

**RESTATED BYLAWS  
OF  
KENT WOODLANDS PROPERTY OWNERS ASSOCIATION**

**ARTICLE I Recitals and Definitions**

Section 1. Name of Association. The name of this corporation is Kent Woodlands Property Owners Association and shall be referred to herein as the "Association."

Section 2. Association Is Nonprofit The Association is a nonprofit mutual benefit corporation subject to the California Nonprofit Mutual Benefit Corporation Law (Cal. Corp. Code, § 7110 et seq.).

Section 3. Specific Purpose. The specific and primary purpose of this Association shall be to enforce the rules and regulations adopted by the Board of Directors, the covenants, conditions and restrictions of the Declaration (as defined below), and the deed restrictions encumbering certain Lots and parcels within the Kent Woodlands real estate common interest development located in the County of Marin, State of California, to own, repair, maintain and manage the Common Areas of Kent Woodlands, and to otherwise enhance and promote the use and enjoyment of Kent Woodlands.

Section 4. Definitions.

- (a) County. "County" means the County of Marin, State of California.
- (b) Declaration. "Declaration" means all limitations, restrictions, covenants, terms and conditions set forth in the First Restated Declaration of Covenants, Conditions and Restrictions recorded in the Office of the Marin County Recorder with respect to Kent Woodlands at Book \_\_\_\_\_, page \_\_\_\_\_, Official Records of said County, as such Declaration may from time to time be supplemented, amended or modified by a duly Recorded subsequent declaration, or amendment thereto.
- (c) Kent Woodlands. "Kent Woodlands" means and refers to all tracts or subdivisions of real property located in Marin County, California and commonly referred to as Kent Woodlands.
- (d) Majority of a Quorum. "Majority of a Quorum" means the vote of a majority of the votes cast at a membership meeting or by written ballot when the number of Members attending the membership meeting or the number of ballots cast equals or exceeds the quorum requirement specified in article V, section 5. Any Member may be represented at a membership meeting by proxy (see article IV, section 5, below).
- (e) Person. "Person" means and includes any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.
- (f) Voting Power. "Voting Power" means those Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at the time any determination of voting power is made.
- (g) Other Definitions Incorporated by Reference. The terms defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

## **ARTICLE II Location of Principal Office**

The principal office of the Association will be located at such place within the County of Marin as the Board may from time to time designate by resolution.

## **ARTICLE III Membership**

Section 1. Members of the Association. Every Owner of a Lot within those subdivision phases of Kent Woodlands which are subject to the Declaration is a Member of the Association. Membership in the Association is appurtenant to, and may not be separated from, ownership of any Lot.

Section 2. Term of Membership. Each Owner shall remain a Member until he or she no longer qualifies as such under section 1 above. Upon the sale, conveyance or other transfer of an Owner's interest in a Lot, the Owner's membership interest appurtenant to the Lot shall automatically transfer to the new Owner(s) of the Lot.

### Section 3. Membership Rules for Lots Owned by Multiple Owners.

(a) Ownership of a Lot shall give rise to a single membership vote in the Association. Accordingly, if more than one person is the record Owner of a Lot, all of said persons shall be deemed to be one Member for voting purposes. However, all such co-Owners shall have equal rights as Members to use and enjoy the Common Areas and Common Facilities.

(b) Any one of the multiple Owners shall be entitled to vote the membership, unless the secretary of the Association is notified in writing of the Owner designated by his or her co-Owners as having the sole right to vote the membership on their behalf. If such notification is given and more than one of the multiple Owners casts a vote with respect to the membership, the majority of such votes shall be the vote pertaining to said Lot. If there is not a majority of such votes, the vote of such membership shall not be considered as being cast either in favor of or opposed to the issue or issues which are the subject of the vote, but the membership shall be considered for purposes of determining whether the quorum requirements applicable to the vote or meeting have been met.

Section 4. Furnishing Evidence of Membership. A person shall not be entitled to exercise the rights of a Member until such person has advised the Association's secretary in writing that he or she is qualified to be a Member under section 1 above, and, if requested by the secretary, has provided the secretary with evidence of such qualification in the form of a certified copy of a recorded grant deed or a currently effective policy of title insurance. Exercise of membership rights shall be further subject to the rules regarding record dates set forth in article V, section 8, hereof.

## **ARTICLE IV Membership Voting**

Section 1. Single Class of Membership. The Association shall have only one class of voting membership and the rights, preferences and privileges of all Members shall be equal.

Section 2. Member Voting Rights. On each matter submitted to a vote of the Members each Member shall be entitled to cast one vote for each Lot owned by such Member. Single memberships

in which two or more persons have an indivisible interest shall be voted as provided in article III, section 3 of these Bylaws.

Section 3. Eligibility to Vote. Only Members in good standing shall be entitled to vote at any membership meeting. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot(s). A Member's good standing shall be determined as of the record date established in accordance with article V, section 8 hereof. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with article XI of the Declaration.

Section 4. Manner of Casting Votes

(a) Voting at Membership Meetings. Voting at any membership meeting may be by voice or by ballot; provided, however, that the voting in any election of directors shall be conducted by secret ballot. The vote on any other issue properly before a meeting of the Members shall be conducted by secret ballot when determined by the chairman of the meeting, in his or her discretion, or when a vote by secret ballot requested by 10 percent of the Members present at the meeting.

(b) Voting by Written Ballot. In addition to voting in person or by proxy at a meeting, Members' votes may be solicited by written ballot with respect to any issue other than the election of directors. Written ballot voting shall be conducted in accordance with section 6 of this article.

(c) Proxy Voting. Members otherwise eligible to vote who are unable to attend a membership meeting in person may designate another person as the appointing Member's proxy to represent and to vote on the Member's behalf at the meeting. The issuance of proxies shall be in accordance with section 5 of this article.

(d) Cumulative Voting. Cumulative voting in the election of directors shall not be permitted.

Section 5. Proxies.

(a) Proxies Generally. Any Member entitled to vote may do so either by appearing in person at the meeting where the vote is conducted or by appointing an agent (proxy holders) to appear and vote at the meeting on the Member's behalf. Proxy holders must be designated by a written proxy signed by the Member and filed with the secretary of the Association. Any proxy shall be for a term not to exceed 3 months from the date of issuance. Proxy forms shall be dated to assist in verifying their validity and order of issuance.

(b) Effectiveness of Proxies. Every proxy continues in full force and effect until revoked by the issuing Member prior to the vote pursuant thereto subject to the maximum term of a proxy set forth in subparagraph (a) above. Any proxy issued hereunder shall be revocable by the Member executing such proxy at any time prior to the vote pursuant thereto by delivery to the secretary of a written notice of revocation. A proxy shall be deemed revoked when the secretary shall receive actual notice of the death or judicially declared incompetence of the Member issuing the proxy, or upon termination of such Member's status as an Owner of a Lot as provided in article III, section 1 above.

(c) Validity of Proxies With Respect to Certain Material Transactions. Any proxy given with respect to any matter other than the election of directors shall be valid only if the proxy form sets forth a general description of the nature of the matter to be voted on.

(d) Limited Proxies.

(i) If a proxy form issued in connection with the election of directors lists the candidates' names and the proxy is marked by a Member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, the proxy holder shall not vote the proxy either for or against the election of a director. If any proxy issued in connection with the election of directors is marked so as to direct the proxy holder to vote the proxy for a specified candidate or candidates, the proxy holder shall vote in accordance with the direction of the proxy issuer.

(ii) When a member issues a proxy to another person for purposes of voting on matters other than the election of directors and the issuing member directs, on the face of the proxy, how he or she desires the proxy to be voted, the proxy holder must cast the vote attributable to the membership in the manner directed in the proxy.

(e) Restriction or Elimination of Proxy Rights; Limitation on Authority. No amendment of the Articles or Bylaws repealing, restricting, or expanding proxy rights may be adopted without approval by the affirmative vote of a Majority of a Quorum of the Members.

(f) Proxy Rules for Memberships Held by More Than One Person. Where two or more persons constitute a Member (because the Lot to which the membership pertains is owned by more than one person), any proxy with respect to the vote of such Member may be signed by any one of the co-owners, so long as no more than one proxy is issued with respect to any single membership. If more than one proxy is issued with respect to a single membership, all such proxies shall be invalid.

#### Section 6. Action by Written Ballot Without a Meeting

(a) Definition of Written Ballot. A "written ballot" is a ballot which is mailed or otherwise distributed to every Member in good standing in order to solicit the Members' votes on any matter requiring their approval without having to convene a formal membership meeting. Written ballot voting must be conducted in accordance with the requirements of this section. The term "written ballot" does not include a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting.

(b) Written Ballots, Generally. Any matter or issue requiring the vote of the Members, other than the election of directors, may be submitted for vote by written ballot without the necessity of calling a meeting of the Members, so long as the requirements for action by written ballot set forth in this section are met. The determination to seek Member approval for Association actions in this fashion shall be made by a majority vote of the Board or by Members possessing 5 percent of the Voting Power of the Association signing a written request that a proposal be presented to the Members for a vote by written ballot and delivering this request to the president, vice president or secretary of the Association. If the request for a vote by written ballot is received from the Members, the Association's obligations to initiate the balloting process shall be governed by article V, section 3(b) hereof.

Once the determination is made to seek Member approval by written ballot, the Board shall establish a record date (see article V, section 8(a)(iii) hereof) and distribute a written ballot to every

Member entitled to vote on the matter. This distribution shall be made consistent with the time requirements specified in subparagraph (d), below.

(c) Content of Written Ballots. The written ballot form distributed to the Members shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal.

(d) Balloting Time Requirements. Written ballots shall be distributed to all eligible Members at least 30 days prior to the deadline established for the return of the written ballots. All written ballots shall provide a reasonable time within which to return the written ballot to the Association and shall state, on the face of the ballot or in an accompanying notice, the date by which the written ballot must be returned in order to be counted. The time fixed for the return of written ballots may only be extended if the Board so notifies the Members on the face of the ballot or in the balloting solicitation materials originally sent to Members and then for no more than two successive periods of thirty (30) days each.

(e) Requirements for Valid Member Action by Written Ballot. Member approval by written ballot shall only be valid if: (i) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds the minimum quorum (as specified in article V, section 5) that would have been required to be present at a membership meeting if a formal meeting had been convened to vote on the proposal; and (ii) the number of affirmative votes equals or exceeds the number of affirmative votes that would have been required to approve the action at such a meeting.

(f) Solicitation Rules. Written ballots shall be solicited in a manner consistent with the requirements of article V, section 4, pertaining to issuance of notices of Members' meetings. All solicitations of written ballots shall indicate: (i) the number of responses needed to meet the quorum requirement for valid action; (ii) the time by which the written ballot must be received by the Association in order to be counted; and (iii) the percentage of affirmative votes necessary to approve the measure.

(g) Additional Balloting Procedures. If deemed necessary by the Board, the written ballot shall be conducted in accordance with such additional procedures, not inconsistent with the provisions of this section, as may be prescribed by a firm of public accountants of good repute who may also be retained to supervise the secrecy and conduct of the balloting process.

(h) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within 30 days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements, the Board shall so notify the Members.

(i) Prohibition of Revocation. Once exercised, a written ballot may not be revoked.

Section 7. Majority Vote of Members Represented at Meeting Required for Valid Action. At a membership meeting, the affirmative vote of a Majority of a Quorum of the Members who are entitled to vote and voting on any matter (other than the election of directors) shall be the act of the Members, unless the vote of a greater number or percentage of the Members is required by the California Nonprofit Mutual Benefit Corporation Law or by the Governing Documents. In the case of director elections, those candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected to the vacant director positions.

## **ARTICLE V Membership Meetings**

Section 1. Place of Meetings. Meetings of the Members shall be held at a suitable location in reasonable proximity to Kent Woodlands and at such time as may be designated by the Board in the notice of the meeting.

Section 2. Annual Meeting There shall be an annual meeting of the Members on the third Wednesday of January of each year; provided, however, that the Board of Directors may designate another day. The specific date, time and location of the meeting shall be established by the Board and set forth in the notice of meeting sent to the Members in accordance with section 4, below.

### Section 3. Special Meetings.

(a) Persons Entitled to Call Special Meetings. A majority of the Board, the president or 5 percent or more of the Members in good standing may call special meetings of the Members at any time to consider any lawful business of the Association.

(b) Procedures for Calling Special Meetings Requested by Members. If a special meeting is called by Members other than the Board of Directors or the president, the request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by first-class, certified or registered mail or by telegraphic or other facsimile transmission to the president, any vice president, or the secretary of the Association. The officer receiving the request shall cause notice to be promptly given to the Members entitled to vote, in accordance with the provisions of section 4 of this article, that a meeting will be held, and the date, time and purpose for such meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request.

If notice of the meeting is not given within the 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the president.

### Section 4. Notice of Members' Meetings

(a) Requirement That Notice Be Given. Notice of all regular and special meetings of the Members shall be sent or otherwise given in writing to each Member who is eligible to vote at the meeting as of the record date for notice established in accordance with section 8 of this article.

(b) Time Requirements for Notice. The notice of membership meetings shall be given in the manner specified in subparagraph (e) of this section, not less than 10 nor more than 90 days before the date of the meeting. If notice is given by mail and the notice is not given by first-class, registered or certified mail, the notice shall be given not less than 20 days (nor more than 90 days) before the meeting.

(c) Minimum Requirements Regarding Content of Notice. The notice of any membership meeting shall specify the place, date, and hour of the meeting and those matters which the Board of Directors, at the time of giving the notice, intends to present for action by the Members; but any proper matter may be presented at the meeting for such action so long as a quorum is present. The notice of any meeting at which directors are to be elected shall include the names of all those individuals who are nominees for election at the time the notice is given to the Members.

The notice of any membership meeting shall also advise the Members that only Members who are in good standing as of the record date will be entitled to vote.

(d) Manner of Service. Notice of any meeting of Members shall be given either personally or by first-class mail, telegraphic or other written communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. If no address appears on the Association's books and no other has been given, notice shall be deemed to have been given if either: (i) notice is sent to that Member by first-class mail or telegraphic or other written communication to the Association's principal office; or (ii) notice is published at least once in a newspaper of general circulation in the County. Notice shall be deemed to have been given at the time the notice is delivered to the Member personally or deposited in the mail (postage prepaid) or sent by telegram or other means of written or electronic communication to the Member as specified above.

#### Section 5. Quorum Requirements

(a) Quorum Requirements Generally. The following quorum requirements must be satisfied in order to take valid action at any meeting of the Members or by written ballot in accordance with article IV, section 6 of these Bylaws:

(i) Quorum for Votes on Assessment Increases. In the case of any membership meeting or written ballot called or conducted for the purpose of voting on assessment increases requiring membership approval (see article IV of the Declaration), the quorum for valid action on the proposal shall be the percentage specified in section 1366 of the Civil Code or comparable successor statute, which quorum percentage is currently a majority of the Members.

(ii) Quorum for Valid Action on Other Matters. In the case of a membership meeting or written ballot called or conducted for any other purpose, the quorum shall be 10 percent of the Members eligible to vote and represented in person or by proxy at the meeting or casting a written ballot in accordance with article IV, section 6, above. Notwithstanding the foregoing, if a quorum is present at a meeting, but less than one-third of the Voting Power of the Members are present in person or by proxy, the only matters that can be acted upon are those matters which have been generally described in the notice of the meeting.

(b) Members Represented By Proxy. Members present at a membership meeting in person or by proxy shall be counted towards satisfaction of the quorum requirements specified herein.

(c) Effect of Departure of Members From Meeting. The Members present in person or by proxy at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, so long as any action taken (other than a vote to adjourn) is approved by at least a majority of the Members required to constitute a quorum. If a quorum is never established for the meeting, a majority of those Members who are present may vote to adjourn the meeting for lack of a quorum, but no other action may be taken or business transacted at the meeting.

Section 6. Adjourned Meeting.

(a) Adjournment, Generally. Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another time and/or place by the vote of the majority of Members present at the meeting in person or by proxy; provided, however, that no meeting may be adjourned for more than 45 days. Unless there is an absence of a quorum (in which case no business other than adjournment may be transacted), the reconvened meeting may take any action which might have been transacted at the original meeting.

(b) Notice Requirements for Adjourned Meetings. When a Members' meeting is adjourned to another time or place, notice need not be given of the new meeting if the time when, and place where, the adjourned meeting will be reconvened are announced at the meeting at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date is fixed for notice or voting, a notice of the rescheduled meeting must be given to each Member who on the record date for notice of the meeting is entitled to vote at the meeting.

Section 7. Waiver of Notice or Consent by Absent Members. Attendance by a Member or his or her proxy holder at a meeting shall constitute a waiver of any objections the Member may have with respect to notice of that meeting, except when the Member or proxy holder attends the meeting for the sole purpose of objecting at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting which are required to be described therein pursuant to section 4(d) of this article, if that objection is expressly made at the meeting.

Section 8. Record Dates for Member Notice, Voting and Giving Consents.

(a) Record Dates Established By the Board of Directors. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action requiring the consent or approval of the Members, the Board of Directors may fix, in advance, a "record date" to establish which Members are entitled to notice or to act with respect to the issue.

Once a record date has been established, only Members of record on the date so fixed shall be entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided by agreement or in the California Nonprofit Mutual Benefit Corporation Law. The record dates established by the Board pursuant to this section shall not be more than 30 days nor less than 10 days before the date of the meeting, the day on which the first written ballot is mailed or solicited, or other action requiring Member approval is to be taken.

(b) Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the following rules shall apply:

(i) Record Date for Notice of Meetings. The record date for determining those Members entitled to receive notice of a meeting of Members, shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.



(ii) Record Date for Voting. The record date for determining those Members entitled to vote at a meeting of Members shall be the fifth day before the meeting, or in the case of an adjourned meeting, the fifth day before the adjourned meeting.

(iii) Record Date for Action by Written Ballot Without Meeting. The record date for determining those Members entitled to vote by written ballot on proposed Association actions without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

(iv) Record Date for Other Lawful Action. The record date for determining those Members entitled to exercise any rights in respect to any other lawful action shall be Members at the close of business on the day on which the Board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(v) "Record Date" Means as of Close of Business. For purposes of this subparagraph (b) a person holding a membership as of the close of business on the record date shall be deemed to be the Member of record.

## **ARTICLE VI Board of Directors**

Section 1. General Association Powers. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, the Davis-Stirling Common Interest Development Act (Cal. Civ. Code, § 1350 et seq.) and any limitations contained in any of the Governing Documents relating to action required to be approved by the Members, the business and affairs of the Association shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. Subject to the foregoing limitations, the Board may delegate the management of the activities of the Association to any person or persons, management company or committee, provided that notwithstanding any such delegation the activities and affairs of the Association and all corporate powers shall continue to be exercised under the ultimate direction of the Board.

Section 2. Number and Qualification of Directors. The Board of Directors shall consist of five (5) persons who shall be Members in good standing with all Assessments current and who are not subject to any suspension of membership rights. Only one Owner per Lot shall be eligible to serve on the Board at any time.

Section 3. Term of Office At the 1996 annual membership meeting, the Members shall elect two directors to two-year terms and three directors to one-year terms. The candidates receiving the two highest number of votes in the 1996 election shall serve the two-year terms. At each annual meeting thereafter, the Members shall elect directors to two-year terms to fill the terms then expiring, so as to preserve the staggered terms created by this section. There shall be no limitation upon the number of consecutive terms to which a director may be reelected. Each director, including a director elected to fill a vacancy or elected at a special meeting of Members, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. Nomination of Directors Individuals can become candidates for election to the Board of Directors in any of the following ways:

(a) Candidates Selected by Nomination Committee. At least 90 days prior to the date of any election of directors, the president shall appoint a nominating committee to select qualified candidates for election to those positions on the Board of Directors held by directors whose terms of office are then expiring. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and 2 or more Members of the Association who may or may not be Board members. The nominating committee shall make its report at least 60 days before the date of the election, and the secretary shall forward to each Member, with the notice of the meeting at which the election is scheduled to take place (see article V, section 4), a list of the nominees. The nominating committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but not less than the number of vacancies on the Board to be filled.

(b) Nominations From the Floor. Any Member present, in person or by proxy, at a membership meeting at which directors are to be elected may place names in nomination.

(c) Good Standing Requirement for Candidacy. In order to be eligible for nomination and election to the Board, the Association secretary must certify that the candidate-Member is in good standing with the Association and is current in the payment of his or her Assessments.

#### Section 5. Election of Directors

(a) Directors Elected at Annual Meeting. At each annual meeting of the Members, the Members present in person or by proxy shall elect persons to those positions on the Board of Directors held by directors whose terms are then expiring. The persons thus elected shall be selected from among those persons nominated pursuant to section 4 above; however, if for any reason an annual meeting is not held or the directors are not elected at any annual meeting, the directors may be elected at any special meeting held for that purpose.

(b) Determination of Election Results/Succession to Office. The candidates receiving the highest number of votes (up to the number of vacancies to be filled) shall be elected as directors and shall take office immediately following their election. In the event there is a tie vote between those candidates who receive the lowest number of votes necessary to qualify the candidate for election, the tie shall be broken by random drawing.

(c) Supervision of Election Process. In order to insure secrecy of ballots and fairness in the conduct of director elections, the Board may, but shall not be obligated to, utilize the services of the Association's legal counsel or a Certified Public Accountant to receive and tabulate all ballots. Any accountant or attorney retained to perform such services shall have the full powers of an inspector of elections appointed by the Board pursuant to section 7614 of the California Corporations Code.

(d) Nominations Not In Excess of Positions to be Filled. In the event that the number of qualified nominees for election as directors does not exceed the number of vacancies to be filled, the Association may, without further action, declare that those nominated and qualified have been elected.

Section 6. Vacancies on Board of Directors.

(a) Vacancies, Generally. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation or removal of a director pursuant to subparagraphs (c) and (d) hereof; (ii) an increase of the authorized number of directors; or (iii) the failure of the Members, at any meeting of Members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting.

(b) Resignation of Directors. Except as provided in this subparagraph, any director may resign, which resignation shall be effective on giving written notice to the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

(c) Authority of Board to Remove Directors. The Board of Directors shall have the power and authority to remove a director and declare his or her office vacant if the director: (i) has been declared of unsound mind by a final order of court; (ii) has been convicted of a felony; or (iii) fails to attend three consecutive regular meetings of the Board of Directors which have been duly noticed in accordance with California Law.

(d) Authority of Members to Remove Directors. Except as otherwise provided in subparagraph (c) hereof, a director may only be removed from office prior to expiration of his or her term by the affirmative vote of a majority of the Voting Power of the Association. Any membership action to recall or remove a director shall be conducted in accordance with the following procedures:

(i) A petition must be presented in person to the president, vice president or secretary of the Association that carries the signatures of Members in good standing who represent at least 5 percent of the Voting Power of the Association. Such petition must set forth the reason(s) the petitioners are seeking the director's removal; the signature and Lot number(s) of each petitioner in his or her own handwriting; the name(s) of the sponsor(s) of the petition; and fulfill all other requirements required by law.

(ii) Within 20 days after receipt of such petition, the Board shall either call a special meeting or announce the procedures for conducting a written ballot of the Members to vote upon the requested recall. Such meeting or written ballot shall be conducted not less than 35 nor more than 90 days after the petition is presented. If the Board fails to set a date for, and give the Members notice of, such meeting or written ballot within 20 days, the Members initiating the petition may call such meeting on their own initiative without Board approval or sanction so long as notice is mailed or delivered to all Members in accordance with article V, section 4.

(iii) The director or directors who is/are the subject of the recall petition shall have the right to rebut the allegations contained in the petition orally, in writing or both. If in writing, such rebuttal shall be mailed by the Association or otherwise provided to all Members, together with the recall ballot or notice of the meeting at which the recall vote will be conducted.

(iv) If the quorum requirement for valid membership action is not satisfied or if the recall vote results in a tie, the recall action will have failed.

(e) Filling of Vacancies. Vacancies on the Board of Directors shall be filled by a majority vote of the remaining directors though less than a quorum, or by a sole remaining director unless the vacancy is created through removal of a director by action of the Members in which case the vacancy shall be filled by a vote of the Members. Furthermore, the Members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors by an election at a duly held meeting of the Members or written ballot.

(f) Reduction in Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

## **ARTICLE VII Board Meetings**

Section 1. Place of Meetings. Regular and special meetings of the Board of Directors may be held at any place within the County of Marin that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Notwithstanding the above provisions of this section, a regular or special meeting of the Board may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.

Section 2. Annual Meeting of Directors Immediately following each annual meeting of Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other pending business. Notice of this meeting shall not be required.

Section 3. Other Regular Meetings Other regular meetings of the Board shall be held without call at such time as shall from time to time be fixed by the Board of Directors and communicated to the Board members. If the Board has not fixed the time and location for regular meetings, notice shall be communicated to the Board members not less than 72 hours prior to the meeting; provided, however, that notice need not be given to any Board member who has signed a written waiver of notice or consent to holding the meeting as more particularly provided in section 7 of this article

### Section 4. Special Meetings of the Board.

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

(b) Notice of Special Meetings.

(i) Manner of Giving. Notice of the time and place of special meetings of the Board shall be given to each director by one of the following methods: (A) by personal delivery of written notice; (B) by first-class mail, postage prepaid; (C) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; or (D) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notwithstanding the foregoing, notice of a meeting need not be given to any director who has signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof as more particularly provided in section 7 of this article.

(ii) Time Requirements. Notices sent by first-class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

(iii) Notice Contents. The notice shall state the time, place, and purpose of the meeting.

#### Section 5. Attendance by Members

(a) Meetings Generally Open to Members. With the exception of executive sessions of the Board (see subparagraph (b), below), all meetings of the Board shall be open to Members of the Association; provided, however, that a nondirector Member may only participate in deliberations or discussions of the Board if the Member is in good standing and when expressly authorized by a vote of a majority of the directors present at the meeting at which a quorum has been established or by the Board member who is chairing the meeting.

(b) Executive Sessions. The Board, on the affirmative vote of a majority of the directors present at a meeting at which a quorum has been established, shall be entitled to adjourn at any time for purposes of reconvening in executive session to discuss: (i) litigation in which the Association is or may become a party; (ii) personnel matters; or (iii) contract negotiations. Prior to adjourning into an executive session, the topic(s) to be discussed in such session shall be announced, in general terms, to the Members in attendance at the meeting and matters discussed in executive session shall be generally noted in the minutes, taking into consideration the need to maintain confidentiality. Nothing provided herein shall be construed to obligate the Board to first call an open meeting before meeting in executive session with respect to the matters described above.

Section 6. Quorum Requirements. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in section 8 of this article. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by these Bylaws, the Articles or by law.

Section 7. Waiver of Notice The transaction of business at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if: (a) a quorum is present; and (b) either before or after the meeting, each of the directors not present, individually or collectively, signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Association records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any director who attends the meeting without protesting the lack of proper notice either before or at the inception of the meeting.

Section 8. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of adjournment to any other time or place shall be given prior to the time of

the adjourned meeting to the directors who are not present at the time of the adjournment. Except as hereinabove provided, notice of adjournment need not be given.

Section 9. Action Without a Meeting Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as an unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as a unanimous vote of the Board. If prompt or immediate action of the Board is necessary and there is insufficient time to comply with the notice requirements set forth herein, reasonable efforts shall nevertheless be made to contact all Board members regarding the proposed action in advance thereof, rather than relying upon notification after the fact; provided, however, that any actions taken at a meeting for which proper notice has not been given must be validated in accordance with section 7 or this section.

Section 10. Compensation. Directors, officers and members of committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Board of Directors to be just and reasonable. Expenses for which reimbursement is sought shall be supported by a proper receipt or invoice.

#### **ARTICLE VIII Duties and Powers of the Board**

Without prejudice to the general powers of the Board of Directors set forth in article VI, section 1, the directors shall have the power to:

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

(b) Appoint and remove all officers of the Association, and prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation and these Bylaws.

(c) Appoint such agents, contractors and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the Association, and to fix their duties and to establish their compensation.

(d) Adopt and establish rules and regulations subject to the provisions of the Declaration, governing the use of the Common Areas and Common Facilities within Kent Woodlands, and the personal conduct of the Members and their guests thereon, and take such steps as it deems necessary for the enforcement of such rules and regulations, including the suspension of voting rights; provided notice and a hearing are provided as more particularly set forth in article XII, section 5 of the Declaration. Rules and regulations adopted by the Board may contain reasonable variations and distinctions as between Owners and tenants.

(e) Enforce all applicable provisions of the Governing Documents relating to the control, management and use of the Lots, Common Areas and Common Facilities within Kent Woodlands.

(f) Contract for and pay premiums for fire, casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.

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

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

(i) Contract for and pay for construction or reconstruction of any portion or portions of Kent Woodlands Common Facilities which have been damaged or destroyed and which are to be rebuilt.

(j) Delegate its duties and powers hereunder to the officers of the Association or to committees established by the Board, subject to the limitations expressed in section 1 of article X hereof.

(k) Levy and collect Assessments from the Members of the Association in accordance with the Declaration.

(l) Perform all acts required of the Board under the Declaration.

(m) Prepare budgets and maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals prepare an annual financial report, a copy of which shall be delivered to each Member as provided in article XI, section 5 hereof.

(n) Appoint a nominating committee for the nomination of persons to be elected to the Board, and prescribe rules under which said nominating committee is to act, all as more particularly described in article VI, section 4 hereof.

(o) Appoint such other committees as it deems necessary from time to time in connection with the affairs of the Association in accordance with article IX hereof.

(p) Fill vacancies on the Board of Directors or in any committee, except for a vacancy created by the removal of a Board member.

(q) Open bank accounts and designate the signatories to such bank accounts.

(r) Borrow money on behalf of the Association; provided, however, that the Board may not borrow, in the aggregate, in any fiscal year, an amount greater than 20 percent of the Association's budgeted gross expenses for that fiscal year without first obtaining the approval of a Majority of a Quorum of the Members.

(s) Bring and defend actions on behalf of the Members in common or the Association to protect the interests of the Members in common or the Association, as such, so long as the action is pertinent to the operations of the Association, and assess the Members for the cost of such litigation.

## **ARTICLE IX Committees**

In addition to the nominating committee appointed and constituted pursuant to article VI, section 4(a) of these Bylaws and the Architectural Committee appointed and constituted pursuant to the Declaration, the Board may, by resolution adopted by a majority of the directors then in office, designate one or more advisory committees, each consisting of two or more Members (who may also be directors), and other residents of Kent Woodlands, to serve at the pleasure of the Board.

## **ARTICLE X Officers**

Section 1. Officers. The officers of the Association shall be a president, a vice president, a secretary and a treasurer. The Association may also have, at the discretion of the Board, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of section 3 following. Any person may hold two or more offices, except that neither the secretary nor the chief financial officer may serve concurrently as president.

Section 2. Election of Officers The officers of the Association, except such officers as may be appointed in accordance with the provisions of sections 3 and 5 following, shall be chosen annually by majority vote of the Board at its first regular meeting following the annual meeting of the Members or the election of directors, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

Section 3 Subordinate Officers. The Board may appoint, and may empower the president to appoint, 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 are provided in the Bylaws and as the Board may from time to time determine.

Section 4. Removal of Officers Any officer may be removed, either with or without cause, by the Board at any regular or special meeting.

Section 5 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the president or to the secretary. Any such resignation shall take effect at the date of the 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. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 6. Vacancies A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 7. President The president shall be elected by the Board from among the directors. He or she shall preside at all meetings of the Board, and shall have such powers and duties as may from time to time be prescribed by the Board or the Bylaws.

Section 8 Vice President The vice president shall be elected by the Board from among the directors. In the absence or disability of the president, the vice president shall perform all the duties



of the president and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. He or she shall have such other powers and perform such other duties as may from time to time be prescribed by the Board or the Bylaws.

Section 9 Secretary The secretary shall be elected by the Board from among the directors. The secretary shall keep or cause to be kept at the principal office or such other place as the Board may order, a book of minutes of all meetings of directors and Members, and shall have such other powers and perform such other duties as may from time to time be prescribed by the Board or by the Bylaws.

Section 10 Treasurer The treasurer shall be elected by the Board from among the directors. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of Kent Woodlands and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books and records shall at all reasonable times be open to inspection by any director or Member. The treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He or she shall disburse the funds of the Association as may be ordered by the Board, shall render to the president and directors whenever they request it, an account of all of his or her transactions as treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may from time to time be prescribed by the Board or the Bylaws. If required by the Board, the treasurer shall give the Association a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his or her office and for restoration to the Association of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

## **ARTICLE XI Member Assessment Obligations and Association Finances**

Section 1 Description of Assessments to Which Owners Are Subject The Owners of Lots within those portions of Kent Woodlands subject to the Declaration are subject to Regular, Special and Special Individual Assessments as more particularly described in article IV of the Declaration.

Section 2 Checks All checks or demands for money and notes of the Association shall be signed by the president and treasurer, or by such other officer or officers or such other person or persons as the Board of Directors may from time to time designate. Notwithstanding the foregoing, any withdrawal of funds from Association accounts in excess of \$2,000 and from Association reserve accounts shall require the signature of two directors.

Section 3 Operating Account There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all Regular and Special Assessments as fixed and determined for all Members. Disbursements from such account shall be for the wages, repairs, betterments, maintenance, and other operating expenses of the Association.

Section 4 Other Accounts The Board shall maintain any other accounts it shall deem necessary to carry out its purposes, including reserve accounts for replacement of capital improvements as more particularly set forth in article IV of the Declaration. All Association books of account shall be maintained in accordance with generally accepted accounting principles.

Section 5 Budgets and Financial Statements The following financial statements and related information for the Association shall be regularly prepared and copies thereof shall be distributed to each Member of the Association:

(a) Budget. A pro forma operating budget meeting the requirements of this subparagraph (a) shall be distributed to Members not less than 45 days nor more than 60 days prior to the beginning of the fiscal year. The budget shall include at least the following information:

(i) The Association's estimated revenue and expenses on an accrual basis;

(ii) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to section 7, below, and 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 of Common Facilities which the Association is obligated to repair, replace, restore or maintain (collectively "Association Capital Projects");

(B) As of the end of the fiscal year for which the reserve study is prepared, the current estimate of the amount of cash reserves necessary for Association Capital Projects and the current amount of accumulated cash reserves actually set aside for Association Capital Projects.

(C) The percentage that the amount of accumulated cash reserves is of the estimated amount of necessary cash reserves calculated under subparagraph (B), above.

(iii) 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 reserves therefore; and

(iv) A general statement setting forth the procedures used by the Board of Directors in calculating and establishing reserves to defray the future costs of repair, replacement or additions to major components of Association's Common Facilities.

In lieu of distributing the complete pro forma operating budget as specified above, the Board of Directors may elect to distribute a summary of the budget to the Members (within the time limits provided above), together with a notice that the complete budget is available at the Association's principal office and that copies will be furnished, upon request, to any Member at the Association's expense. This notice shall be presented on the front page of the budget summary in at least 10-point bold type. If a Member requests a copy of the complete budget, the Association shall mail the material, via first class mail, within five days.

(b) Year-End Report. Within 120 days after the close of the fiscal year, a copy of the Association's year-end report consisting of at least the following shall be distributed to Members:

(i) A balance sheet as of the end of the fiscal year;

(ii) An operating (income) statement for the fiscal year;

(iii) A statement of changes in financial position for the fiscal year;

(iv) A statement advising Members of the place where the names and addresses of the current Members are located; and

(v) Any information required to be reported under section 8322 of the Corporations Code requiring the disclosure of certain transactions in excess of 2-½% of the Association's budgeted gross expenses for that fiscal year between the Association and any director or officer of the Association and indemnifications and advances to officers or directors.

The annual report shall be prepared in accordance with generally accepted accounting principles by a licensee of the State Board of Accountancy for any fiscal year in which the gross income of the Association exceeds \$75,000 or such other amount as may be set forth in the applicable portion of Civil Code Section 1365 or comparable successor statute. If the annual report is not prepared by such a licensee, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared without an audit from the books and records of the Association.

(c) Annual Statement Regarding Delinquency/Foreclosure Policy. In addition to financial statements, the Board of Directors shall annually distribute, within 60 days prior to the beginning of the fiscal year, a statement describing the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of Regular and Special Assessments including the recording and foreclosing of liens against Members' Lots.

(d) Review of Accounts. On no less than a quarterly basis, the Board of Directors shall:

(i) Review a current reconciliation of the Association's operating accounts;

(ii) Review a current reconciliation of the Association's reserve accounts;

(iii) Review the current year's actual reserve revenues and expenses compared to the current year's budget;

(iv) Review the Association's latest account statements prepared by the financial institution(s) with whom the operating and reserve accounts are lodged; and

(v) Review the Association's income and expense statement for the operating and reserve accounts.

Section 6. Required Reserve Studies At least once every three years, the Board shall cause a study of the reserve account requirements of Kent Woodlands to be conducted if the current replacement value of the major components which the Association is obligated to repair, replace, restore or maintain is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board shall also review any reserve study required hereunder on an annual basis 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 hereunder shall include the minimum requirements specified in Civil Code section 1365.5 or comparable successor statute.

To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.

Section 7. Alternative Dispute Resolution (ADR) Disclosure On an annual basis, the Board shall provide each member a summary of the provisions of Civil Code section 1354, which specifically references section 1354 and which includes the language required by section 1354(i). The summary shall be provided either at the time the budget required by section 5(a) of this article is distributed or in the manner specified in Corporations Code section 5016.

## **ARTICLE XII Miscellaneous**

### Section 1. Inspection of Books and Records

(a) Member Inspection Rights. All accounting books and records, minutes of proceedings of the Members, the Board and committees of the Board and the membership list of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member or his or her duly appointed representative at the offices of the Association for any purpose reasonably related to the Member's interest as such. Member's rights of inspection hereunder shall be exercisable on 10 days' prior written demand on the Association, which demand shall state the purpose for which the inspection rights are requested. Inspection rights with respect to the membership list shall be subject to the Association's right to offer a reasonable alternative to inspection within 10 days after receiving the Member's written demand (as more particularly set forth in section 8330 and following of the California Corporations Code).

(b) Director Inspection Rights. Every director shall have an absolute right at any reasonable time to inspect all books, records, documents and minutes of the Association and the physical properties owned by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

(c) Adoption of Reasonable Inspection Rules. The Board of Directors may establish reasonable rules with respect to: (i) notice of inspection; (ii) hours and days of the week when inspection may be made; and (iii) payment of the cost of reproducing copies of documents requested by the Member.

(d) Board Meeting Minutes. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors, other than an executive session, shall be available to the Members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement of the Association's costs in making that distribution. Members shall be notified in writing at the time that the pro forma budget required by section 5 of article XI is distributed or at the time of any general mailing to the entire membership of the Members' right to have copies of the minutes of any Board meeting and how and where those minutes may be obtained.

Section 2. Robert's Rules of Order In the event of a question or dispute concerning the procedural aspects of any meetings which cannot be resolved by reference to these Bylaws or applicable law, the matter shall be resolved by reference to Robert's Rules of Order.

Section 3. Amendment or Repeal of Bylaws. Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the affirmative vote or assent by written ballot of 25% of the Voting Power of the Association; provided that if any provision of these Bylaws requires the vote of a larger proportion or all of the Members, such provisions may not be altered, amended or repealed except by such greater vote, unless otherwise specifically provided herein.

Section 4. Notice Requirements Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 72 hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association or the Board of Directors at the principal office of the Association as designated from time to time by written notice to the Members; if to a director, at the address from time to time given by such director to the secretary for the purpose of service of such notice; if to a Member, at the address from time to time given by such Member to the secretary for the purpose of service of such notice, or, if no such address has been so given, to the address of any Lot within Kent Woodlands owned by such Member.

#### Section 5. Indemnification

(a) Indemnification by Association of Directors, and Officers, Employees and Other Agents. To the fullest extent permitted by law, the Association shall indemnify its directors, and officers, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in that section and including an action by or in the right of the Association, by reason of the fact that such person is or was a director or officer. The term "Expenses," as used in this section, shall have the same meaning as in section 7237(a) of the California Corporations Code.

(b) Approval of Indemnity by Association. On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine in accordance with section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in section 7237(b) or section 7237(c) has been met and, if it has, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to the proceeding, the Board shall promptly call a meeting of Members. At that meeting, the Members shall determine under section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in section 7237(b) or section 7237(c) has been met and, if it has, the Members present at the meeting in person or by proxy shall authorize indemnification.

(c) Advancement of Expenses. To the fullest extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a director or officer seeking indemnification under paragraphs (a) and (b) of this section in defending any proceeding covered by those sections shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

(d) Insurance. The Association shall have the power to purchase and maintain insurance on behalf of its directors and officers against other liability asserted against or incurred by any director or officer employee or agent in such capacity or arising out of the director's or officer's status as such.

Section 6. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter,

and singular number includes the plural and the plural number includes the singular. All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

**CERTIFICATE OF SECRETARY**

The undersigned, secretary of the corporation known as Kent Woodlands Property Owners Association, hereby certifies that the above and foregoing Restated Bylaws, consisting of 22 pages, were duly adopted by written ballot of the Members of the Association on \_\_\_\_\_, 1995, and that they now constitute the Bylaws of the Association.

**KENT WOODLANDS PROPERTY OWNERS  
ASSOCIATION**, a California nonprofit mutual  
benefit corporation

By \_\_\_\_\_, Secretary

**RESTATED BYLAWS  
OF  
KENT WOODLANDS PROPERTY OWNERS ASSOCIATION**

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**AMENDMENTS**  
**to the**  
**RESTATED BYLAWS**  
**OF**  
**KENT WOODLANDS PROPERTY OWNERS ASSOCIATION**

1. The Board of Directors of this Association, following a majority vote in February of 2000 of the members by written ballot in support of an amendment of the first sentence of Article VI, Section 2 of the Association's Bylaws, amended it to read as follows:

The number of directors of the Association shall not be less than five (5) nor more than seven (7). The exact number of directors, and the staggering of their terms of office, shall be fixed from time to time, within the limits specified in this Section 2, by the Board of Directors.