

RESTATED AND AMENDED BYLAWS

OF

BELCOURT TERRACE HOMEOWNERS ASSOCIATION

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>PAGE NO.</u>
ARTICLE I NAME AND LOCATION	1
ARTICLE II DEFINITIONS	1
Section 2.1 Declaration	1
Section 2.2 Other Definitions	1
ARTICLE III MEMBERSHIP; VOTING RIGHTS	1
ARTICLE IV MEETINGS OF MEMBERS	2
Section 4.1 Annual Meetings	2
Section 4.2 Special Meetings	2
Section 4.3 Place of Meetings	2
Section 4.4 Notice Contents	2
Section 4.5 Quorum	2
Section 4.6 Proxies	3
Section 4.7 Parliamentary Procedure	3
Section 4.8 Action Without Meeting	3
ARTICLE V SELECTION AND TERM OF OFFICE OF BOARD	3
Section 5.1 Number and Qualifications	3
Section 5.2 Term of Office	3
Section 5.3 Compensation	3
Section 5.4 Indemnification of Directors, Officers, and Employees	3
ARTICLE VI NOMINATION, ELECTION, AND REMOVAL OF DIRECTORS	4
Section 6.1 Nomination	4
Section 6.2 Election By Acclamation	4
Section 6.3 Election	4
Section 6.4 Cumulative Voting	4
Section 6.5 Removal of Directors by the Board	4
Section 6.6 Removal of Directors by the Membership	4
Section 6.7 Resignation	4
Section 6.8 Vacancies	5
ARTICLE VII MEETINGS OF DIRECTORS	5
Section 7.1 Regular Meetings	5

Section 7.2	Special Meetings	5
Section 7.3	Organizational Meeting of Board	5
Section 7.4	Quorum	6
Section 7.5	Board Action Without a Meeting	6
Section 7.6	Adjournment – Notice	6
Section 7.7	Conduct of Meetings	6
Section 7.8	Right of Members to Attend	6
Section 7.9	Executive Sessions	6
Section 7.10	Virtual Meetings	6
Section 7.11	Minutes	7
ARTICLE VIII	POWERS AND DUTIES OF THE BOARD OF DIRECTORS	7
Section 8.1	Powers	7
Section 8.2	Duties	7
Section 8.3	Budgets and Financial Statements	7
ARTICLE IX	OFFICERS AND THEIR DUTIES	8
Section 9.1	Enumeration of Officers	8
Section 9.2	Election of Officers	8
Section 9.3	Term	8
Section 9.4	Special Appointment	8
Section 9.5	Resignation and Removal	8
Section 9.6	Vacancies	8
Section 9.7	Multiple Offices	8
Section 9.8	Duties	9
ARTICLE X	COMMITTEES	9
ARTICLE XI	BOOKS AND RECORDS	9
Section 11.1	Inspection and Copying	9
Section 11.2	Rights of Directors	10
ARTICLE XII	ASSESSMENTS	10
ARTICLE XIII	AMENDMENTS	10
ARTICLE XIV	MISCELLANEOUS	11
Section 14.1	Fiscal Year	11
Section 14.2	Conflict	11
Section 14.3	Proof of Membership	11

RESTATED AND AMENDED BYLAWS
OF
BELCOURT TERRACE HOMEOWNERS ASSOCIATION

These Restated and Amended Bylaws (“Bylaws”) revoke all previous bylaws, as well as all amendments to those bylaws, and substitute in their place these Bylaws.

ARTICLE I

NAME AND LOCATION

The name of the corporation is BELCOURT TERRACE HOMEOWNERS ASSOCIATION (hereinafter referred to as the “Association”). The Association is a California nonprofit mutual benefit corporation and an association as defined by Civil Code §4080. The principal office of the corporation shall be located within the County of Orange, State of California.

ARTICLE II

DEFINITIONS

Section 2.1 Declaration. The “Declaration” shall mean the Restated and Amended Declaration of Covenants, Conditions, and Restrictions Establishing a Plan of Condominium Ownership for Belcourt Terrace Homeowners Association, recorded on October 31, 2011, as Document No. 2011000546918, and any amendments thereto.

Section 2.2 Other Definitions. Each and every definition set forth in Article I of the Declaration shall have the same meaning herein.

ARTICLE III

MEMBERSHIP; VOTING RIGHTS

The qualification for membership and the voting rights of members shall be as set forth in Article V of the Declaration. If the board or an inspector of elections requests proof of membership, such proof shall be in the form of a recorded deed for a condominium within the Association.

ARTICLE IV

MEETINGS OF MEMBERS

Section 4.1 Annual Meetings. Annual meetings of the members shall be held in or around May of each year, but in no event more than fifteen (15) months from the date of the preceding annual meeting. Notice of the annual meeting shall be given not less than thirty (30) days before the date of the meeting.

Section 4.2 Special Meetings. A special meeting of the members shall be promptly called by the board upon:

- (a) The vote for such a meeting by a majority of the board, or
- (b) Receipt of a written request for a special meeting signed by members representing at least five percent (5%) of the total voting power of the Association.

Notice of special meetings called by the board shall be given ten (10) to ninety (90) days before the meeting date. If action is to be taken at the meeting, secret ballots shall be mailed to every member not less than thirty (30) days before the deadline for voting. Notice of special meetings called by the members shall be given by the board within twenty (20) days after the board's receipt of such petition. The special meeting must be held thirty-five (35) to ninety (90) days following the board's receipt of the request, except a meeting called to remove a director, in which case the special meeting must be held thirty-five (35) to one hundred twenty (120) days following the board's receipt of the petition. Only those persons or entities on title who have provided such evidence to the Association before the date the meeting notice is sent are entitled to receive such notice.

Section 4.3 Place of Meetings. Meetings of the members shall be held within the development or a meeting place as close thereto as possible. Unless unusual conditions exist, meetings shall not be held outside Orange County.

Section 4.4 Notice Contents. The membership meeting notice shall specify the place, date, and time of the meeting, and, in the case of a special meeting, the nature of the business to be conducted.

Section 4.5 Quorum. The presence at any meeting in person or by ballot of members entitled to cast at least forty percent (40%) of the total votes of all members of the Association shall constitute a quorum. In the absence of a quorum, a majority of those present in person or by ballot may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum of those in attendance shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall be twenty percent (20%) of the total voting power of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original

meeting or if, for any reason, a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular membership meetings.

Section 4.6 Proxies. Proxy voting is not allowed.

Section 4.7 Parliamentary Procedure. Parliamentary procedure shall be used at all membership meetings, but is not required for board meetings.

Section 4.8 Action Without Meeting. Any action that may be taken by the vote of members at a regular or special meeting may be taken without a meeting if done in compliance with the provisions of the Davis-Stirling Act.

ARTICLE V

SELECTION AND TERM OF OFFICE OF BOARD

Section 5.1 Number and Qualifications. The affairs of this Association shall be managed by a board of five (5) directors, who are required to be members of the Association. The qualifications for directors shall be set forth in duly adopted election rules.

Section 5.2 Term of Office. Each director shall serve for a term of two (2) years or until a qualified successor is elected or appointed to fill their seat.

Section 5.3 Compensation. No director shall receive compensation for any service they may render to the Association. However, any director may be reimbursed for their actual expenses incurred in the performance of their duties.

Section 5.4 Indemnification of Directors, Officers, and Employees. Except to the extent prohibited by then applicable law, the Association may reimburse, indemnify and hold harmless each present and future director, officer and employee of this Association from and against all loss, cost, liability, and expense which may be imposed upon or reasonably incurred by them, including reasonable settlement payments, in connection with any claim, action, suit or proceeding, or threat thereof, made or instituted, in which he may be involved or be made a party by reason of their being or having been a director, officer or employee of this Association or such other Association, or by reason of any action alleged to have been taken or omitted by them in such capacity. Such indemnity may be provided if a disinterested majority of the board of this Association (or, if a majority of the board is not disinterested, then independent legal counsel) determines in good faith that such person was acting in good faith within what they reasonably believed to be the scope of their authority or employment and for a purpose which they reasonably believed to be in the best interests of the Association.

The right of indemnification provided in this Section shall inure to each person referred to in this Section, and in the event of their death, shall extend to their legal representatives. The right of indemnification provided in this Section shall not be exclusive of any other rights to

which any such person, or any other individual, may be entitled as a matter of law (including, without limitation, their rights under Section 7237 of the California Corporations Code), or under any agreement, vote of directors or stockholders, or otherwise.

ARTICLE VI

NOMINATION, ELECTION, AND REMOVAL OF DIRECTORS

Section 6.1 **Nomination.** Each year before the annual meeting, the board shall, by written notice to all members, solicit nominations of candidates for election to the board. The notice shall include the qualifications for election to the board and a deadline for submitting nominations. Qualified candidates may nominate themselves, provided they submit their nomination prior to the close of nominations. Nominations from the floor at the membership meeting are also permitted unless prohibited by law, so long as the nominee is present at the membership meeting and either self-nominates or immediately accepts the nomination from another member.

Section 6.2 **Election By Acclamation.** Notwithstanding the secret balloting requirements contained in these Bylaws, if on the deadline for submitting nominations, the number of qualified candidates is not more than the number of directors' seats to be filled, as determined by the inspector of elections, the Association may, but is not required to, consider the qualified candidates elected by acclamation if it has followed the procedures outlined in Civil Code §5103, or any successor statute.

Section 6.3 **Election.** Election to the board and removal therefrom shall be by secret written ballot. The persons receiving the largest number of votes shall be elected.

Section 6.4 **Cumulative Voting.** Cumulative voting shall not be allowed in the election of directors.

Section 6.5 **Removal of Directors by the Board.** By vote at a duly noticed meeting of the board, the board may declare vacant the office of any director if the director (a) ceases to meet the qualifications of a director; (b) has been declared of unsound mind by a final order of court; or (c) has been absent from three (3) consecutive regular meetings of the board or four (4) regular meetings within any twelve (12) month period.

Section 6.6 **Removal of Directors by the Membership.** Any director may be removed from the board with or without cause by a majority vote of the members of the Association at a duly held meeting at which a quorum is present.

Section 6.7 **Resignation.** Any director may resign by giving written notice to the board. The resignation shall take effect upon the giving of the notice, unless a later time is specified in the notice. If the resignation is effective at a future time, the resigning director may participate in the selection of a successor to fill the vacated seat.

Section 6.8 Vacancies. Vacancies on the board caused by the membership's removal of one or more directors shall be filled by the membership. Vacancies created other than by removal by the members shall be filled by the remaining members of the board, and the appointed director shall serve for the unexpired term of their predecessor. In the event that the members fail to elect directors, due to a lack of quorum or otherwise, the directors may appoint directors to fill the vacancies.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 7.1 Regular Meetings. Regular meetings of the board shall be held monthly, at such time as may be fixed from time to time by resolution of the board. The meeting place shall ordinarily be within the subdivision itself unless, in the judgment of the board, a different location within Orange County would be more practical.

Members shall be given an agenda and notice of the time and place of board meetings at least four (4) calendar days before the meeting. The notice and agenda may be posted in the location or website described in the annual policy statement. An emergency meeting of the board may be called if circumstances that could not have been reasonably foreseen require immediate attention by the board. In such instances, the board shall give notice as may be reasonable and practical.

Notice of the time and place of a regular meeting shall be communicated to board members not less than four (4) days prior to the meeting, provided however, that notice of a meeting need not be given to any board member who has signed a waiver of notice or a written consent to holding of the meeting. Attendance by a director at any meeting of the board shall be a waiver of notice by that director of the time and place thereof.

Board meetings may be conducted virtually as described in Section 7.10.

Section 7.2 Special Meetings. Special meetings of the board may be called by written notice signed by the president of the Association or by any two members of the board other than the president. The notice shall specify the time and place of the meeting, and the agenda shall state the nature of any special business to be considered.

Notice shall be posted in a manner prescribed for notice of regular meetings.

Section 7.3 Organizational Meeting of Board. The first meeting of a newly elected board shall be an organizational meeting and shall be held within thirty (30) days of the election of the board, at such place as shall be fixed and announced by the directors at the meeting at which such directors were elected for the purpose of organization, election of officers, and the transaction of other business. No notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the whole board shall be present when the time and place are announced.

Section 7.4 Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board, unless a greater number is required by law, the articles of incorporation, these Bylaws, or the Declaration.

Section 7.5 Board Action Without a Meeting. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the unanimous written consent of all the directors to the action to be taken. Any action so approved shall have the same effect as though taken at a meeting of the directors. If the board resolves by unanimous written consent to take action, an explanation of the action taken shall be filed with the minutes of the next board meeting.

Section 7.6 Adjournment - Notice. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour. Notice of the time and place of holding an adjourned meeting shall be given to all directors. In the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the board.

Section 7.7 Conduct of Meetings. The president, or in their absence, any director selected by the directors present, shall preside at meetings of the board. The secretary of the corporation, or in their absence, any person appointed by the presiding officer, shall act as secretary of the board.

Section 7.8. Right of Members to Attend. Regular and special meetings of the board shall be open to all members of the Association, except executive session. Members who are not on the board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the board. Attendance by a member at a meeting shall constitute a waiver of any objections such person may have with respect to notice of that meeting, except when the member 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, if that objection is expressly made at the meeting.

Section 7.9 Executive Sessions. Executive sessions are closed-session meetings that are not open to the membership. The board may meet in executive session to discuss and vote upon (a) litigation; (b) the formation of contracts with third parties; (c) member discipline; (d) personnel matters; (e) delinquent assessments; or (f) any other matter permitted by law. Any matters considered in executive session shall be generally noted in the minutes of the next meeting open to the entire membership.

Section 7.10 Virtual Meetings. Members of the board may participate in a meeting through a conference telephone, electronic video screen, video conferencing equipment, or similar communications equipment, provided that all directors participating in such meeting can

hear one another. Participation in a meeting pursuant to this Section constitutes presence in person at such meeting.

Section 7.11 Minutes. Minutes or a similar record of the proceedings of meetings of members or the board, when signed by the president or secretary, shall be presumed truthful to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1 Powers. The board shall have all powers conferred upon the Association as set forth herein and in the Declaration, excepting only those powers expressly reserved to members.

Section 8.2 Duties. It shall be the duty of the board to:

- (a) Cause to be kept a complete record of all acts and corporate affairs.
- (b) Supervise all officers, committee members, agents, and employees of this Association, and to see that their duties are properly performed.
- (c) Delegate its powers as provided in the Declaration.

Section 8.3 Budgets and Financial Statements. The board shall cause to be regularly prepared and distributed to all members, regardless of the number of members or the amount of assets of the Association, as follows:

(a) An annual budget report, including a pro forma budget consisting of at least the following information for each fiscal year, shall be distributed not less than thirty (30) days prior to the beginning of the fiscal year:

- (i) Estimated revenue and expenses on an accrual basis.
- (ii) The amount of the total cash reserves of the Association currently available for replacement or major repair of common facilities and for contingencies.
- (iii) An itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement, or additions to major components of the common areas and facilities for which the Association is responsible.
- (iv) A general statement setting forth the procedure used by the governing body in the calculation and establishment of reserves to defray the costs of repair, replacement, or additions to major components of the common areas and facilities for which the Association is responsible.

(b) For any fiscal year in which the gross income of the Association exceeds \$75,000, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy shall be distributed. If the report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without independent audit or review from the books and records of the Association.

(c) In addition to the annual budget report, the board shall annually distribute within thirty (30) days prior to the beginning of the fiscal year an annual policy statement, which shall include 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' condominium interests.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 9.1 Enumeration of Officers. The officers of the Association shall be a president and vice president, who shall at all times be members of the board, a secretary, a treasurer, and such other officers as the board may from time to time by resolution create.

Section 9.2 Election of Officers. The election of officers shall take place at the organizational meeting of the board following each annual meeting of the members.

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

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

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

Section 9.6 Vacancies. A vacancy in any office may be filled by appointment by the board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

Section 9.8 Duties. The duties of the officers, which may be delegated to a managing agent, are as follows:

(a) President. The president shall preside at all meetings of the board, shall see that orders and resolutions of the board are carried out, shall sign all leases, mortgages, deeds, and shall co-sign all promissory notes.

(b) Vice President. The vice president shall act in the place and stead of the president in the event of their absence, inability or refusal to act, and shall perform such other duties as may be required of them by the board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the board and of the members, shall keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the board.

(d) Treasurer. The treasurer shall be responsible for receiving and depositing in appropriate bank accounts all monies of the Association and shall be responsible for disbursing such funds as directed by resolution of the board, shall co-sign all promissory notes of the Association, shall keep proper books of account, shall prepare budgets and financial statements on behalf of the Association, and shall perform such other duties as required by the board.

ARTICLE X

COMMITTEES

The board shall appoint such committees as it deems appropriate in order to carry out its purpose.

ARTICLE XI

BOOKS AND RECORDS

Section 11.1 Inspection and Copying. The membership register, books of account and minutes of meetings of the members, of the board and of committees of the board of the Association, except executive sessions or committees, shall be made available for inspection and copying by any member of the Association, or by their duly appointed representative, at any reasonable time and for a purpose reasonably related to their interest as a member, at the office

of the Association or at such other place within the development as the board shall prescribe. Costs charged to the requesting member shall be in compliance with the Davis-Stirling Act.

Section 11.2 Rights of Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association, except to the extent that said director has a conflict of interest regarding any documents to be inspected. The right of inspection by a director includes the right to make extracts and copies of documents.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each member is obliged to pay to the Association regular assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments that are not paid when due shall be delinquent and subject to a late charge in an amount as determined by the Association from time to time, which charge shall not exceed the maximum amount permitted under California law. If the assessment is not paid when due, it shall accrue late charges as described in the Declaration and shall bear interest from the date of delinquency at twelve percent (12%) per annum. The Association shall have the right to impose monetary penalties (fines), temporary suspensions of an owner's rights as a member of the Association or other appropriate discipline for failure to comply with the governing instruments provided that the procedures for notice and hearing, satisfying the minimum requirements of Civil Code §5855, are followed with respect to the accused member before a decision to impose discipline is reached.

The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and actual attorneys' fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise be relieved of liability for the assessments provided for herein.

ARTICLE XIII

AMENDMENTS

These Bylaws may be amended at a regular or special meeting of the members, by the vote or written assent of at least a bare majority of a quorum of the voting power of the Association.

Notwithstanding the above, the percentage of a quorum of the voting power of the Association necessary to amend a specific clause or provision in these Bbylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

If at any time a provision in these Bylaws contradicts current law, according to a written opinion of the Association's legal counsel, the board will have the authority, on the unanimous approval of the directors and without approval of the members, to amend that provision, but only to the extent necessary to render the provision compliant with applicable law.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Fiscal Year. The fiscal year of the Association shall be determined by the board from time to time, except that the first fiscal year shall begin on the date of incorporation of the Association.

Section 14.2 Conflict. In the case of any conflict between the articles and these Bylaws, the articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 14.3 Proof of Membership. No person shall exercise the rights of membership in the Association until satisfactory proof of membership has been furnished to the secretary. Such proof shall consist of a copy of a recorded deed showing said person to be the owner of a condominium in the development entitling them to membership. Such deed shall be deemed conclusive in the absence of a conflicting claim based on a later recorded deed.

CERTIFICATE OF ADOPTION BYLAWS

We, the undersigned, do hereby certify:

That we are the duly elected officers of the Belcourt Terrace Homeowners Association, a California nonprofit mutual benefit corporation.

That the foregoing Bylaws constitute the Bylaws of the Association, as duly adopted at a meeting of the Board of Directors held on _____.

IN WITNESS WHEREOF, we have signed our names this ____ day of _____, 202__.

President

Secretary