

**SECOND AMENDED AND RESTATED BYLAWS  
OF  
BOLLINGER HILLS HOMEOWNER ASSOCIATION**

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**SECOND AMENDED AND RESTATED BYLAWS**  
**OF**  
**BOLLINGER HILLS HOMEOWNER ASSOCIATION**

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**ARTICLE 1**

**NAME AND LOCATION**

The name of the corporation is Bollinger Hills Homeowner Association, which is hereinafter referred to as the "Association." The principal office of the Association shall be located in Contra Costa County, California or such other place reasonably convenient to the Development as the Board of Directors may from time to time establish.

**ARTICLE 2**

**DEFINITIONS**

Any capitalized term that is not defined below shall have the meaning set forth in Article 1 of the Declaration.

2.1 Articles. "Articles" shall mean the Articles of Incorporation of Bollinger Hills Homeowner Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

2.2 Assessments. "Assessments" shall mean any or all of the following: Annual Assessments, Special Assessments, and Reimbursement Assessments, each as is defined in the Declaration.

2.3 Association. "Association" shall mean the Bollinger Hills Homeowner Association, its successors and assigns. The Association was previously known as "Twin Creeks Hills View Homes Association."

2.4 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.

2.5 Bylaws. "Bylaws" shall mean these Second Amended and Restated Bylaws of Bollinger Hills Homeowner Association and any duly-adopted amendments thereto.

2.6 Civil Code. "*Civil Code*" shall mean the California Civil Code as amended from time to time.

2.7 Common Area. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners and Residents of the Development, as more particularly described in the Declaration.

2.8 Corporations Code. "*Corporations Code*" shall mean the California Corporations Code as amended from time to time.

2.9 Declaration. "Declaration" shall mean the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Bollinger Hills Homeowner Association, recorded in the Office of the County Recorder of Contra Costa County, California, and any amendments thereto.

2.10 Development. "Development" shall mean all the real property described in the Declaration which comprises the Bollinger Hills development, including such additions thereto as may hereafter be brought within the jurisdiction of the Association.

2.11 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, and Rules, and the policies and resolutions adopted by the Board and distributed to the Members.

2.12 Lot. "Lot" shall mean any plot of land shown upon any recorded subdivision map of the Development upon which a Residence has been constructed, with the exception of the Common Area. There are 538 Lots in the Development.

2.13 Member. "Member" shall mean an Owner.

2.14 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who: is current in the payment of all Assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents; is otherwise free from sanctions imposed by the Association; and is in compliance with all provisions of the Governing Documents..

2.15 Owner. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Development.

2.16 Resident. "Resident" shall mean any person who resides on a Lot within the Development whether or not such person is an Owner as defined in Section 2.15 above.



2.17 Rules. "Rules" shall mean the rules and regulations governing the use, occupancy, management, administration, and operation of the Development or any part thereof as adopted and published by the Board of Directors from time to time.

2.18 Simple Majority. "Simple Majority" and "Simple Majority of the Members" shall mean a majority of those voting, provided a quorum of Members is represented in person, by proxy, and/or by ballot.

2.19 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one vote for each Lot, excluding any Lot as to which an Owner is not then a Member in Good Standing.

### **ARTICLE 3**

#### **MEMBERSHIP AND VOTING**

3.1 Membership. Every Owner of a Lot within the Development shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot, and shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Lot to which it is appurtenant. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a Lot including a transfer upon the death of an Owner, membership in the Association shall pass automatically to the transferee.

3.2 Voting. Members in Good Standing shall be entitled to cast one (1) vote for each Lot owned. In the event more than one (1) person owns a given Lot, the vote for such Lot shall be exercised as the Owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If the joint Owners of a Lot are unable to agree among themselves as to how their vote or votes are to be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Lot, 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 Lot. The vote at any meeting of Members may be by a show of hands or by ballot. Votes of the Members on the following issues must be by secret ballot, conducted by means of a double envelope system pursuant to *Civil Code* section 1363.03: Assessments legally requiring a vote of the Members, election and removal of members of the Board of Directors, amendments to the Governing Documents, or the grant of exclusive use of Common Area property.

3.3 Determination of Good Standing Status. A Member may only be determined "Not in Good Standing" after a duly-noticed hearing before the Board.

A Member's status shall remain as "Not in Good Standing" until determination by the Board to rescind that status at a hearing requested by the subject Member.

3.4 Delegation of Membership Rights. Any Owner may delegate his or her rights of use and enjoyment, including easements, in the Development to the members of his household, tenants, guests and invitees, subject to the terms of the Governing Documents. Each Owner shall notify the Association's managing agent of the names of any tenants of such Owner's Lot. Each Owner and/or tenant shall also notify the Association's managing agent of the names of all members of his or her household to whom such Owner or tenant has delegated any rights of enjoyment in the Development as provided herein and the relationship which each such person bears to such Owner or tenant. Any rights of enjoyment delegated pursuant to this Section, and Section 3.4 of the Declaration, are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents. Notwithstanding the above, a leasing or renting Owner shall be deemed to have delegated to tenants all rights of use and enjoyment of Common Area facilities. The renting and leasing of Lots shall be subject to the provisions of Article 5 of the Declaration.

3.5 Record Date. The Board of Directors may fix a time not more than ninety (90) days and not less than ten (10) days preceding the date of any meeting of the Members or vote of the Members, if conducted without a meeting, as a record date for determining the Members entitled to notice of and to vote at any such meeting or vote of the Members, if conducted without a meeting. If the Board sets a record date, only those persons or entities identified as Members in the records of the Association on the date so fixed shall be entitled to notice of such meeting or vote of the Members and only Members in Good Standing as of the record date shall be entitled to vote at such meeting or vote of the Members, if conducted without a meeting. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to notice of and to vote at any meeting or vote of the Members shall be the thirty-fifth (35th) day preceding the date of the meeting as of 8:00 a.m. on such day.

## **ARTICLE 4**

### **MEETINGS OF MEMBERS**

4.1 Annual Meeting. An Annual Meeting of the Members shall be each year, on a date and at a time and place to be designated by the Board of Directors, upon proper written notice to all Members.

4.2 Special Meetings. Special Meetings of the Members may be called at any time by the President or by a majority of the Board of Directors or by written request of Members not less than five percent (5%) of the Total Voting Power of the Association or otherwise according to law.

4.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Corporate Secretary or other person authorized to call a meeting. Written notice shall be mailed first class, postage prepaid, or otherwise delivered at least ten (10) but not more than ninety (90) days before such meeting, to each Member entitled to vote at such meeting, except that in the case of a special meeting called pursuant to a written request of Members, notice of such special meeting shall be mailed or otherwise delivered within twenty (20) days after receipt of such written request by the Board, and the date of such special meeting shall be set by the Board and shall be not sooner than thirty-five (35) days nor later than ninety (90) days after the date of the Board's receipt of such written request. Notice of meetings shall be addressed or otherwise delivered to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Notice of any meeting of Members shall specify the date, hour, and place of the meeting, and the general nature of those matters which the Board intends to present for action by the Members.

4.4 Conduct of Meetings. All meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. A reasonable time limit for all Members to speak at a meeting of the Members shall be established by the Board of Directors.

4.5 Place of Meetings. Annual and special meetings shall be held at a location within the Development, provided that the Board may designate, by resolution, a convenient place outside the Development located as close as reasonably practicable to the Development.

4.6 Quorum Requirements. The following quorum requirements must be satisfied in order to take valid action at any meeting of the Members, by proxy, or by written ballot:

4.6.1 Quorum for Votes on Assessment Increases. With respect to secret written ballots mailed to Members for the purpose of voting on Assessment increases requiring membership approval, the quorum requirement for valid action on the proposal shall be the percentage specified in *Civil Code* section 1366 or comparable successor statute. That quorum percentage is currently a majority of the Members.

4.6.2 Quorum for Election of Directors and Vote Regarding Excess Income. There shall be no minimum quorum requirement for the election of Directors and/or the vote regarding excess income pursuant to IRS Revenue Ruling 70-604 (or any successor Ruling). With respect to the election of Directors, the number of secret written ballots and/or proxies received by the deadline set forth in the ballot and/or the voting instructions shall constitute the quorum for such election, notwithstanding any other quorum requirements set

forth in these Bylaws or the Declaration. With respect to the vote of the Members regarding excess income pursuant to IRS Revenue Ruling 70-604 (or any successor Ruling), the number of ballots and/or proxies received by the deadline set forth in the ballot and/or the voting materials or the number of Members in attendance at the meeting at which the vote is conducted shall constitute the quorum for such vote, notwithstanding any other quorum requirements set forth in these Bylaws or the Declaration.

4.6.3 Quorum for Votes on Amendment to Declaration. With respect to secret written ballots mailed to Members for the purpose of voting on amendments to the Declaration, the quorum requirement for valid action on the proposal shall be a majority (i.e., more than fifty percent (50%)) of the Total Voting Power of the Association.

4.6.4 Quorum for Valid Action on Other Matters. With respect to a membership meeting called or written ballot distributed for any other purpose, the quorum shall be twenty-five percent (25%) of the Members eligible to vote and represented in person at the meeting, by proxy, or by casting a written ballot. If such quorum is not present or represented at any meeting in person or by ballot and/or proxy the Members otherwise entitled to vote at that meeting shall have power to adjourn the meeting from time to time, to be reconvened on a date not more than thirty (30) days from the date of the adjourned meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. In the absence of a quorum, no business other than adjournment may be transacted. At the continuation of any meeting so adjourned, the presence in person, by ballot, or by proxy of Members entitled to cast at least twenty percent (20%) of the votes of the Total Voting Power shall constitute a quorum for the purpose of conducting said meeting or concluding a vote of the Members.

4.7 Proxies. Subject to Rules adopted by the Association pursuant to *Civil Code* section 1363.03, each Member may vote by proxy. The Association shall have the option, but shall not be obligated, to distribute proxies. All proxies shall be in writing and shall be filed with the Corporate Secretary. Any proxy duly-executed continues in full force and effect until an instrument revoking it or a duly-executed proxy bearing a later date is filed with the Corporate Secretary of the Association; except that no proxy shall be valid after the expiration of three (3) years from the date of its execution; and provided further that a proxy shall automatically cease upon conveyance by the Member of his or her Lot.

4.8 Vote of the Members. If a quorum is achieved, in person, by ballot, or by proxy, the affirmative vote of a Simple Majority shall constitute the act of the Members, unless the approval of a greater number or proportion of Members is required by any provision of the law or the Governing Documents.

#### 4.9 Action Without a Meeting.

4.9.1 Ballot Requirements. Any action which may be taken at a regular or special meeting may be taken without a meeting of Members if the Association distributes a ballot to every Member entitled to vote. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association, which shall be a date not earlier than thirty (30) days after distribution of the ballot to the Members.

4.9.2 Quorum Required. Approval by ballot shall be valid only when the number of votes cast equals or exceeds the quorum that would be required if the action were taken at a meeting, and the number of approvals equals or exceeds the number of votes that would be required to approve the action if it were taken at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

4.9.3 Solicitation Rules. The ballot solicitation shall identify both the number of responses needed to meet the quorum requirement and the percentage and/or number of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.

## ARTICLE 5

### BOARD OF DIRECTORS; ELECTION; TERM OF OFFICE

5.1 Number of Directors. The affairs of this Association shall be conducted by or under the direction of a Board of five (5) Directors, except that the Members may vote to increase the number of Directors to seven (7) and/or subsequently reduce the number of Directors to five (5).

5.2 Qualification of Candidates. Candidates for the Board must be Members in Good Standing, may not have been declared of unsound mind by a final order of court, and may not have been convicted of a felony. In addition, only one (1) Owner of a particular Lot may serve on the Board at any time.

5.3 Nomination. Nominations of candidates to the Board of Directors may be made by nominating committee or by self-nomination. All nominations shall be conducted in accordance with Rules adopted pursuant to *Civil Code* section 1363.03. The Board may recruit qualified candidates and/or appoint a Nominating Committee prior to any election of Directors. The Nominating Committee, if one is appointed, shall consist of a chairman, who shall be a Director, and two or more Members of the Association. The Nominating Committee may make as many nominations for election to the Board as it deems appropriate.

Any Member who satisfies the qualifications set forth in these Bylaws and Rules adopted pursuant to *Civil Code* section 1363.03 may place his or her name in nomination for election to the Board of Directors by giving written notice to the Association's managing agent and/or the Board. Notice of self-nomination must be received prior to the published deadline for nominations. Nominations may not be made from the floor at any meeting.

5.4 Election. Directors shall be elected annually by secret ballot in accordance with *Civil Code* section 1363.03 and Rules adopted pursuant thereto. The Members in Good Standing or their proxies may cast, in respect to each position on the Board to be filled, one vote for each Lot owned. The persons receiving the largest number of votes shall be elected. The method for voting for Directors shall be as set forth in Section 3.2 of these Bylaws. If two or more candidates receive the same number of votes, a runoff election shall be conducted in accordance with *Civil Code* section 1363.03 and Rules adopted pursuant thereto.

5.5 Election by Acclamation. If, as of the published deadline for nominations, the number of qualified candidates nominated does not exceed the number of Directors to be elected, then the individuals nominated and qualified to be elected may be declared elected on a date determined by the Board and the Inspector(s) of Election, in which case written notice of the election results shall be given to the Members.

5.6 Term of Office. In odd-numbered years the Members shall elect three (3) Directors, and in even-numbered years the Members shall elect two (2) Directors. Each Director shall serve a two-year term. Each Director shall serve until the expiration of his or her term and thereafter until a successor is elected, or until the earlier disqualification, death, resignation, or removal of such Director. In the event that the Members vote to increase the number of Directors to seven (7), four (4) Directors will be elected in odd-numbered years and three (3) Directors will be elected in even-numbered years.

5.7 Removal. Any Director may be removed from the Board, with or without cause, by the affirmative vote of a Simple Majority of the Members. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office unless the reduction or amendment also provides for the removal of one or more specified Directors.

5.8 Disqualification of Directors. A Director may be disqualified from serving on the Board under the following circumstances: (i) the person fails within sixty (60) days after receiving notice of election to accept such office, either in writing or by attending a meeting of the Board of Directors as a Director; (ii) the person is absent from three (3) consecutive regular meetings of the Board; (iii) the person misses at least four (4) regularly scheduled Board meetings in a calendar year (a scheduled meeting that is canceled shall not be considered a

missed meeting); (iv) the person is more than sixty (60) days delinquent in the payment of Assessments, fines, penalties or other charges imposed by the Association; (v) the person has been declared to be of unsound mind by a final order of court; or (vi) the person has been convicted of a felony.

A Director may also be disqualified, and his or her seat on the Board declared vacant, upon a finding of the Board, following a duly-noticed hearing, that the Director is not a Member in Good Standing. The remaining Director(s) shall appoint a successor as provided herein.

5.9 Vacancies. A vacancy shall exist on the Board of Directors in the event of the disqualification, death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Members fail to elect the full authorized number of Directors. The Board of Directors, by a majority vote of the Directors who meet all of the qualifications for Directors as set forth in Section 5.2, above, may declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

5.10 Filling Vacancies. Any vacancy on the Board of Directors, except a vacancy created by the removal of a Director, may be filled by vote of the Board of Directors, or if the number of Directors then in office is less than a quorum, by the vote of a majority of the remaining Directors at a meeting of the Board, or by unanimous written consent of the Directors then in office, or by a sole remaining Director. A Director so chosen shall serve the remainder of the term of office of the Director whom he or she replaces. The Members may elect a Director at any time to fill any vacancy not filled by the Board. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board or, if the Board fails to act, the Members may elect a successor to take office when the resignation becomes effective.

5.11 Compensation. No Director shall receive compensation for any service he or she may render to the Association as a Director. However, upon approval by the Board, any Director may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.

## **ARTICLE 6**

### **MEETINGS OF DIRECTORS**

6.1 Organizational Meetings. Within thirty (30) days after the election of Directors, the Board of Directors shall hold a meeting for the purpose of organization, election of officers, and transaction of other business, as appropriate.

6.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at least once per quarter, at a place within the Development and on a day and at a time as fixed from time to time by resolution of the Board or, upon proper notice which conforms to the provisions of Sections 6.4 and 6.5 of these Bylaws, at another place, day, and time as set forth in such notice.

6.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors.

6.4 Notice to Directors. Except as otherwise provided in Section 6.2 of these Bylaws, notice of each meeting of the Board shall be communicated to the Directors not less than four (4) days prior to a regular meeting, and not less than seventy-two (72) hours prior to a special meeting; provided that shorter notice may be given in the case of a bona fide emergency; and provided further that notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, whether before or after the meeting.

6.5 Notice to Members. Except for bona fide emergency meetings, as defined by law, and meetings that will held solely in executive session, at least four (4) days' prior written notice of the day, time, and place of each meeting of the Board of Directors, whether regular or special, shall be given to all Members by posting it in a prominent place or places within the Common Area, by mailing or delivery to each Lot, by newsletter, or by other means of communication reasonably designed to provide prior actual notice of such meeting. Except for an emergency meeting, Members shall be given notice of the time and place of a meeting that will be held solely in executive session at least two (2) days prior to the meeting. The notice shall contain the agenda for the meeting.

6.6 Open Meeting. Regular and special meetings of the Board of Directors shall be open to all Members of the Association, except when the Board meets in executive session. A reasonable time limit for all Members to speak to the Board shall be established by the Board. Members of the Association shall be entitled to attend a teleconference meeting or the portion of the teleconference meeting that is open to Members, and that meeting or portion of the meeting shall be audible to the Members in a location specified in the notice of the meeting.

6.7 Executive Session. The Board of Directors may meet in executive session on the following issues: (i) litigation in which the Association is or may be involved; (ii) personnel matters; (iii) Member discipline; (iv) the formation of contracts involving the Association; and (v) upon a Member's request, the Member's payment of Assessments. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested to do so by that Member, and that Member and any other person(s) whose participation is, in the



judgment of the Board, necessary or appropriate shall be entitled to attend the executive session.

6.8 Restrictions on Board Action Outside of Meeting; Board Meetings via E-mail. The Board of Directors shall not take action on any item of business outside of a meeting. Notwithstanding *Corporations Code* section 7211, the Board shall not conduct a meeting via a series of electronic transmissions, including, but not limited to, electronic mail, except as a method of conducting an emergency meeting and then only if (i) all members of the Board, individually or collectively, consent in writing to that action, and (ii) the written consent or consents are filed with the minutes of the meeting of the Board. Written consent to take such emergency action may be transmitted electronically.

6.9 Telephone and Remote Participation. To the extent permitted by law, Directors may participate in regular or special Board meetings through the use of conference telephone, electronic video screen communications, or other communications equipment. All Members of the Association shall be entitled to attend a Board meeting conducted in any of the foregoing manners or that portion of such meeting that is open to Members provided the following requirements are satisfied: (i) the meeting or portion of the meeting that is open to Members shall be audible to the Members in the location specified in the notice of the Board meeting; and (ii) at least one (1) Director shall be physically present at the location specified in the notice of the Board meeting.

6.10 Quorum. A majority of the Directors then in office, but not less than two (2), shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board.

6.11 Minutes of Meetings of Directors. Within thirty (30) days after the date of any meeting of the Board, the Board shall make available to the Members either (i) the minutes of that meeting as adopted by the Board, (ii) those minutes as proposed for adoption which shall be marked to indicate draft status, or (iii) a summary of the minutes. Any matter discussed in an executive session shall be generally noted in the minutes of the immediately following Board meeting that is open to the entire membership; minutes of executive sessions shall not otherwise be required. Copies of the minutes, proposed minutes, or summary of minutes shall be provided to any Member of the Association upon request and upon reimbursement of the Association's costs in providing such copies. Members of the Association shall be notified annually in writing of their right to obtain copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

6.12 Emergency Action Without Meeting. An emergency action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board unanimously consent in writing to the action via individual

or collective written consent(s). The notice of emergency action taken by unanimous written consent shall be filed with the minutes of the next meeting of the Board.

## ARTICLE 7

### POWERS OF THE BOARD OF DIRECTORS

In addition to such other powers as may be expressly set forth in the Governing Documents or provided by law, the Board of Directors shall have the power to:

7.1 Rules and Regulations. Subject to *Civil Code* sections 1357.100 *et seq.*, adopt, publish, amend, repeal, and enforce Rules and regulations governing the administration, management, operation, use, and occupancy of the Development.

7.2 Contracts. Authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association or to render the Association liable for any purpose or on any account. No contract with any person to entity to supply or furnish the Association with goods or services shall be for a term in excess of one year, except upon the prior affirmative vote or written consent of a Simple Majority of the Members; provided, however, that the foregoing shall not apply to: (i) a contract with a public utility company, if the rates charged for the materials or services to be furnished are regulated by the California Public Utilities Commission, the term of which contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; and (ii) prepaid casualty and/or liability insurance policies not to exceed three (3) years duration, which policy or policies shall permit short rate cancellation by the insured.

7.3 Collect Assessments. As addressed in the Declaration, the Board shall have the power to collect Assessments levied by the Association by foreclosing the lien against any property for which Assessments are not paid as required by the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same.

7.4 Sanctions; Hearings; Continuing Violations. Establish and impose monetary penalties (fines) for the infraction of any provision of the Governing Documents, in accordance with a schedule of monetary penalties adopted by the Board and distributed to all Members, and suspend the voting or other membership rights and privileges of a Member, including but not limited to the right to use Common Area facilities.

When the Board is to meet to consider or impose discipline upon a Member, the Board shall notify the Member in writing, by either personal delivery or first-class mail, at least ten (10) days prior to the meeting. The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting. The Board shall meet in executive session if requested by the Member being disciplined. If the Board imposes discipline on a Member, the Board shall provide the Member a written notification of the disciplinary action, by either personal delivery or first-class mail, within fifteen (15) days following the action. A disciplinary action shall not be effective against a Member unless the Board has fulfilled the foregoing requirements.

A Member's rights may be suspended after fifteen (15) days prior notice of the hearing at which the Board intends to suspend the Member's rights. The hearing to suspend a Member's rights must be conducted at least five (5) days before the effective date of suspension.

In the case of a continuing violation, such as an uncorrected architectural violation, where a Member fails to cease or remedy a violation after notice from the Board to do so, the Board may deem such a continuing violation and may impose separate and successive sanctions for each such violation without holding further hearings for each sanction unless requested by the Member in writing.

7.5 Manager. Engage the services of a manager or management company as either an employee or an independent contractor, and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties.

7.6 Professional Advisors. Consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out its authority and responsibility under the Governing Documents and the law, and to pay for such professional services.

7.7 Investment of Reserve Funds. Invest Association reserve funds in prudent investments subject to the provisions of Section 8.4 of these Bylaws.

7.8 Entry for Repairs. Enter a Lot, when necessary, in connection with maintenance, repair or replacement for which the Association is responsible or which it is authorized to perform, provided that the Board shall provide the Lot Owner with reasonable prior notice, except that in the case of a bona fide emergency, notice shall be given as the exigencies of the situation reasonably permit.

7.9 Property Taxes. Pay all real property taxes and assessments levied upon any property within the Development to the extent not separately assessed to the Owners. Provided that any such taxes are paid or that a bond insuring the payment is posted, such taxes and assessments may be contested or compromised by the Association prior to the sale or other disposition of any property to satisfy the payment of such taxes.

7.10 Mergers. To the extent permitted by law, participate in mergers and consolidations with other nonprofit organizations organized for the same purposes as this Association, provided that any such merger or consolidation shall be approved by the affirmative vote of a Simple Majority of the Members of the Association.

7.11 Association Property; Common Area. Subject to the provisions of Articles 2 and 3 of the Declaration, including any required approval of the Members, acquire, own, hold, convey, transfer, dedicate or otherwise dispose of real or personal property consistent with the purposes and powers of the Association and the management, administration and operation of the Development or the business and affairs of the Association, and grant and convey easements, licenses, and rights of way in, over, upon or under the Common Area.

7.12 Indemnification of Agents. Except with respect to intentional, wanton and/or reckless acts, indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a Director, officer, Inspector of Election, employee, or agent of the Association or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a Director, officer, Inspector, employee, or agent of the Association or member of any committee appointed by the Board.

7.13 Bank Accounts and Borrowing; Pledge Assets As Security for Loans. Open bank accounts and designate signatories upon such bank accounts. The Board may borrow money on behalf of the Association and pledge assets of the Association as security for loans only upon the affirmative vote of a Simple Majority of the Members.

7.14 Other Powers and Duties. Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by other provisions of the Governing Documents, and undertake any action on behalf of the Association as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Association and/or the interests of the Association and its Members.

7.15 Limitation on Powers. The powers of the Board shall be subject to the limitations set forth in the Declaration.

## ARTICLE 8

### DUTIES OF THE BOARD OF DIRECTORS

It shall be the duty of the Board of Directors to:

8.1 Records and Minutes. Cause to be kept a complete record of all its acts and the corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board, and committees of the Board, and to present a statement thereof to the Members at the Annual Meeting of the Members.

8.2 Reserve Study. Cause to be conducted, at least once every three (3) years, a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements of the Development if the current replacement value of such major components is equal to or greater than one-half of the Association's reserve account for that period. The Board shall review, or cause to be reviewed, the reserve study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review. The reserve study required by this Section shall include the minimum requirements specified in *Civil Code* section 1365.5 or comparable successor statute(s).

8.3 Reserve Funds. Not expend funds designated as reserve funds for any purpose other than the maintenance, restoration, repair, or replacement of, or litigation involving the maintenance, restoration, repair, or replacement of, major components which the Association is obligated to maintain, repair, or replace and for which the reserve fund was established. However, the Board may authorize a temporary transfer of money from a reserve fund to the Association's general operating fund to meet short term cash flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed and describing when and how the money will be repaid to the reserve fund. Any such transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except as otherwise expressly provided by law. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account.

8.4 Investment of Reserve Funds. Manage and invest Association reserve funds in a prudent manner designed to achieve the primary objective of

preserving principal while realizing a reasonable return and to assure the availability of funds as they are needed based upon the most recent reserve fund study obtained by the Board as provided in these Bylaws and by law.

8.5 Annual Disclosures to Members. Distribute to the Members annually:

(a) A pro forma operating budget as required by law including, without limitation, *Civil Code* section 1365(a), or a summary of the pro forma operating budget as permitted by *Civil Code* section 1365(d), not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Association's fiscal year;

(b) A summary of the reserve funding plan adopted by the Board as specified in paragraph (5) of subdivision (e) of *Civil Code* section 1365.5, which summary shall include notice to the Members that the reserve funding plan will be provided upon written request;

(c) A statement describing the Association's policies and practices in enforcing lien rights and other legal remedies for default in payment of Assessments against Members, as required by *Civil Code* section 1365(e);

(d) A summary of the alternative dispute resolution procedures as set forth and required by *Civil Code* sections 1369.510 and 1369.590, and a description of the internal dispute resolution process pursuant to *Civil Code* section 1363.850;

(e) A schedule of fines or other monetary penalties, if revised during the preceding year, as required by *Civil Code* section 1363(f);

(f) A notice and statement concerning the insurance carried by the Association, as required by *Civil Code* section 1365(f);

(g) A statement explaining the Members' right to obtain copies of minutes of meetings of the Board as required by Section 6.10 of these Bylaws and by *Civil Code* section 1363.05(e);

(h) A notice concerning Members' collection rights and duties with regard to Assessments and foreclosure, as required by *Civil Code* section 1365.1, may be distributed with the budget, but must be distributed during the 60-day period immediately preceding the beginning of the Association's fiscal year;

(i) The policy and procedure regarding Association approval for any physical modifications to an Owner's separate interest (i.e., Architectural Review Guidelines) pursuant to *Civil Code* section 1378(c);

(j) A Notice of any Assessment increase, pursuant to *Civil Code* section 1366(d);

(k) A statement including a summary of the Association's Assessment and reserve funding in accordance with *Civil Code* section 1365.2.5;

(l) A notice of Members' right to submit secondary addresses, pursuant to *Civil Code* section 1367.1(k);

(m) A copy of the review of the Association's financial statement, pursuant to *Civil Code* section 1365(4)(c), for any fiscal year in which the gross income to the Association exceeds seventy-five thousand dollars (\$75,000.00); and

(n) A notice of Members' right to receive the annual report, pursuant to *Corporations Code* section 8321.

8.6 Review of Accounts. Review the Association's operating and reserve account at least in accordance with the following minimum requirements:

(a) Review a current reconciliation of the Association's operating accounts on at least a quarterly basis;

(b) Review a current reconciliation of the Association's reserve accounts on at least a quarterly basis;

(c) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget;

(d) Review the latest account statements prepared by the financial institutions where the Association keeps its operating and reserve accounts; and

(e) Review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis.

As used in this Section, the term "reserve accounts" shall mean monies that the Board has identified in its annual budget for use to defray the future costs of repair or replacement of, or additions to, those major components which the Association is obligated to maintain, restore, repair or replace.

8.7 Supervision. Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed.

8.8 Notice of Assessments. As more fully provided in the Declaration, (i) send written notice to each Owner in advance of each fiscal year of the Annual Assessment levied against his or her Lot for that fiscal year; and (ii) collect

Assessments levied by the Association by foreclosing the lien against any property for which Assessments are not paid as required in the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same.

8.9 Certificate of Payment of Assessments. Issue, or cause an appropriate officer to issue, upon demand by any proper person, a certificate setting forth whether any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment.

8.10 Insurance. Procure and maintain adequate casualty, liability and other insurance on Common Area property, and other appropriate insurance, as the Association deems necessary and appropriate.

8.11 Enforcement of Governing Documents. Enforce the provisions of the Governing Documents, as more particularly set forth in the Declaration, and perform all acts required of the Board under the Governing Documents or required by law.

8.12 Results of Membership Vote. Disclose results of membership votes in accordance with Rules adopted pursuant to *Civil Code* section 1363.03 for all elections subject to those Rules. For all other elections, for a period of sixty (60) days following the conclusion of an annual, regular, or special meeting of Members, upon written request from a Member, the Board shall forthwith inform the Member of the result of any particular vote of the Members taken at the meeting, including the number of memberships voting for, the number of memberships voting against, and the number of memberships abstaining or withheld from voting.

## ARTICLE 9

### OFFICERS AND THEIR DUTIES

9.1 Enumeration of Officers. The officers of the Association shall be a President, Vice President, Corporate Secretary, and Treasurer, and such other officers as the Board of Directors may, from time to time, appoint by resolution. The President and Vice President shall, at all times, be members of the Board of Directors.

9.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following the annual election of Directors.

9.3 Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year, unless he or she shall sooner resign, be removed by the Board, or otherwise be disqualified to serve.



9.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

9.5 Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Corporate Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces, subject to the Board's right to remove an officer.

9.7 Multiple Offices. The offices of Corporate Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 9.4 of this Article.

9.8 President. The President shall be the chief executive officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and the other officers and the employees and agents of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board of Directors, shall have the general powers and duties of management usually vested in the office of the President of an Association, and shall have such other powers and duties as may be prescribed by the Board of Directors and the Bylaws, subject, however, to any limitations contained in the Declaration.

9.9 Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President and, when so acting, shall have all of the powers of, and be subject to all of the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as, from time to time, may be prescribed by the Board of Directors.

9.10 Corporate Secretary. The Corporate Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may prescribe, a book of minutes of all meetings of Directors, Members, and committees of the Board setting forth the time and place of holding of such meetings; whether regular or special, and if special, how authorized; the notice thereof given; the names of those present at Directors' or committee meetings; the number of memberships and votes present or represented at Members' meetings; and all the proceedings thereof. The Corporate 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 or by law to be given and shall maintain a proper record of the giving of such notice, and shall keep the books, records, and documents of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

9.11 Treasurer. The Treasurer shall be responsible for the receipt and deposit in appropriate accounts of all monies of the Association and shall cause disbursement of such funds as directed by resolution of the Board of Directors; may sign all checks and promissory notes of the Association; shall keep proper books of account; shall cause an annual review of the Association's books and financial statements to be made by a public accountant at the completion of any fiscal year for which such review is required by law or as determined by the Board; shall assist the Board in preparation of an annual budget and a statement of income and expenditures to be presented to the Members of the Association as provided by law; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

## **ARTICLE 10**

### **COMMITTEES**

The Board may appoint an Architectural Review Committee as provided in Article 7 of the Declaration and may appoint such other committees as it deems appropriate in carrying out the powers and purposes of the Association, including the Governing Document Committee, Landscape Committee, Pool Committee, Grounds Committee, Maintenance Committee and Facilities Rental Committee. The Board shall appoint all of the members of any committee created by the Board and said committee members shall serve at the pleasure of the Board.

## **ARTICLE 11**

### **BOOKS, RECORDS AND FUNDS**

11.1 Association Records. In accordance with *Civil Code* section 1365.2, the Association shall make Association records available for inspection and copying to a Member or Member's designated representative upon written request. If the Member requests the Members list, he or she shall state, in writing, the purpose for which the list is requested, which purpose shall be reasonably related to such Member's interest as a Member of the Association. Association records, and any information from them, may not be sold, used for commercial purpose, or used for any other purpose not reasonably related to a Member's interest as a Member. The Association may bill the Member who has requested documents the direct and actual costs incurred by the Association to copy and mail any requested documents. The Board may adopt and publish

reasonable Rules and regulations establishing procedures relating Members' inspection and copying of Association records.

11.2 Checks, Drafts, and Evidences of Indebtedness. All checks, drafts, or other orders for payment of money, or notes or other evidences of indebtedness issued in the name of, or payable to, the Association shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board, and in the manner as specified by the Board of Directors; provided that the signatures of at least two (2) persons, who shall be members of the Board of Directors, shall be required for the withdrawal of funds from the Association's reserve account.

11.3 Funds and Deposits. Any funds of the Association shall be deposited to the credit of the Association in such banks or other depositories as the Board of Directors shall, from time to time, determine.

11.4 Fiscal Year. The fiscal year of the Association shall be as determined by resolution of the Board of Directors.

## **ARTICLE 12**

### **AMENDMENTS**

These Bylaws may be amended by the affirmative vote of a Simple Majority of the Members.

## **ARTICLE 13**

### **MISCELLANEOUS**

13.1 Conflict Between Governing Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

13.2 Amendment to Referenced Statutes. References in these Bylaws to particular statutes, including sections of the *Civil Code* or the *Corporations Code*, shall be deemed to include any successor statute and any amendments to existing or successor statutes.

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**CERTIFICATE OF AMENDMENT  
TO  
BYLAWS  
OF  
BOLLINGER HILLS HOMEOWNER ASSOCIATION**

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I, the undersigned, hereby certify that:

I am the Corporate Secretary of Bollinger Hills Homeowner Association.

The foregoing Second Amended and Restated Bylaws of Bollinger Hills Homeowner Association were duly approved by the requisite vote of the Members of the Association on the 29<sup>th</sup> day of May, 2014.

Executed this 14<sup>th</sup> day of JULY, 2014.

  
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Terry S. Cunningham, Corporate Secretary