

**BYLAWS**

**OF**

**YORK HILLS**

**HOMEOWNERS ASSOCIATION**

BYLAWS

York Hills Homeowners Association

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**OF**  
**YORK HILLS**  
**HOMEOWNERS ASSOCIATION**

**ARTICLE I**

NAME AND LOCATION

The name of this corporation is YORK HILLS HOMEOWNERS ASSOCIATION, a California nonprofit corporation, hereinafter referred to as the “Association”, successor in name of LAGUNA SECA RANCH ESTATES NO. 2. The principal office of the Association is located in Monterey County, California.

**ARTICLE II**

DEFINITIONS

2.01 “Declaration” means the Declaration of Covenants, Conditions and Restrictions of Laguna Seca Ranch Estates No. 2, recorded in the Office of the Recorder for the County of Monterey, State of California on June 6, 1980, in Volume 14 of Cities and Towns at Page 28.

2.02 The definitions contained in the Declaration are incorporated by reference herein as though fully set forth.

**ARTICLE III**

GOVERNING DOCUMENTS

The governing documents of this Association are the Declaration, the Articles of Incorporation, The York Hills Homeowners Association Rules and the Bylaws. In the case of any conflict between the Articles and the Bylaws, the Articles shall control. In the case of any conflict between the Declaration and the Bylaws, the Declaration shall control. It is the purpose and intent of the Association in adopting these Bylaws to establish operating procedures for the conduct of the business of the Association as a supplement to the matters set forth in the Declaration and the Articles. The terms of the York Hills Homeowners Association Rules shall receive the lowest priority in the event the terms therein conflict with any of the terms contained in the governing documents.

## ARTICLE IV

### MEETINGS OF MEMBERS AND VOTING

4.01 Place of Meeting. Meetings of Members shall be held within the Subdivided Property, or at a meeting place as close thereto as possible, and at a place designated by the Board of Directors.

4.02 Annual Meeting. Regular annual meetings of the Members shall be held each year on a date set by the Board.

4.03 Special Meetings. Special meetings of the Members may be called at any time by the Board, the President, or the Members representing not less than 5% of the total voting power of the Association. If a special meeting is called by Members other than the President or the Board, the 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 to the President, the Vice President or the Secretary of the Association. The officer receiving the request shall cause notice to be promptly given to the Members entitled to vote that a meeting will be held, and the date for such meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request. If the notice is not given within 20 days after receipt of the request, the persons requesting the meeting may give the notice.

4.04 Notice of Members' Meetings.

A. General Notice Contents. All notices of meetings of Members shall be sent or otherwise given not less than 10 nor more than 90 days before the date of the meeting; provided, however, that if notice is given by mail and the notice is not mailed by first class, registered or certified mail, the notice shall be given not less than 20 days before the meeting. Notice shall be given to all Members who, on the record date for notice of the meeting, are entitled to vote at the meeting. The notice shall state the place, date and time of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of the regular annual meeting, those matters which the Board of Directors, at the time the notice is given, intends to present for action by the Members, but, except as otherwise provided herein, any proper matter may be presented at the meeting. The notice of any meeting at which

directors are to be elected shall include the names of all those who are nominees at the time the notice is given to Members.

B. Notice of Certain Agenda Items. If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal:

- (1) Removing a director without cause;
- (2) Filling vacancies on the Board of Directors by the Members;
- (3) Amending the Articles of Incorporation;
- (4) Approving a contract or transaction in which a director has a material financial interest;
- (5) Approving a plan of distribution of assets, other than cash, in liquidation when the corporation has more than one class of memberships outstanding.

C. Manner of Giving Notice. Notice of any meeting of Members shall be given either personally or by mail, or other means of written communication, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. If no address appears in the Association's books and no other has been given, notice shall be deemed to have been given if either (1) notice is sent to that Member by first class mail or electronic mail or other written communication to the corporation's principal executive office or (2) notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by electronic mail or other means of written communication.

D. Affidavit of Mailing Notice. An affidavit of the mailing or other means of giving any notice of any Members' meetings may be executed by the Secretary, or any other person giving the notice, and if so executed shall be filed and maintained in the minute book of the Association.

#### 4.05 Quorum.

A. Percentage Required. Thirty-three and one-third (33-1/3%) percent of the Members shall constitute a quorum for the transaction of business at a meeting of the Members.

B. Lack of a Quorum. If there are not sufficient Members present to constitute a quorum at the commencement of a duly called or duly held meeting, a majority of those present in

person or by proxy shall have the power to vote to adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

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

#### 4.06 Voting.

A. Eligibility to Vote. Persons entitled to vote at any meeting of Members shall be Members as of the record date determined in accordance with Section 4.09 hereinafter, subject to the provisions of the California Nonprofit Corporation Law.

B. Manner of Casting Votes. Voting may be by voice or ballot, provided that any election of directors must be by ballot.

C. Affirmative Votes. If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting, entitled to vote and voting on any matter (other than the election of directors) shall be the act of the Members, unless the vote of a greater number or voting by classes is required by the California Nonprofit Corporation Law, the Articles of Incorporation, or these Bylaws.

#### 4.07 Waiver of Notice or Consent by Absent Members.

A. Written Waiver or Consent. The transactions of any meeting of Members, either annual or special, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of Members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Subdivision B of Section 4.04 hereinabove, the waiver of notice or consent shall state the general nature of the proposal. All

such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

B. Waiver by Attendance. Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not waiver of any right to object to the consideration of matters not included in the notice of the meeting, if that objection is expressly made at the meeting.

4.08 Action by Written Consent without a Meeting. Any action that may be taken at any annual or special meeting of Members may be taken without a meeting and without prior notice if written ballots are received from a number of Members at least equal to the quorum applicable to a meeting of Members. All such written ballots shall be filed with the Secretary of the Association and maintained in the Association's records. All solicitations of ballots shall indicate the time by which the ballot must be returned to be counted, the number of responses needed to meet the quorum requirement, and, with respect to ballots other than for the election of directors, the percentage of approvals necessary to pass the measure submitted.

4.09 Record Date.

A. Determined by Board of Directors. For the purposes of determining which Members are entitled to receive notice of any meeting, to vote, or to give consent to Association action without a meeting, the Board of Directors may fix, in advance, a "record date" which shall not be more than 60 nor fewer than 10 days before the date of any such meeting, no more than 60 days before any such action without a meeting. Only Members of record on the date so fixed are entitled to notice, to vote, or to give consents, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Corporation Law.

B. Failure of Board to Determine Date.

- (1) Record Date for Notice or Voting. Unless fixed by the Board of Directors, the record date for determining those Members entitled to receive notice of, or to vote at, a meeting of Members, shall be the next business day preceding the day on which notice is given, or, if notice is waived, the next business day preceding the day on which the meeting is held.



- (2) Record Date for Written Consent. Unless fixed by the Board, the record date for determining those Members entitled to vote by ballot on Association action without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written consent is given. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.
- (3) “Record date” means as of Close of Business. For purposes of this Paragraph B, a person holding membership as of the close of business on the record date shall be deemed a Member of record.

#### 4.10 Proxies.

A. Right of Members. Every person entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the Association. A proxy shall be deemed signed if the Member’s name is placed on the proxy (whether by manual signature, typewriting, electronic mail, or otherwise, by the Member or the Member’s attorney in fact.

B. Revocability. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect unless (1) revoked by the Member executing it, before the vote cast pursuant to that proxy, by a writing delivered to the Association stating that the proxy is revoked by the subsequent proxy executed by such Member, or by personal attendance and voting at a meeting by such Member, or (2) written notice of the death or incapacity of the maker of the proxy is received by the Association before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise provided in the proxy. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of the California Nonprofit Corporation Law.

C. Form of Solicited Proxies. In any election of directors, any form of proxy that is marked by a Member “withhold”, or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director. Failure to comply with this paragraph shall not invalidate any action taken, but may be the basis for challenging the proxy at a meeting.

D. Effect of a Member’s Death. A proxy is not revoked by the death or incapacity of the maker or the termination of a Member as a result thereof unless, before the vote is counted, written notice of the death or incapacity is received by the Association.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

5.01 Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. The nominating committee shall consist of a director who shall be chairman of the committee and two or more Members of the Association. The nominating committee shall be appointed by the Board of Directors not less than 90 days prior to each annual meeting of the Members, to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Members representing 5% or more of the membership may nominate candidates for directorships at any time before the 30<sup>th</sup> day preceding such election. Nominations may also be made from the floor at the annual meeting, if there is a meeting to elect directors.

5.02 Nomination and Election Procedures. The Board of Directors shall make available to the Members reasonable nomination and election procedures including a reasonable means of nominating persons for election as directors, a reasonable opportunity for a nominee to communicate to the Members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for all nominees to solicit votes, and a reasonable opportunity for all Members to choose among the nominees. The Board of Directors shall cause the Association to publish or mail material with respect to nominees of directorships, in accordance with the provisions of the California Nonprofit Corporation Law.

5.03 Election. At the election of directors to the Board, the Members of the Association or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes up to the number of directors to be elected shall be elected. Cumulative voting shall be utilized during all elections in which two or more positions of the Board are to be filled. Voting for directors shall be by secret written ballot.

## ARTICLE VI

### BOARD OF DIRECTORS

6.01 General Corporate Powers. Subject to the provisions of the California Nonprofit Corporation Law and any limitation in the governing documents relating to action required to be approved by the Members, the business and affairs of the Association shall be managed, and all Association powers shall be exercised, by or under the direction of the Board of Directors.

6.02 Number and Qualification of Directors. The authorized number of directors shall be an odd number no less than five (5) and no more than nine (9).

6.03 Term of Office. The term of office of each respective director shall be three years.

6.04 Vacancies.

A. Events causing vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following:

- (1) The death, resignation or removal of any directors,
- (2) The declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under Section 7230 of the California Nonprofit Corporation Law,
- (3) The vote of the Members to remove a director,
- (4) The increase of the authorized number of directors, or
- (5) The failure of the Members at any meeting of Members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting.

B. Vacancies filled by directors. Except for a vacancy created by the removal of a director, vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director.

C. Vacancies filled by Members. The Members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

D. No vacancy on reduction of number of directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

E. Removal. Unless the entire Board of Directors is removed from office by the vote of the Members of the Association, no individual director shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect the individual director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the most recent election of directors were then being elected. A director elected to office solely by votes of Members may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the Members; provided, however, that such a director may not be removed if sufficient votes are cast against his removal to prevent that removal under the terms of the preceding sentence of this subdivision E.

6.05 Meetings of the Board.

A. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly at a time and place within the Subdivided Property that has been designated from time to time by resolution of the Board. Notice of the time and place of meeting shall be posted at a prominent place within the Common Area.

B. Special Meetings.

(1) Authority to Call. Special meetings of the Board of Directors for any purpose may be called at any time by the President, or any Vice President, the Secretary, or any two directors.

(2) Notice.

(a) Manner of giving. Notice of the time and place of special meetings shall be given to each director by one of the following methods:

- (i) By personal delivery of written notice;
- (ii) By first class mail, postage prepaid;
- (iii) By telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director;

(iv) By electronic mail. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.

(b) Time Requirements. Notices sent by first class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone or electronic mail shall be delivered, telephoned or sent via electronic mail at least 72 hours before the time set for the meeting.

(c) Notice Contents. The notice shall specify the time and place for the meeting, and the nature of any special business to be considered.

(d) Publication of Notice. The notice of the time and place of the meeting shall be posted at a prominent place within the Common Area.

C. Time and Place. Special meetings may be held at any place within the Subdivided Property, and at any time, as set forth in the notice.

D. Members' Attendance. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Members who are not directors may not participate in any deliberation or discussion of the Board unless expressly so authorized by vote of a majority of a quorum of the Board.

E. Executive Session. The Board may, with the approval of a majority of a quorum of the directors, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any business to be considered in executive session shall first be announced in open session.

6.06 Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 6.09. 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, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (1) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (2) appointment of committees, and (3) indemnification of directors. A meeting at which a quorum is

initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

6.07 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if, (1) a quorum is present and (2) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes of the meeting and (3) notice of the time and place of the meeting was posted at a prominent place within the Subdivided Property not less than 72 hours prior to the scheduled time of the meeting. The written waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the Association records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.08 Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

6.09 Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the adjourned meeting to the directors who were not present at the time of adjournment.

6.10 Compensation. No director shall receive compensation for any service he may render to the Association. Any director, however, may be reimbursed for his actual expenses incurred in the performance of his duties.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.01 Duties. It shall be the duty of the Board of Directors to:

A. Maintain, protect and preserve the Common Area by enforcing any and all applicable provisions of the Declaration, the Articles and the Bylaws regulating the York Hills Homeowners Association.

B. Procure and maintain any and all types of insurance on behalf of the Association as shall be deemed necessary by the Board.

C. Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of said lien.

D. As more fully provided in the Declaration:

- (1) Fix the amount of the annual assessment against each Residential Lot at least thirty (30) days in advance of each annual assessment;
- (2) Send written notice of each assessment to every Member subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (3) Foreclose the lien against any property for which the assessments are not paid within thirty (30) days after due or to bring an action at law against the Member personally obligated to pay the same.

E. Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

F. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4<sup>th</sup>) of the Members who are entitled to vote.

G. Supervise all officers, agents and employees of the Association, and to ensure that their duties are properly performed.

H. Cause all officers or employees having fiscal responsibilities to be bonded, as may be deemed appropriate.

I. Appoint and remove members of the Architectural Committee as provided more fully in the Declaration, and insure at all reasonable times there is a duly constituted Architectural Committee.

J. To perform such other acts as may be reasonably necessary to enforce any of the provisions of the Declaration, The York Hills Homeowners Association Rules, or the Architectural Committee Rules.

7.02 Powers. The Board of Directors shall have the power to:

A. Adopt and publish rules and regulations governing the use of the Common Area, and the personal conduct of the Members and their guests, tenants and invitees thereon, and to establish penalties for the infraction thereof.

B. Suspend the voting rights of a Member and a Member's right to use of the Common Area during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations. The Board may suspend the voting rights of a Member, or a Member's right to use of the Common Area, or both, if the Board finds, after notice and a hearing, that the Member is in default in the payment of any assessment or charge levied by the Association or that the Member has committed an infraction of published rules and regulations of the Association. The Board shall give the member who is the subject of the proposed action fifteen (15) days prior notice of the proposed suspension, and the reasons therefore. The Member may submit a written statement to the Board regarding the proposed action not less than five (5) days before the effective date thereof. In the alternative, the Board may set a date for hearing at which the Member may present an oral statement, which date shall be not less than five (5) days before the effective date of the proposed action, and the date, time and place of the proposed hearing shall be set forth in writing in the fifteen (15) days prior notice given to the Member. Prior to the effective date of the proposed action the Board shall either hold the hearing or shall review any statements submitted and shall determine the mitigating effect, if any, of the information obtained thereby. The procedures for notice and a hearing shall in all respects conform to the procedures set forth in California Corporations Code Section 7341, as amended, or any successor statute thereto.

C. Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved by the membership by other provisions of these Bylaws, the Articles, or the Declaration.

D. Declare the office of a director vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board of Directors.

E. Enter upon any Residential Lot as necessary, at reasonable hours and on 48-hour advance notice to the owner of said Residential Lot, except in case of emergency, in connection with the protection, management or maintenance for the benefit of the Common Area.

F. Delegate its authority and powers to committees, officers or employees of the Association.

G. Limit the number of a Member's guests who may use the Common Area.

H. Contract for goods or services in accordance with the Declaration.



I. Adopt reasonable procedures for notice and hearing with respect to the enforcement of the governing documents, the York Hills Homeowners Association Rules, or The Architectural Committee Rules.

7.03 Prohibited Acts. The Board of Directors shall not take any of the following actions, except with the vote or written consent of the majority of the voting power of the Members:

A. Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

- (1) A management contract the terms of which have been approved by the Federal Housing Administration or Veterans Administration
- (2) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;
- (3) Prepaid casualty or liability insurance policies not to exceed three (3) years duration provided that the policy permits short rate cancellation by the insured.

B. Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

C. Selling during any fiscal year property of the Association having an aggregate fair market value greater than five (5%) percent of the budgeted gross expenses of the Association of that year.

D. Paying compensation to directors or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a director or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

## ARTICLE VIII

### OFFICERS

8.01 Officers. The officers of the Association shall be a President, a Secretary and a Chief Financial Officer. The Association may also have, at the discretion of the Board of Directors, one or more Vice Presidents, one or more Assistant Secretaries, and such other officers as may be appointed in accordance with the provisions of Section 8.03. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the President.

8.02 Election of Officers. The officers of the Association except those appointed in accordance with the provision of Section 8.03, shall be chosen by the Board of Directors and each shall serve at the pleasure of the Board for a term of one year.

8.03 Subordinate Officers. The Board of Directors may appoint, or may authorize the President to appoint, any other officers that the business of the Association may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined from time to time by the Board of Directors.

8.04 Removal of Officers. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board of Directors, by an officer on whom such power of removal may be conferred by the Board of Directors; provided, however, that if the officer is also a Director, his removal as an officer shall not affect his status as a director.

8.05 Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointments to that office.

8.06 Responsibilities of Officers.

A. President. The President shall, subject to the control of the Board of Directors, generally supervise, direct and control the business and the officers of the Association. He

shall preside at all meetings of the Members and all meetings of the Board of Directors. He shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

B. Vice Presidents. In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors, or, if not ranked, a Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all of the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors.

C. Secretary. The Secretary shall attend to the following:

- (1) Book of Minutes. The Secretary shall keep or cause to be kept, at such place as the Board of Directors may direct, a Book of Minutes of all meetings and actions of directors, committees of directors, and Members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of Members present or represented at Members' meetings, and the proceedings of such meetings.
- (2) Membership Records. The Secretary shall keep, or cause to be kept, record of the corporate Members showing the names of all Members and their addresses.
- (3) Notices and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors required by the Bylaws to be given. He shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

D. Chief Financial Officer. The Chief Financial Officer shall attend to the following:

- (1) Books of Account. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

- (2) The Chief Financial Officer shall prepare or cause to be prepared the financial statements and reports required to be delivered to each Member as set forth in these Bylaws and in the California Nonprofit Corporation Law.
- (3) Deposit and Disbursement Money. The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors; shall disburse the funds of the Association as may be ordered by the Board of Directors; shall render to the President and the Directors, whenever they request it, an account of all his transactions as Chief Financial Officer and of the financial condition of the Association; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.
- (4) Bond. If required by the Board of Directors, the Chief Financial Officer shall give the Association a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Association of all its books, papers, vouchers, money and other property of every kind in his possession or under his control on his death, resignation, retirement or removal from office. The cost of the bond shall be paid by the Association.

## ARTICLE IX

### RECORDS AND REPORTS

- 9.01 Inspection Rights. Any Member of the Association may:
- A. Inspect and copy the records of Members' names and addresses during usual business hours on five days' prior written demand on the Association, stating the purpose for which the inspection rights are requested, and
  - B. Obtain from the Secretary of the Association, on written demand and on the tender of the Secretary's usual charges for such a list, if any, a list of names and addresses of Members who are entitled to vote for the election of directors, as of the most recent record date for which that list has been compiled, or as of a date specified by the Member after the date of demand.

The demand shall state the purpose for which the list is requested. This list shall be made available to any such Member by the Secretary on or before the later of ten days after the demand is received or the date specified in it as the date by which the list is to be compiled. Any inspection and copying under this Section may be made in person or by an agent or attorney of the Member and the right of inspection includes the right to copy and make extracts.

9.02 Articles and Bylaws. The Association shall keep at its principal office in this State the original or a copy of the Articles and Bylaws, as amended to date, which shall be open to inspection by the Members at all reasonable times during office hours.

9.03 Maintenance and Inspection of Other Corporate Records. The membership register, accounting records and minutes of proceedings of the Members, of the Board and of committees shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the Association. Each such document shall be kept either in written or typed form or in any other form capable of being converted into written, typed or printed form. Each such document shall be open to inspection upon the written demand of any Member, at any reasonable time as more particularly established by the Board, for a purpose reasonably related to the Member's interests as a Member. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts.

9.04 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties of the Association. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

9.05 Annual Report to Members.  
A. Financial Statements. The Association shall prepare and distribute the financial statements to each Member as set forth herein and shall cause to be prepared the audit described herein, as and when required.

- (1) A pro forma operating statement (budget) for each fiscal year shall be distributed to each Member not less than 60 days before the beginning of the fiscal year.
- (2) An Annual Report consisting of the following shall be distributed within 120 days after the close of each fiscal year:

- a. A balance sheet as of the end of the fiscal year.
  - b. An operating (income) statement for the fiscal year.
  - c. A statement of changes in the financial position for the fiscal year.
  - d. Any information required to be reported under Section 8322 of the Corporation Code of the State of California.
- (3) There shall be an external audit by an independent public accountant for fiscal year financial statements (other than budgets) for any fiscal year in which the gross income to the Association exceeds \$75,000.00. Institutional lenders shall, upon request, receive an audited financial statement within 90 days following the end of the fiscal year. The foregoing duties may be delegated to a manager appointed by the Board.

9.06 Annual Corporate Report. In any year in which the Association has more than 100 Members and more than \$10,000.00 in assets at any time during the fiscal year the Association shall notify each Member of the Member's right to receive the following Annual Report, and the Board shall cause such Annual Report to be prepared not later than 120 days after the close of the corporation's fiscal year. The report shall be delivered to each Member who files a request in writing with the Board for such report. The report shall contain in appropriate detail the following:

- (1) A balance sheet as of the end of the fiscal year and an income statement and statement of changes in financial position for such fiscal year.
- (2) A statement of the place where the names and addresses of the current Members are located.
- (3) The information on insider transactions required by Section 8322 of the California Nonprofit Corporation Law.

The report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

ARTICLE X

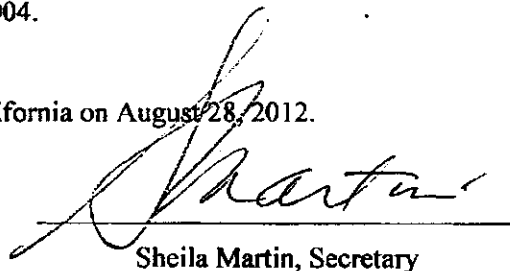
AMENDMENTS

These Bylaws may be amended only by the affirmative vote (in person or by proxy) or written consent of Members representing a majority of a quorum of the Association.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of the York Hills Homeowners Association, a California nonprofit corporation, and the above Bylaws, consisting of 20 pages, are the Bylaws of this corporation as adopted by Resolution of the Directors of this corporation on April 21, 2004.

Executed at Monterey, California on August 28, 2012.

  
Sheila Martin, Secretary