to Civil Code Section 4040 a Member may request delivery of certain notices and documents to a secondary address as well as to the address for the Member appearing in the records of the Association. Any such request for delivery to a secondary address shall be in writing and delivered to the Association as provided in Section 13.2 of these Bylaws.

Section 13.4. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law (Corporations Code Sections 7110 *et seq.*) and the Davis-Stirling Act (Civil Code Sections 4000 *et seq.*) shall govern the construction of these Bylaws. All provisions of these Bylaws shall be liberally construed together to promote and effectuate the fundamental concepts of this Association.

Section 13.5. No Waiver. Failure to enforce any provision of the Governing Documents shall not constitute a waiver of the right to enforce that provision subsequently.

Section 13.6. Captions and Titles. All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

Section 13.7. Conflicts with Other Documents. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between other Governing Documents and these Bylaws, the Bylaws shall control.

Section 13.8. State Law; Severability. Notwithstanding the provisions of Section 13.4, above, these Bylaws shall be deemed independent and severable. The invalidity or partial invalidity of any provision of these Bylaws shall not affect the validity or enforceability of any other provision of these Bylaws, which shall remain in full force and effect. In case any of the Bylaws conflicts with any provisions of the laws of the State of California, such conflicting Bylaws shall be null and void upon a court determination to such effect. All other Bylaws shall remain in full force and effect.

END OF DOCUMENT

CERTIFICATION ON FOLLOWING PAGE

CERTIFICATE OF SECRETARY

The undersigned duly elected and acting Secretary of the mutual benefit nonprofit corporation, known as Mountain View Sunset Homeowners Association, does hereby certify that the above and foregoing Bylaws consisting of 22 pages (exclusive of this certificate), were duly adopted by at least fifty-one percent (51%) of the Members on _____, 20__, and that the same does now constitute the operative bylaws of Mountain View Sunset Homeowners Association.

Dated: _____

MOUNTAIN VIEW SUNSET
HOMEOWNERS ASSOCIATION

By: _____
Secretary