



# Sunrise Terrace Mobilehome Owners Association

## BYLAWS

RESTATED  
September 10, 2014

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**BYLAWS  
OF  
SUNRISE TERRACE MOBILEHOME OWNERS ASSOCIATION**

**PREAMBLE**

The Bylaws of the Sunrise Terrace Mobilehome Owners Association were adopted at a Board of Director's meeting held on January 5, 1995 at Sunrise Mobilehome Park, and replaced, in their entirety, the Bylaws previously prepared. The Bylaws previously prepared and all subsequent amendments thereto, if any, were repealed. Unless specified otherwise, all references to the term "Bylaws" shall mean the most recently adopted Bylaws of Sunrise Terrace Mobilehome Owners Association. Unless specified otherwise, all references to a "Section" or "Sections" in the Bylaws shall refer to a "Section," or "Sections," of an Article in the Bylaws. The term "Park" as used in the Bylaws shall mean the Sunrise Terrace Mobilehome Park located at 345 Sunrise Terrace, Arroyo Grande, CA. Consistent with the definition of "Lot" in the California Health and Safety Code Section 18210, the term "space" as used in the Bylaws shall mean that portion of the Park designated for the occupancy of one mobilehome.

These Bylaws have been restated and approved at a Board of Director's meeting held on September 10, 2014. These Restated Bylaws are the "Bylaws" of the Sunrise Terrace Mobilehome Owners Association.

**STATEMENT OF INTENT**

In adopting these restated Bylaws, it is the intent of the Board of Directors and members of Sunrise Terrace Mobilehome Owners Association to continue to qualify as a California nonprofit mutual benefit corporation, and to provide each member of Sunrise Terrace Mobilehome Owners Association, in good standing, a space to occupy his/her mobilehome under the terms specified in the Bylaws. It is the intent of the Board of Directors and the members that the Park will continue to qualify as a senior citizen mobilehome park under the fifty-five (55) years of age or older exemption of the Fair Housing Amendment Act of 1988.

**ARTICLE I. NAME AND OFFICES**

**1.01 Name.**

The name of the Corporation is SUNRISE TERRACE MOBILEHOME OWNERS ASSOCIATION (the "Corporation").

**1.02 Principal Office.**

The principal office of the Corporation for the transaction of its business shall be the Community Clubhouse facility located in the Park at 345 Sunrise Terrace, Arroyo Grande, County of San Luis Obispo, California.

**1.03 Change of Address.**

The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another within San Luis Obispo County, California. Any such change shall be noted by the Secretary in the Bylaws, but shall not be considered an amendment of the Bylaws.

**ARTICLE II. PURPOSES AND LIMITATIONS**

**2.01 General Purposes.**

The Corporation is a non-profit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporations Law of the State of California (the "Non-Profit Corporations Law"). The purpose of the Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the Nonprofit Mutual Benefit Corporations Law.

**2.02 Specific Purpose.**

The Corporation is organized and operated within the meaning of Section 23701v of the California Revenue and Taxation Code, and the Fair Housing Amendments of 1988, specifically, the exception under Section 3607 of Title 42 of the United States Codes and Code of Federal Regulations promulgated thereunder by the Department of Housing and Urban Development. The Corporation is a Homeowners' Association for the acquisition, construction, management, maintenance, and care of residential real estate electing to be treated as a tax-exempt organization also qualifying under the fifty-five (55) years of age or older exemption of the Fair Housing Amendments Act of 1988.

**2.03 Limitations.**

The following are limitations on the purposes of the Corporation:

**2.03.1 No Net Earnings to Members.**

No part of the net earnings inures (other than by providing management, maintenance, and care of the Corporation's property or by a rebate of excess membership dues, fees, or assessments) to the benefit of any private member or individual;

**2.03.2 Memberships Not Registered Under Securities Act of 1933.**

The memberships of the Corporation have not been registered under the Securities Act of 1933, as amended (the "Act").

**2.03.3 Facilities for Older Persons.**

The Park shall continue to have significant facilities and services specifically designed to meet the physical or social needs of older persons.

**2.03.4 Age Restriction.**

At least eighty percent (80%) of the units in the Park are occupied by at least one person fifty-five (55) years of age or older.



**2.03.5 Policies and Procedures for Age Restrictions.**

The Board of Directors shall publish and adhere to policies and procedures to provide housing for persons fifty-five (55) years of age or older.

**ARTICLE III. MEMBERS**

**3.01 Classification and Qualification of Members.**

The Corporation shall have one (1) class of membership consisting of members who meet all of the following qualifications as of the date he/she is admitted as a member:

- a) Approval by the Board of Directors or its appointed representative(s)
- b) Meets the age restrictions as permitted by applicable law and as necessary and required by the Board of Directors from time to time to meet the requirements of Sections 2.03.3, 2.03.4, and 2.03.5.
- c) Purchased a membership in the Corporation as prescribed by resolution of the Board of Directors
- d) Signed an occupancy agreement as adopted by the Board of Directors for the occupancy of a Space.

**3.02 Eligibility for Membership.**

Membership is strictly limited to bona fide residents of California (except where subsection (5) below applies), each of whom has met the qualifications of Section 3.01 and each of whom has certified that he or she:

- 1) Resides in the State of California and has no intention of acquiring a residence outside the State of California in the foreseeable future;
- 2) Is purchasing the Membership (a) for his/her own account, or (b) for the account and benefit of a member or members of his/her immediate family, who is a bona fide permanent resident and domiciliary of the State of California, or (c) for a corporation incorporated in the State of California and doing business primarily in the State of California, a trust or other business organization organized under the laws of the State of California, or partnership organized under the laws of the State of California (all of whose general partners are residents of the State of California) and such corporation, trust, other business organization or partnership was not organized for the specific purpose of acquiring a Membership (or if organized for such purpose, then all its beneficial owners are bona fide permanent residents and domiciliaries of the State of California);
- 3) Is acquiring the Membership for the personal use of one of the parties identified in Section 3.02 (2), and not for resale or further distribution to any person, corporation or other entity;
- 4) Is over eighteen (18) years of age; and

- 5) Understands that a transfer restriction will be placed on the Membership certificate, which will restrict the transfer of the Membership to California residents for a period of nine (9) months from the date of the last sale of a Membership, and subject to the Corporation requiring in its sole discretion an opinion of counsel satisfactory to the Corporation that the exemptions from registration are not lost by virtue of a resale.

**3.03 Admission to Membership.**

Anyone qualified for membership under Section 3.01 and eligible for membership under Section 3.02, shall be admitted to membership only upon the occurrence of all the following:

**3.03.1 Approval of Directors.**

Approval by any five (5) directors on the Board of Directors, or a majority of a Membership Committee duly authorized by resolution of the Board of Directors to admit members, of an application submitted by the prospective member in such form and in such manner as prescribed by resolution of the Board of Directors;

**3.03.2 Payment of an Application Fee.**

Receipt by the Corporation of the application fee, if applicable under Section 3.04;

**3.03.3 Payment of First Month's Dues.**

Receipt by the Corporation of the first monthly installment of annual dues as specified under Section 3.06;

**3.03.4 Payment of a Transfer Fee.**

Receipt by the Corporation of a transfer fee, if applicable under Section 3.05; and

**3.03.5 Signed Occupancy Agreement.**

Receipt by the Corporation of a signed occupancy agreement in the form and content prescribed by the Board of Directors for a Space.

**3.04 Application Fee.**

The Board of Directors may from time to time by resolution require the payment of a refundable or nonrefundable application fee payable with any application for membership.

**3.05 Transfer Fee.**

The Board of Directors may from time to time by resolution require the payment of a transfer fee, for the issuance, reissuance, sale, or transfer of memberships, in an amount determined by resolution of the Board of Directors.

**3.06 Dues.**

The Board of Directors may from time to time by resolution require the payment of dues by all members. The amount and time for payment shall be specified by resolution of the Board of Directors.

### 3.07 Assessments.

All memberships shall be subject to assessment. The amount of each levy and the method of collection shall be fixed from time to time by resolution of the Board of Directors. Assessments shall be made payable at such times or intervals, and on such notice, as the Board shall prescribe by resolution. Any regular assessment levied by the Board of Directors shall not exceed three hundred dollars (\$300) per Membership per month, unless the Board has obtained the approval of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Corporation.

- a) Except as provided in this section, the Corporation shall levy regular and special assessments sufficient to perform its obligations under the governing documents and Civil Code Section 1366. However, annual increases in regular assessments for any fiscal year, as authorized by subdivision (b), shall not be imposed unless the Board has complied with subdivision (a) of Civil Code Section 1365 with respect to that fiscal year, or has obtained the approval of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Corporation conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code. For the purposes of this section, "quorum" means more than 50 percent of the Members of the Corporation.
- b) Notwithstanding more restrictive limitations placed on the Board by the governing documents, the Board of Directors may not impose a regular assessment that is more than 20 percent greater than the regular assessment for the Corporation's preceding fiscal year or impose special assessments which in the aggregate exceed 5 percent of the budgeted gross expenses of the Corporation for that fiscal year without the approval of Members constituting a quorum, casting a majority of the votes at a meeting or election of the Corporation conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code. For the purposes of this section, quorum means more than 50 percent of the Members of a corporation. This section does not limit assessment increases necessary for emergency situations. For purposes of this section, an emergency situation is any one of the following:
  - 1) An extraordinary expense required by an order of a court.
  - 2) An extraordinary expense necessary to repair or maintain the development or any part of it for which the Corporation is responsible where a threat to personal safety on the property is discovered.
  - 3) An extraordinary expense necessary to repair or maintain the development or any part of it for which the Corporation is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget under Section 1365. However, prior to the imposition or collection of an assessment under this subdivision, the Board shall pass a

resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of assessment.

- 4) An extraordinary expense in making the first payment of the earthquake insurance surcharge pursuant to Section 5003 of the Insurance Code.
- c) The Corporation shall provide notice by first-class mail to the Members of any increase in the regular or special assessments of the Corporation, not less than thirty (30) nor more than sixty (60) days prior to the increased assessment becoming due.
- d) Regular and special assessments levied pursuant to the governing documents are delinquent 15 days after they become due. If an assessment is delinquent the Corporation may recover all of the following:
  - 1) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney's fees.
  - 2) A late charge not exceeding 10 percent of the delinquent assessment or ten dollars (\$10), whichever is greater.
  - 3) Interest on all sums imposed in accordance with this section, including the delinquent assessment, reasonable costs of collection, and late charges, at an annual percentage rate not to exceed 12 percent interest, commencing 30 days after the assessment becomes due.

### **3.08 Number of Memberships.**

The number of memberships shall be limited to three hundred (300) which is equal to the total number of Spaces as of the date the Bylaws are adopted. Each Space is entitled to one membership.

### **3.09 Membership Book.**

The Corporation shall keep in written form, or in any other form capable of being converted into written form, a membership book containing the name and address and date of purchase of membership by each member. The membership book shall also contain the fact of termination or cessation of membership and the date on which such membership terminated or ceased. The membership book shall be kept at the principal office of the Corporation and shall be subject to the rights of inspection as required by Section 3.10 or as otherwise required by applicable law.

### **3.10 Inspection Rights of Members.**

Members of the Corporation shall have the right to inspect the records of the Corporation as provided in this Section.

**3.10.1 Demand.**

Subject to the Corporation's right to set aside a demand for inspection pursuant to Section 8331 of the California Corporations Code and the power of the court to limit inspection rights pursuant to Section 8332 of the California Corporations Code, and unless the Corporation provides a reasonable alternative as permitted by Section 3.10.3, a member satisfying the qualifications set forth hereinafter may do either or both of the following:

- a) Inspect and copy the record of all the members' names, addresses, and voting rights, in the Corporation's principal office during normal business hours, on five (5) business days' prior written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested; or
- b) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge established by resolution of the Board of Directors, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which the list has been compiled, or as of a date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received by the Board of Directors, or after the date specified in the demand as the date as of which the list is to be compiled.

**3.10.2 Members Permitted to Exercise Rights of Inspection.**

The rights of inspection set forth in Section 3.10 may be exercised by any member for a purpose reasonably related to the member's interest as member.

**3.10.3 Alternative Method.**

The Corporation may, within ten business days after receiving a demand under subdivision 3.10.1(a), deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of the membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made under said subdivision (a) shall be deemed a reasonable alternative, unless within a reasonable time after acceptance of the offer the Corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the Corporation does not meet the proper purpose of the demand made pursuant to Section 3.10.1.

**3.11 Certificates of Membership.**

The Board of Directors shall have the power to issue, purchase, hold, and/or reissue certificates of membership pursuant to the Bylaws. The certificates issued by the Corporation shall state on the certificate that the Corporation is a nonprofit mutual benefit corporation which may not make distributions to its members except on dissolution. The

Certificates of Membership shall also state on the certificate that the membership is transferable subject to the right of the Corporation to purchase and reissue any membership to any natural person purchasing a member's mobilehome or right to occupy a space pursuant to Section 3.12, provided the purchaser qualifies for membership under Section 3.01 and is eligible for membership under Section 3.02.

**3.12 Issuance and Control of Memberships.**

The Board of Directors shall from time to time by resolution provide for the issuance, sale, transfer, repurchase and/or reissuance of memberships including, but not limited to, determining the value of the membership, establishing procedures for sale, transfer, repurchase, and/or reissuance, establishing the price of any membership issued for the first time, and the method for resolving disputes as to the value of the membership.

**3.13 Non-liability of Members.**

A member of the Corporation shall not solely because of such membership be personally liable for the debts, obligations, or liabilities of the Corporation.

**3.14 Transferability of Membership.**

Transferability rights of memberships shall be as follows: The Board of Directors may provide, by resolution pursuant to Section 3.12, for the transfer of memberships, with or without restriction or litigation, including without limitation, transfer upon the death of a member or sale of the member's mobilehome, or right to occupy a space, provided, however, that rights in the membership are not divisible and shall not be transferred without the transfer of the membership and all rights in the membership.

**3.15 Termination of Membership.**

Termination of membership may be accomplished as provided in this Section.

**3.15.1 Causes.**

The membership and all rights of membership shall terminate upon the occurrence of any one or more of the following causes:

- a) The termination of a member's right of occupancy in the Park including, without limitation, termination of the members' occupancy agreement, or the sale of the member's mobilehome, as provided in Section 3.15.2. Provided, however, termination of right of occupancy by death of a member, or by foreclosure of a permitted encumbrance held by a lender pursuant to section 3.17, shall not terminate membership, and all obligations of membership shall continue to be the obligations of the heirs, estate of the deceased member, or lender upon foreclosure of the permitted encumbrance, or the purchaser of the membership at a foreclosure sale until membership is transferred to a qualifying member pursuant to the Bylaws. Provided, however, this Section shall not grant rights of occupancy to an unqualified member since qualified membership in the Corporation pursuant to the Bylaws is a prerequisite to membership.

- b) The nonpayment of dues or assessments, subject to the limitations set forth in Section 3.15.3;
- c) Conduct which the Board of Directors deems to be detrimental to the best interest of the Corporation, including, but not limited to, violation of any provision of the Bylaws, failure to satisfy membership qualifications, or flagrant violations of the rules and regulations of the Park, as may be adopted by the Board of Directors from time to time, subject to the limitations set forth in Section 3.15.4.

**3.15.2 Voluntary Termination.**

The membership of any member shall automatically terminate upon such member's voluntary termination of, (i) occupancy agreement of members, or (ii) ownership interest in the member's mobilehome that occupies the member's Space.

**3.15.3 Nonpayment of Dues or Assessments.**

The membership of any member who fails to pay his or her dues or assessments within thirty (30) days following the date the dues or assessments are due shall terminate at the end of such thirty (30) day period, provided such member was given both a fifteen (15) day prior written notice of the termination stating the reasons therefore and a timely opportunity to be heard on the matter of the termination pursuant to Section 3.15.5.

**3.15.4 Misconduct and Violations.**

The membership of any member who is judged by the Board of Directors for misconduct, including but not limited to, violations of the Bylaws, failure to satisfy membership qualifications, or violations of the rules and regulations of the Park, as adopted by the Board of Directors from time to time, shall terminate thirty (30) days after such member receives notice of a termination of membership from the Board of Directors, provided, such member is given a timely opportunity to be heard on the matter of termination pursuant to Section 3.15.5.

**3.15.5 Notice and Hearing.**

Each member whose membership is to be terminated involuntarily pursuant to Sections 3.15.3, or 3.15.4 or whose "good standing" (as defined in Section 4.03.2) is to be suspended shall receive both a fifteen (15) day prior written notice of the termination and/or suspension stating the reasons for the termination and/or suspension and a timely opportunity to be heard on the matter of the termination and/or suspension. The notice shall be given personally to such member, or deposited in the message tube for the Space of such member, or sent by first-class mail, postage prepaid, to the last address of such member as shown on the records of the Corporation. The opportunity to be heard may, at the election of such member, be oral or in writing and shall occur not less than five (5) days before the effective date of the termination and/or suspension. The hearing shall be conducted at the principal office of

the Corporation or such other location as the Board of Directors deem appropriate by giving notice of the change in location to such member along with the notice of hearing to such member as prescribed in this subsection 3.15.5. The hearing shall be conducted by a quorum of the Board of Directors, as determined under Section 5.10, and presided over by the President of the Corporation or in the absence of the President, the Vice President, or in the absence of both, a director chosen by the other directors present. The presiding director shall perform the following duties:

- a) Read the charges against the subject member;
- b) Require that the charges be verified by the testimony of the person or persons making them;
- c) Hear any other witnesses against the subject member;
- d) Allow the subject member to cross-examine each witness following the testimony of that witness;
- e) Allow the subject member to make a statement in his or her own behalf;
- f) Allow the subject member to call witnesses in his or her own behalf; and
- g) Allow the directors conducting the hearing to question the witnesses after they have been questioned by the subject member.

The directors conducting the hearing shall conduct the hearing in good faith and in a fair and reasonable manner. The committee shall have the exclusive power and authority to decide that the proposed termination and/or suspension not take place. The decision of the directors shall be final.

### **3.15.6 Effect of Termination.**

On the termination of a member's membership all rights of that member in the Corporation and in the Corporation's property, if any, shall cease. Termination shall not relieve the terminated member from any obligation for charges incurred, services or benefits actually rendered, dues, assessment, fees, rental payments, lease payments, occupancy agreement payments, or any other charge arising from contract or otherwise. The Corporation shall retain the right to enforce any such obligation(s) and/or obtain damages for the breach of such obligation(s) and/or enforce any lien rights to which the Corporation may be entitled by contract and/or applicable law.

A member whose membership has been terminated by the Board of Directors pursuant to the provisions of the Bylaws shall not be permitted to purchase a membership again at a later date, or obtain the right to occupy a mobilehome or space. Any resident who has been evicted from the park will not be permitted to reside in the park



or occupy or stay in a mobilehome as a resident, homeowner, occupant, guest or visitor. The Board may in its discretion deny to any former member or former resident access into the park or the privilege of visiting other homeowners if the Board determines that any former member's or former resident's access or visitation will interfere with a homeowner's quiet enjoyment, tranquility or peace of mind, or will harass, bother or hinder an employee in performing his or her services.

**3.15.7 Effect of Suspension.**

On the suspension of a member's "good standing" all rights to which the member is entitled under the Bylaws shall be suspended, except for the right to occupy the member's Space, until the "good standing" status is reinstated by the Board of Directors. The Board of Directors may impose any conditions the Board of Directors deems reasonable for reinstatement of the member's "good standing." The Board of Directors shall have the sole authority to determine when those conditions have been satisfied and the sole authority to reinstate the member's "good standing." The obligations of the suspended member to the Corporation, under the Bylaws, and the occupancy agreement of members, shall continue during the period of suspension. If the conditions for reinstatement have not been satisfied within the period of time imposed by the Board of Directors and/or a new cause for termination arises, the Board of Directors may seek termination of such member's membership pursuant to subsection 3.15.5.

**3.15.8 Purchase of Membership Upon Termination.**

Notwithstanding any provision herein, if any membership is terminated by the Corporation, the Corporation shall purchase the membership from the Member at the price equal to fair market value.

**3.16 Lien and Offset Rights.**

To the fullest extent permitted by applicable law, the Corporation shall have a lien on each member's membership interest for the payment of all amounts due the Corporation by the member under the Bylaws, and all amounts due the Corporation, including without limitation, collection costs and reasonable attorney's fees, under the occupancy agreement of members.

**3.17 Permitted Encumbrances.**

A member may encumber his/her membership share in the Corporation with a lien to a lender other than the Corporation, provided all of the following are satisfied:

**3.17.1 Written Notice.**

The member and/or lender notifies the Corporation in a written notice delivered to the Secretary, prior to giving the lien, of member's intent to grant a lien against the membership.

**3.17.2 Approval.**

The granting of a lien against the membership must be approved by the Board of Directors by majority vote and approval.

**3.18 Lender Protections.**

Provided the Secretary receives written notice from the lender taking the lien on a membership share pursuant to Section 3.17, the lender shall be entitled to the following:

**3.18.1 Notice.**

Corporation will notify lender in writing of any default under the encumbered membership, at the address of lender given to Corporation in the notice of lender's lien delivered to the Secretary, prior to taking any action to terminate the membership of the defaulting member;

**3.18.2 Right to Cure.**

Lender may cure and shall have an additional ten (10) business days beyond the time required for member's performance to cure any monetary default under the membership of the defaulting member;

**3.18.3 Rights and Obligations Upon Foreclosure.**

Upon foreclosure of its lien against the membership share, lender shall continue to be obligated to pay all dues, assessments, and/or fees pursuant to the Bylaws. Lender's liability for such dues, assessments, and/or fees shall terminate upon sale of the membership to a qualified person for Membership pursuant to Section 3.03. If someone other than lender acquires the Membership at the foreclosure sale, that person or persons must be qualified for admission to Membership pursuant to Section 3.03.

**ARTICLE IV. MEETING OF MEMBERS**

**4.01 Place.**

Meetings of members shall be held at the principal office of the Corporation or at such other location within the County of San Luis Obispo, California, as may be designated from time to time by resolution of the Board of Directors.

**4.02 Regular Meetings.**

The annual members' meeting shall be held each year during the month of January, on a day fixed by the Board, for the purpose of transacting such proper business as may come before the meeting, including without limitation, the election of Directors for such terms as are provided in Section 5.03. Members shall be notified of the date, place, and time of said meeting as described in Section 4.04.

**4.03 Special Meetings.**

Special Meetings for members of the Corporation may be called as follows:

**4.03.1 By the Board of Directors.**

A special meeting of the members may be called by the Board of Directors at any time subject to the notice provision of Section 4.04.

#### **4.03.2 Called by Others.**

In addition, special meetings may be called by any two (2) directors, the President, or by five percent (5%) or more of the members, by a written request delivered in person, or mailed by first class mail addressed to the President, Vice President, or Secretary, at the principal office of the Corporation. The request shall specify the time desired for the meeting, not less than thirty-five (35) or more than ninety (90) days after the receipt of the request, and shall also state the general nature of the business proposed to be transacted at the meeting.

A special meeting called by the Board of Directors pursuant to this subsection 4.03.2 shall be set by the Board of Directors on a date not less than thirty-five (35) days or more than ninety (90) days after the receipt of the request.

Within twenty (20) days after receipt of a request for a special meeting pursuant to this subsection 4.03.2, the officer receiving the request shall cause notice to be given, to all members in "good standing," of the place, date, time of the meeting, and the general nature of the business to be transacted at the meeting. For purposes of this Section the term "good standing" shall mean no continuing delinquencies in the payment of any fees, charges, and/or assessments under the Bylaws and no defaults under the occupancy agreement of members or outstanding violations of the rules and regulations.

#### **4.04 Notice of Meetings.**

All notices of meetings of members shall be delivered personally, deposited in the message tube for the Space each member occupies, or mailed by first-class mail with the United States Postal Service, postage prepaid, not less than ten (10) days or more than ninety (90) days before the date of the meeting to each member in "good standing" (as defined in Section 4.03.2) as of the record date for notice of the meeting. The notice shall specify the place, date, and time of the meeting, and additionally the following:

##### **4.04.1 Special Meetings Only.**

In the case of any notice of a Special meeting, the general nature of the business to be transacted.

##### **4.04.2 Annual Meetings Only.**

In the case of a notice of any Annual meeting, an agenda of those matters the Board of Directors intends to present to the members for approval.

#### **4.05 Quorum.**

A quorum at any meeting of the members shall consist of one-third (1 / 3) of the members in "good standing" (as defined in Section 4.03.2), represented in person or by proxy.

#### **4.06 Loss of Quorum.**

The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment even

though enough members have withdrawn from the meeting to leave less than a quorum, if such action taken, other than adjournment, is approved by at least a majority of members required to constitute a quorum.

**4.07 Adjournment for Lack of Quorum.**

In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the members in “good standing” (as defined in Section 4.03.2) represented either in person or by proxy, but no other business may be transacted except as provided in Section 4.06.

**4.08. Adjournment of Meetings.**

Any meeting of members, whether an Annual meeting or a Special meeting, whether or not a quorum is present, may be adjourned from time to time by vote of a majority of the members represented either in person or by proxy at the meeting. At the adjourned meeting the Corporation may transact any business which may have been transacted at the original meeting. Notice of the adjourned meeting need not be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken.

**4.09 Voting of Membership.**

The voting rights of the membership are subject to the provisions of the Bylaws and Chapter 6 of the California Nonprofit Mutual Benefit Corporation Law commencing with Section 7610 of the California Corporations Code.

**4.09.1 Members.**

Each membership is entitled to one vote on each matter submitted to a vote of the members.

**4.09.2 Indivisible Interest in Single Memberships.**

Single memberships in which two or more personas have an indivisible interest and which stand of record in the name of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, or otherwise, or if two or more persons (including proxy holders) have the same fiduciary relationship respecting the same membership, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: if only one votes, such act shall bind all; and if more than one votes, the act of the majority so voting shall bind all. Provided, however, if the Secretary is given written notice that a husband and wife or co-owners would otherwise qualify as a member singly, such husband and wife or co-owners shall each be entitled to cast a one-half (1/2) vote of their qualified membership, provided the total does not constitute more than one (1) vote for the Space by which such members qualified as members.

**4.09.3 Record Date of Membership.**

The Board of Directors shall fix, in advance, a date as the record date for the purposes of determining the members entitled to notice of and, the members entitled to vote, at any meeting of members. The record date for determining members entitled to vote shall not be more than ninety (90) or less than ten (10) days before the date of the meeting. The Board of Directors shall also fix, in advance, a date as the record date for the purpose of determining the members entitled to exercise any rights in respect of any other lawful action. Such record date shall not be more than sixty (60) days prior to such other action.

**4.09.4 Consent by Absent Members.**

The transactions of any meeting of members, whether the annual regular meeting or any special meeting, however called and noticed, and wherever held, shall be as valid as though transacted at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present, either in person or proxy, signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers of notice, consents, and approvals of minutes shall be filed with the corporate records or made a part of the minutes of the meeting.

**4.09.5 Proxy Voting.**

All members entitled to vote shall have the right to vote either in person or by a written proxy executed by such person or his or her duly authorized agent identified in a filing with the Secretary. Any proxy shall not be valid after the expiration of eleven (11) months from the date of such proxy unless otherwise provided in the proxy. The maximum term of any proxy shall be three (3) years from the date of its execution. Every proxy shall continue in full force and effect unless revoked, by the person executing the proxy, prior to the vote pursuant to the proxy. Such revocation may be effected by a writing delivered to the Corporation stating that the proxy is revoked, or by a subsequent proxy executed by the member executing the prior proxy and presented to the meeting, or as to any meeting, by attendance at such meeting and voting in person by the member executing the proxy.

**4.09.6 Inspectors of Election.**

In advance of any meeting of members, the Board of Directors may appoint inspectors of election to act at such meeting and any adjournment of such meeting. If inspectors of election are not appointed, or if any persons so appointed fail to appear or refuse to act, the Chairman of any such meeting may, and on the request of any member or member's proxy, shall make such appointment at the meeting. The number of inspectors shall be either one (1) or three (3). If appointed at a meeting on the request of one or more members or proxies, the majority of members represented in person or by proxy shall determine whether one (1) or three (3) inspectors are to be appointed.

The duties of such inspectors shall be as prescribed by Section 7614(b) of the California Non-Profit Mutual Benefit Corporation Law and shall include:

- a) Determining the number of memberships outstanding and the voting power of each;
- b) Determining the memberships represented at the meeting;
- c) Determining the existence of a quorum;
- d) Determining the authenticity, validity, and effect of proxies;
- e) Receiving votes, ballots, or consents;
- f) Hearing and determining all challenges and questions in any way arising in connection with the right to vote;
- g) Counting and tabulation of all votes or consents; determining when the polls shall close;
- h) Determining the result of the election; and
- i) Doing such acts as may be proper to conduct the election or vote with fairness to all members. If there are three (3) inspectors of election, the decision, act, or certificate of the majority is effective in all respects as the decision, act, or certificate of all of the inspectors.

#### **4.09.7 Action Without a Meeting.**

- a) Action by Unanimous Written Consent. Any action required or permitted to be taken by the members may be taken without a meeting, except election of directors, if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.
- b) Action by Written Ballot Without A Meeting. Any action, except election of directors, that may be taken at any meeting of members which is not by unanimous written consent pursuant to Section 4.09.7(a) may be taken without a meeting by complying with this Section of these Bylaws.
  - 1. Solicitation of Written Ballots.  
The Corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section 4.04. All solicitation of votes by written ballot shall:
    - i. indicate the number of responses needed to meet the quorum requirements,

- ii. with respect to ballots other than for election of directors, state the percentage of approvals necessary to pass the measure or measures, and
  - iii. specify the time by which the ballots must be received in order to be counted. Each ballot so distributed shall
  - iv. set forth the proposed action,
  - v. provide the members an opportunity to specify approval or disapproval of each proposal, and
  - vi. provide a reasonable time in which to return the ballot to the Corporation. In any election of directors, a written ballot that a member marks “withhold,” or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a Director.
2. Number of Votes and Approvals Required.  
Approval by written ballot shall be valid only when,
- i. the number of votes cast by ballot (including those ballots that are marked “withhold” or otherwise indicate that authority to vote is “withheld” within the time specified) equals or exceeds the quorum required to be present at a meeting authorizing the action, and
  - ii. the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.
3. Revocation.  
A written ballot may not be revoked.
4. Filing.  
All written ballots shall be filed with the Secretary of the Corporation and maintained in the corporate records for at least three (3) years.

#### **4.10 Conduct of Meetings.**

All regular and special meetings of members shall be conducted as follows:

##### **4.10.1 Order of Business for Regular Meetings.**

The order of business at all regularly scheduled meetings of members shall be set out by agenda. The agenda will be in the following format:

- a) Roll Call.
- b) Proof of Notice of Meeting or Waiver of Notice.
- c) Reading of Minutes of Preceding Meeting.

- d) Reports of Officers.
- e) Reports of committees.
- f) Election of Inspectors of Election.
- g) Election of Directors.
- h) Unfinished Business.
- i) New Business.

**4.10.2 Order of Business for Special Meetings.**

The order of business at all special meetings of members shall be set out by agenda. The agenda will be in the following format:

- a) Roll Call.
- b) Proof of Notice of Meeting or Waiver of Notice.
- c) Reading of Minutes of Preceding Meeting.
- d) Reports of Officers
- e) Items of business for which the special meeting is called and which are specified in the notice of meeting.

**4.10.3 Presiding Officer.**

The President of the Corporation shall be Chairman of, and preside over, all meetings of the members. In the absence of the President, the Vice President shall be Chairman of and preside over the meetings of the members. In the absence of the President and Vice President at any meeting of members, any other person chosen by a majority of the voting members present in person or by proxy shall be Chairman of and preside over such meeting.

**4.10.4 Secretary of Meetings.**

The Secretary shall act as the secretary of all meetings of members. In the absence of the Secretary, the Chairman of the meeting shall appoint another person to act as secretary of such meeting.

**4.10.5 Rules of Order.**

The Robert's Rules of Order, as may be amended from time to time, shall govern the meeting of members insofar as such rules are not inconsistent or in conflict with the Bylaws, the Articles of Incorporation, or applicable law.



## ARTICLE V. DIRECTORS

### 5.01 Number and Qualifications of Directors.

Sunrise Terrace Mobilehome Owners Association, a California Non-Profit Mutual Benefit Corporation, shall be governed by a Board of Directors composed of seven (7) members in "good standing."

### 5.02 Powers and Duties.

Except as otherwise required by the Articles of Incorporation, Bylaws, and applicable law, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the activities of the Corporation to, (i) any person or persons, (ii) a management company, (iii) committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board of Directors shall have the following powers and duties in addition to the other powers and duties enumerated in the Bylaws:

#### 5.02.1 Officer, Agents, and Employees.

Select and remove all officers, agents, and employees of the Corporation; prescribe any powers and duties for them that are consistent with the law, the Articles of Incorporation, and the Bylaws; fix their compensation; and require from them security for faithful service;

#### 5.02.2 Principal Office.

Change the principal office of the Corporation pursuant to Section 1.03 from one location to another, cause the Corporation to be qualified to do business in any other state, country, or jurisdiction, and to conduct business in or out of California for the holding of any meeting or meetings of members, including annual meetings;

#### 5.02.3 Seal and Certificate.

Adopt, make, and use a corporate seal; prescribe the form of certificates of membership; and alter the form of the seal and certificates;

#### 5.02.4 Dues, Assessments, and Fees.

Levy annual dues, assessments, and/or fees upon members, and set the date or dates for their payment; change the amount of such dues, assessments, or fees from time to time, and provide for collection or penalties for non-payment of any such dues, assessments, or fees;

#### 5.02.5 Borrowing.

Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds,

debentures, deeds of trust, mortgages, pledges, hypothecation and other evidences of debt and securities;

**5.02.6 Application for Membership.**

To accept or reject all applications for membership in the Corporation and admission of a member to occupancy of a Space, either directly or through an authorized representative;

**5.02.7 Budget, Operating Expenses and Reserves.**

To establish from time to time the monthly pro rata operating expenses for each Space as provided in the occupancy agreement adopted by the Board of Directors from time to time of members, based on an operating budget adopted by the Board of Directors, including without limitation, payment into a reserve or reserves for taxes, capital improvements, periodic maintenance, and/or extraordinary expenses.

**5.02.7.1 Documents Prepared and Distributed.**

The Corporation shall prepare and distribute to all its Members the following documents:

- a) A pro forma operating budget, which shall include all of the following:
  - 1) The estimated revenue on an accrual basis.
  - 2) A summary of the Corporation's reserves based upon the most recent review or study conducted pursuant to Civil Code Section 1365.5, which shall be printed in bold type and include all of the following:
    - A. The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.
    - B. As of the end of the fiscal year for which the study is prepared:
      - i. The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components.
      - ii. The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components.
    - C. The percentage that that amount determined for purposes of clause (ii) of subparagraph (B) is of the amount determined for purposes of clause (i) of subparagraph (B).
  - 3) A statement as to whether the Board of Directors has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or

restore any major component or to provide adequate reserve therefore.

- 4) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement or additions to those major components that the Corporation is obligated to maintain.

The summary of the Corporation's reserves disclosed pursuant to paragraph (2) shall not be admissible in evidence to show improper financial management of the Corporation, provided that other relevant and competent evidence of the financial condition of the Corporation is not made inadmissible by this provision.

A copy of the operating budget shall be annually distributed not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of the Corporation's fiscal year.

- b) A review of the financial statement of the Corporation shall be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy for any fiscal year in which the gross income to the Corporation exceeds seventy-five thousand dollars (\$75,000). A copy of the review of the financial statement shall be distributed within 120 days after the close of each fiscal year.
- c) In lieu of the distribution of the pro forma operating budget required by subdivision (a), the Board of Directors may elect to distribute a summary of the pro forma operating budget to all its Members with a written notice that the pro forma operating budget is available at the business office of the Corporation or at another suitable location within the boundaries of the development and that copies will be provided upon request and at the expense of the Corporation. If any Member requests that a copy of the pro forma operating budget required by subdivision (a) be mailed to the Member, the Corporation shall provide the copy to the Member by first-class United States mail at the expense of the Corporation and delivered within five days. The written notice that is distributed to each of the Members shall be in at least 10-point bold type on the front page of the summary of the budget.
- d) A statement describing the Corporation's policies and practices in enforcing lien rights or other legal remedies for default in payment of its assessments against the Members shall be annually delivered to the Members during the sixty (60) day period immediately preceding the beginning of the Corporation's fiscal year.

#### 5.02.7.2 Review and Expenditure.

- a) The Board of Directors of the Corporation shall do all of the following:
  - 1) Review a current reconciliation of the Corporation's operating accounts on at least a quarterly basis.
  - 2) Review a current reconciliation of the Corporation's reserve accounts on at least a quarterly basis.
  - 3) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget.
  - 4) Review the latest account statements prepared by the financial institutions where the Corporation has its operating and reserve accounts.
  - 5) Review an income and expense statement for the Corporation's operating and reserve accounts on at least a quarterly basis.
- b) The signatures of at least two persons, who shall be Members of the Corporation's Board of Directors, or one officer who is not a Member of the Board of Directors and a Member of the Board of Directors, shall be required for the withdrawal of moneys from the Corporation's reserve accounts.
- c) The Board of Directors shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Corporation is obligated to repair, restore, replace, or maintain and for which the reserve fund was established. However, the Board may authorize the temporary transfer of money from a reserve fund to the Corporation's general operating fund to meet short-term cash-flow requirements or other expenses. The transferred funds shall be restored to the reserve fund within three years of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a delay would be in the best interests of the development, delay the restoration until the time which the Board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve account, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this section. This special assessment is not subject to the limitation imposed by Civil Code Section 1366.

- d) At least once every three years the Board of Directors shall cause a study of the reserve account requirements of the development to be conducted if the current replacement value of the major components which the Corporation is obligated to repair, replace, restore, or maintain is equal to or greater than one-half of the gross budget of the Corporation for any fiscal year. The Board shall review this 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 study required by this subdivision shall at a minimum include:

- 1) Identification of the major components which the Corporation is obligated to repair, replace, restore, or maintain which, as of the date of the study, have a remaining useful life of less than 30 years.
  - 2) Identification of the probable remaining useful life of the components identified in paragraph (1) as of the date of the study.
  - 3) An estimate of the cost of repair, replacement, restoration, or maintenance of the components identified in paragraph (1) during and at the end of their useful life.
  - 4) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the components identified in paragraph (1) during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.
- e) As used in this section, "reserve accounts" means moneys that the Corporation's Board of Directors has identified for use to defray the future repair or replacement of, or additions to, those major components which the Corporation is obligated to maintain.
- f) As used in this section, "reserve account requirements" means the estimated funds which the Corporation's Board of Directors has determined are required to be available at a specified point in time to repair, replace, or restore those major components which the Corporation is obligated to maintain.

#### **5.02.8 Principal and/or Interest Payments.**

To establish from time to time the monthly pro rata share, for each member and/or Space, attributable to any Principal and/or interest and/or other charges payable on any outstanding debt of the Corporation and/or any debt that may be incurred from time to time by resolution of the Board of Directors.

**5.02.9 Management of Mobilehome Park.**

To engage agents or hire employees from time to time for the management of the Park under such terms as the Board of Directors may determine pertinent and reasonable;

**5.02.10 Refunds.**

To authorize refunds, should the Board of Directors in its discretion determine this action to be pertinent and reasonable;

**5.02.11 Termination and/or Suspension of Membership and Occupancy.**

Terminate and/or suspend membership and occupancy rights for just cause upon notice and opportunity to membership owner;

**5.02.12 Rules and Regulations.**

To promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these Bylaws, the Articles of Incorporation, and the California Non-Profit Corporation Law, the Fair Housing Amendments Act of 1988, and/or the Mobilehome Residency Law.

**5.02.13 Spending.**

To authorize and enter into contracts or agreements to pay for repairs, improvements and construction of projects benefitting the Park and Park property.

However, any capital improvement or new construction project (excluding repairs or maintenance projects) that will cost in excess of \$50,000, must be approved by a majority vote of the Members of the Corporation voting before work (which includes the signing of any contracts or the making of any agreements) on any such project can begin.

**5.03 Election and Terms of Office.**

The election of the Board of Directors and their terms of office shall be as follows:

**5.03.1 Nominating Committee.**

Three (3) members in "good standing" (as defined in Section 4.03.2) shall be appointed by the Board of Directors to serve as a nominating committee to solicit the names of members in "good standing" to run for the position of director in each election of a director or directors.

**5.03.2 Terms of Office.**

The term of office for directors shall be two (2) years, with a maximum of two (2) two-year terms. Four (4) directors shall be elected in even-numbered years and three (3) directors shall be elected in odd-numbered years.

**5.04 Resignation.**

Any director may resign effective upon giving written notice to the President, or the Secretary, unless a later time is specified in the notice. If the resignation is effective at a future time, a successor may be

selected pursuant to Section 5.05 in advance to fill the vacancy when the resignation becomes effective.

**5.05 Vacancies.**

Any remaining vacant term of one (1) year or less on the Board of Directors may be filled by vote of the majority of the directors then in office, although less than a quorum, or by a sole remaining director, except that a vacancy created by removal of a director may be filled only by the members. A partial term of one (1) year or less shall not constitute a term as defined in Section 5.03.2 Terms of Office. A person may not fill a partial term of one (1) year or less more than one time.

Any remaining vacant term greater than one (1) year on the Board of Directors shall be filled only by a special election of members called by the Board of Directors within thirty (30) days of the vacancy. The nominee receiving the highest number of votes cast by the members at the special meeting shall serve out the remaining vacant term of office. A partial term of greater than one (1) year shall constitute a term served as defined in Section 5.03.2.

Provided, however, if the next regularly scheduled annual election is ninety (90) days or less from the date of any vacancy occurring on the Board of Directors, a majority of the Board of Directors may vote to keep the vacancy open until that next regularly scheduled annual election.

A director may be removed from office if declared of unsound mind by a final order of court, convicted of a felony, found guilty of breach of duty in his or her capacity as director, or recalled by a vote of the majority of the members of the Corporation at a special meeting of members called pursuant to the Bylaws.

**5.06 Fees and Compensation.**

No compensation shall be paid to directors for their service as directors. No remuneration shall be paid to a Director for services performed by him or her for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors, before the services are undertaken.

**5.07 Place of Meeting.**

Regular and special meetings of the Board of Directors shall be held at the principal office of the Corporation unless otherwise designated by the Board of Directors from time to time.

**5.08 Regular Meeting.**

Regular meetings of the Board of Directors shall be held immediately following each annual meeting of the members, for the purpose of organization, election of officers and the transaction of other business. Thereafter, the Board of Directors shall meet at least three (3) times annually. Notice of the regular meetings of the Board of Directors shall be given to each director, by personal delivery, by deposit in the message tube for each director's Space, by mail with the United States Postal Service first class postage prepaid, or by telephone three (3) days prior to said meeting.

**5.09 Special or Emergency Meetings.**

Special or emergency meetings of the Board of Directors may be called at any time and for any purpose by the President or any two (2) directors. Notice of the time and place of the special or emergency meeting shall be given to each director, by personal delivery, by deposit in the message tube for each director's Space, by mail with the United States Postal Service first-class postage prepaid, or by telephone at least twenty-four (24) hours prior to the time of the meeting.

**5.10 Quorum.**

A majority of the authorized number of directors is a quorum for the transaction of business. 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 is the act of the Board of Directors, except as a greater or lesser number may be required by applicable law. At an emergency meeting, a quorum is present if a majority of the authorized number of directors is present either in person or by telephone. 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 the meeting.

**5.11 Waiver of Notice.**

Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting, or approves the minutes of the meeting, or attends the meeting without protesting prior to or at its commencement. All consents, approvals, and waivers shall be made a part of the minutes.

**5.12 Adjournment/Notice.**

A majority of the directors present, whether or not a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment shall be given, prior to reconvening the adjourned meeting, to all directors who were not present at the time of adjournment.

**5.13 Action Without Meeting.**

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all directors shall individually or collectively consent in writing to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board of Directors and shall be filed with the minutes of the proceedings of the Board of Directors.

**5.14 Rights and Inspection.**

Every director shall have the right at any reasonable time, and from time to time, to inspect the books, records, documents of every kind of the Corporation and the physical property of the Corporation. If a director wishes to inspect a member's or employee's personal file, that director must get approval from the Board of Directors before such inspection will be allowed in order to:

- 1) protect the member's or employee's constitutional right of privacy,
- 2) prevent the abuse of the director's inspection right,



- 3) prevent the possible breach of the director's fiduciary duty to the Corporation as a whole, and
- 4) prevent abuse of conflicts of interest.

#### **5.15 Committees of Directors.**

The Board of Directors may, by resolution adopted by a majority of the number of directors then in office, provided that a quorum is present, create one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board. Appointments to such committees shall be by a majority vote of the directors then in office. One or more directors may be designated as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have all of the authority of the Board of Directors, except with respect to:

##### **5.15.1 Member Voting.**

The approval of any action for which approval of the members is also required;

##### **5.15.2 Vacancies on Board of Directors.**

The filling of vacancies on the Board of Directors or in any committee which has the authority of the Board;

##### **5.15.3 Compensation of Directors.**

The fixing of compensation of the directors for serving on the Board of Directors or on any committee;

##### **5.15.4 Bylaws.**

The amendment and/or repeal of the Bylaws or any portion thereof, and/or the adoption of new bylaws;

##### **5.15.5 Resolution of Board of Directors.**

The amendment or repeal of any resolution of the Board of Directors which by its express terms is not amendable or repealable;

##### **5.15.6 Committees.**

The appointment of committees of the Board of Directors or any members of such committees;

##### **5.15.7 Expenditures of Nominee.**

The expenditure of corporate funds to support a nominee for director after more persons have been nominated for director than can be elected; or

##### **5.15.8 Conflicts of Interest.**

The approval of any corporate transaction with respect to assets held in charitable trust, where a director is a party or has a material financial interest in the transaction or in any party to the transaction.

## ARTICLE VI. OFFICERS

### 6.01 Officers.

The principal officers of the Corporation shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Board of Directors may elect or appoint such other officers as in their discretion and judgment are necessary.

### 6.02 Election.

The officers of the Corporation shall be members in "good standing" (as defined in Section 4.03.2), shall be elected annually by the Board of Directors, or otherwise as required by removal or resignation. The officers of the Corporation shall hold office and serve at the pleasure of the Board of Directors and shall remain in office until the effective date of removal or resignation. A successor to any officer removed or resigned shall be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

### 6.03 Removal and Resignation.

Upon an affirmative vote of a majority of the directors, any officer may be removed, with or without cause. If said officer is under any contract of employment such removal shall be without prejudice to his or her rights. Any officer of the Corporation may resign by delivering a written resignation to any director. The resignation shall be effective as of the date specified in the resignation, or on acceptance by the Board of Directors and election of a successor, whichever occurs first.

### 6.04 President.

The President shall be the chief executive officer of the Corporation. He or she shall preside at all meetings of the members and of the Board of Directors. The President shall have the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board of Directors.

### 6.05 Vice-President.

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President, shall perform all the duties of the President, and when so acting shall have all the powers of the President. The Vice-President shall have other such powers and perform such other duties as may be prescribed by law, by the Bylaws, or as may be prescribed by the Board of Directors.

## 6.06 Secretary.

The secretary shall:

### 6.06.1 Maintain Bylaws.

Certify and keep at the principal office of the Corporation the original, or a copy, of the Bylaws as amended from time to time or otherwise altered to date.

### 6.06.2 Maintain Book of Minutes and Resolutions.

Keep at the principal office of the Corporation or at such other place as the Board of Directors may determine, a book of minutes of all meetings of the directors, recording therein the time and place of holding, whether regular or special, and, if special, how called, how notice of the meeting was given, the names of those present at the meeting, and the proceedings of the meeting, as well as all resolutions adopted by the Board pursuant to Section 7.01.

### 6.06.3 Give Notices.

See that all notices are duly given in accordance with the provisions of the Bylaws or as required by applicable law.

### 6.06.4 Maintain Corporate Records and Seal.

Be custodian of the records and of the seal of the Corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the Corporation under its seal is authorized by applicable law or by the Bylaws.

### 6.06.5 Maintain Membership Book.

Keep at the principal office of the Corporation the membership book containing the name and address of each and every member, and date of membership, and, in the case where any membership has been terminated or has ceased, he or she shall record such fact in the membership book together with the date on which such membership terminated or ceased.

### 6.06.6 Exhibit Certain Records to Directors.

Exhibit at all reasonable times to any Director of the Corporation, or to his or her agent or attorney, on request therefore, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the Corporation.

### 6.06.7 General Duties.

In general, perform all duties incidental to the office of Secretary and such other duties as may be required by applicable law, by the Articles of Incorporation or by the Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

## 6.07 Treasurer.

The Treasurer shall be the chief financial officer of the Corporation and shall:

### 6.07.1 Have Charge and Custody of Funds.

Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name

of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

**6.07.2 Receive and Receipt Monies.**

Receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever.

**6.07.3 Disburse Funds.**

Disburse or cause to be disbursed the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

**6.07.4 Maintain Accounts.**

Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including, but not limited to, accounts of the Corporation's assets, liabilities, receipts, disbursements, gains and losses.

**6.07.5 Exhibit Records to Directors.**

Exhibit at all reasonable times the books of account and financial records to any director of the Corporation, or to his or her agent or attorney, on request to exhibit the books of account and financial records.

**6.07.6 Render Accounting.**

Render to the President and/or directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Corporation.

**6.07.7 Prepare and Certify Financial Statements.**

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

**6.07.8 General Duties.**

In general, perform all duties incidental to the office of Treasurer and such other duties as may be required by applicable law, by the Articles of Incorporation of the Corporation, or by the Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

## ARTICLE VII. EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

### 7.01 Execution of Instruments.

The Board of Directors, except as otherwise provided in the Bylaws, may by resolution, authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument, in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge the Corporation's credit or to render the Corporation liable monetarily for any purpose or in any amount.

### 7.02 Checks and Notes.

All checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer and countersigned by the President, except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by applicable law.

### 7.03 Deposits.

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

## ARTICLE VIII. CORPORATE RECORDS, REPORTS, AND SEAL

### 8.01 Minutes of Meetings.

The Corporation shall keep at its principal office, or at such other place as the Board of Directors may order from time to time, a book of minutes of all meetings of directors and of all meetings of members, with the time and place of holding the meeting, whether regular or special, and, if special, how the meeting was called, the notice given, the names of those present, and the proceedings of the meeting.

### 8.02 Books of Account.

The Corporation shall keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of the Corporation's assets, liabilities, receipts, disbursements, gains, and losses.

### 8.03 Inspection by Directors.

Every director shall have the right at any reasonable time, and from time to time, to inspect the books, records, documents of every kind of the Corporation and the physical property of the Corporation. If a director wishes to inspect a member's or employee's personal file, that director must get approval from the Board of Directors before such inspection will be allowed in order to:

- 1) protect the member's or employee's constitutional right of privacy,

- 2) prevent the abuse of the director's inspection right,
- 3) prevent the possible breach of the director's fiduciary duty to the Corporation as a whole, and
- 4) prevent abuse of conflicts of interest.

## ARTICLE IX. BYLAWS

### 9.01 Amendments.

Subject to any provisions of law applicable to the amendment of bylaws of non-profit mutual benefit corporations, the Bylaws, in whole or in part, may be altered, amended, or repealed and new bylaws adopted by the Board of Directors from time to time; provided, however, that members must approve any action that would:

- i. materially and adversely affect the rights of members as to voting, dissolution, or redemption or transfer of memberships,
- ii. increase or decrease the number of memberships authorized,
- iii. effect and exchange, reclassification, or cancellation of all or any part of the memberships,
- iv. authorize a new class of membership, or
- v. specify or change a fixed number of Directors.

Provided further, that any amendment to alter and/or modify the rights and/or obligations of any lender who has given notice pursuant to Section 3.17.2 and has rights under Sections 3.15.1(a), 3.17, and 3.18 shall not be effective as to that lender without that lender's prior written consent.

### 9.02 Conflicts.

In the event there is a conflict between the Bylaws and any applicable law, the provisions of the Bylaws shall control to the extent permitted by applicable law.

## ARTICLE X. INDEMNIFICATION

### 10.01 Indemnification in Actions by Third Parties.

The Corporation shall have the power to indemnify any person who was, or is a party, or is threatened to be made a party to any proceeding by reason of the fact that such person is or was an agent, officer, or director of the Corporation, acting in that capacity, against expenses, judgments, fines, settlements, and/or other expenses reasonably incurred, if said person acted in good faith, and had no reasonable cause to believe the conduct was unlawful, subject to the California Nonprofit Mutual Benefit Corporation Law.

Said indemnification shall not be available to those agents, officers, and/or directors who knowingly breach their duty with respect to their position, or act in any manner detrimental to the best interest of the Corporation.

### 10.02 Insurance.

The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability.

## ARTICLE XI. DISSOLUTION

### 11.01 On Dissolution.

If this Corporation is dissolved, all taxes, bills, obligation, and expenses shall be either paid in full or provisions made for payment. The net proceeds from the sale of the remaining assets shall be divided equally among the members, provided however, that the equity interest of any member not in "good standing" (as defined in Section 4.03.2) shall be reduced by an amount equal to his or her outstanding obligation to the Corporation and the amount of the outstanding obligation so collected by the Corporation will be divided equally among the members in "good standing" (as defined in Section 4.03.2).

**CERTIFICATE OF SECRETARY**

OF

**SUNRISE TERRACE MOBILEHOME OWNERS ASSOCIATION**

I hereby certify that I am the duly elected and acting Secretary of Sunrise Terrace Mobilehome Owners Association, a California non-profit mutual benefit corporation, and that the foregoing Restated Bylaws, comprised of thirty (30) pages, constitute the Bylaws of said Corporation and were adopted by the Board of Directors on September 10, 2014.

(Corporate Seal)

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