

EXHIBIT "B"

BY-LAWS

OF

QUAIL MEADOWS WEST HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

The **name** of this association is Quail Meadows West Homeowners Association, Inc., hereinafter referred to as the "Association." The principal office of the association shall be located at the Property in the County of Santa Barbara, California.

ARTICLE 2

DEFINITIONS

Section 1. "Declaration." The Declaration shall mean, collectively, the Declaration and Establishment of Covenants, Conditions and Restrictions establishing a Planned Development Ownership and any amendments thereto, if any, recorded or to be recorded pursuant thereto, and applicable to the Planned Unit Development commonly known and referred to as: Quail Meadows West Homeowners Association, Inc., also known as Q.M.W.H.O.A.

Section 2. "Other Definitions." Each and every definition set forth in Article 3 of the Declaration shall have the same meaning herein as therein, and each and every such definition is incorporated by reference herein and made a part hereof as if once again fully written and set forth at length here at.

ARTICLE 3

MEMBERSHIP; VOTING RIGHTS

Section 1. The qualification for membership, and the voting rights of members shall be as set forth in Articles 3 & 4 of the Declaration

Section 2. INCORPORATED BY REFERENCE. The Declaration is by this reference incorporated herein and made a part hereof as if set forth here in full.

## ARTICLE 4

### MEETING OF MEMBERS

Section 1. "Annual Meetings." Annual meetings of members of the Association shall be held each year on the 15<sup>th</sup> of January, or at such other time and at such place as shall be designated in writing to the members by the Secretary of the Association on behalf of the Board of Directors; provided, however, that such other time may not be more than thirty (30) days before or after the date herein established as the date for the annual meeting. Meetings of the Association members shall be held within the project or at a meeting place as close thereto as possible. Unless unusual conditions exist, members' meetings shall not be held outside of the County in which the project is located.

The Board Chairperson from the preceding year shall be responsible for chairing the Annual Meeting, and the Members shall transact such business as may be brought before the meeting. Candidates for the annual election being previously known, balloting for the election shall be done prior to the meeting in conjunction with the registration for the meeting.

Section 2. "Special Meetings." A special meeting of the Association shall be promptly called by the governing body upon:

- (1) The vote for such a meeting by a majority of the Board;
- (2) Receipt of a written request for a special meeting signed by members representing at least 5% of the total voting power of the Association.

Section 3. "Notice of Meetings." Written Notice of regular meetings shall be given to members by the governing body. Notice may be delivered either personally or by Messenger or United States mail (postage prepaid), addressed to the member of the Association to whom it is directed, at the address as may be supplied to the Association by said Owner. This Notice shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting at which members are required or permitted to take any action. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting, the nature of the business to be undertaken.

Section 4. "Governing Body Meetings." Regular meetings of the governing body (hereinafter the Board) of the Association shall be held as prescribed in these By-Laws. Ordinarily, such meetings shall be conducted at least monthly, though, if business to be transacted by the Board does not justify more frequent meetings, the Board may prescribe meetings as infrequently as every six months. The amount of business to be transacted by the Board shall determine the necessity and frequency of meetings.

Regular meetings of the Board shall be held at a time and place determined by them, within the small lot subdivision, fixed by the Board from time to time. The meeting place shall ordinarily be within the subdivision itself unless in the judgment of the Board a larger meeting room is required in which case the meeting room selected shall be as close as possible to the subdivision. Notice of the time and the place of such meeting shall be posted at a prominent place or places within the common area and shall be communicated to the Board members not less than four days prior to the meeting.

A special meeting of the Board may be called by written notice by the Chairperson of the Association or by any two members of the Board other than the Chairperson. The notice shall specify the time and the place of the meeting and the nature of any special business to be considered. The notice shall be sent to all Board members and posted in a manner prescribed for notice of regular meetings, not less than 72 hours prior to the scheduled time of the meeting, provided however, that notice of the meeting need not be given to any governing body member who signed a waiver of notice or a written consent to holding of the meeting. Regular and special meetings of the Board shall be open to all members of the Association provided, however, that Association members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of the majority of a quorum (a quorum is a majority of the governing body) of the Board. The Board may, with approval of a majority of a quorum of its members, adjourn a meeting and reconvene in an executive session to discuss a vote upon personal matters, litigation upon which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall be first announced in open session.

The Board may take actions without a meeting if all of its members consent in writing to the action to be taken. If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the common area within three days after the written consents of all Board members have been obtained.

Section 5 "Waiver of Notice, Consent." All requirements of notice as provided herein shall be deemed to have been met with regard to any member who is present in person at any meeting of the Association or the Board. In addition, any Member may, at anytime, waive, in writing, the requirements of notice as herein provided.

Section 9. "Parliamentary Procedure." All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

Section 10. "Majority of Owners." Except as otherwise provided herein or in the Declaration, the majority of the total voting power present, in person or by proxy, shall prevail at all meetings, except as otherwise provided in Governing Documents. To change CC&R's or By-Laws see Article XVI Sec.16.01 (in CC&R's) for vote requirements.

## ARTICLE 5

### ELECTION AND REMOVAL OF OFFICERS

Section 1. "Election of Officers." The Association shall elect officers thereof at the Annual Meeting, who shall serve a one year term. The Officers shall be a Chairperson, 1<sup>st</sup> Vice Chairperson, 2<sup>nd</sup>. Vice Chairperson, Secretary, and Treasurer. Voting shall be by straight voting (one vote per lot) and votes shall **not be cumulated**.

Section 2. "Board of Directors." The five officers elected in accordance with Section 1 above shall constitute the Board of Directors of the Association.

Section 3. "Removal of Officers." An officer may resign in writing with as much notice as is feasible or the officer may be removed from office prior to the expiration of his/her term of office by an affirmative vote of at least a simple majority of the Members of the Association. The latter action must be taken by secret ballot at a special meeting of the membership, which shall be held in accordance with the provisions of Article 4, "Meetings of Members."

Section 4. "Filling a Vacancy in an Office." A vacancy in an office shall be filled promptly whenever it occurs. In the event of resignation, the Board shall have ten (10) days from the notice date to elect a replacement officer. Said election shall require a three-fourths vote of the Board with the out-going officer abstaining. If the Board is unable to so elect a new officer within the ten (10) days, and in any case of a removal from office, it shall call for a special election to be held within the ensuing twenty (20) days. For this purpose, a Special Meeting of the Membership shall be held with nominations from the floor and a secret ballot, in accordance with pertinent provisions of Article 4 - "Meetings of Members."

(Section 4 continued). To avoid a Special Meeting just before the Annual Meeting, a vacancy occurring in November or December of any year, whether by resignation or removal, shall be temporarily filled for the short period to the ensuing Annual Meeting as follows: The Board shall ask the Nominating Committee to nominate two candidates without delay. Upon the nominee's becoming known, the Board shall meet in executive session to elect one for the temporary post. In case of tie vote, a majority of the nominating committee shall determine which of the two nominees is elected. If the vacant office has another year to run, it shall be permanently filled at the ensuing Annual Meeting.

## ARTICLE 6

### DUTIES OF OFFICERS

Section 1. "Chairperson." The Chairperson shall preside at all meetings of the Association; shall see that orders and resolutions of the Association are carried out; shall sign all written instruments authorized to be executed by the Board, as otherwise provided herein, shall have the power to appoint committees from among the Owners from time to time as he may, at his discretion, decide appropriate to assist in the conduct of the affairs of the project; and shall discharge such other duties as may be required of him by the Association.

Section 2. "Vice-Chairperson." A Vice Chairperson shall act in the place and stead of the Chairperson in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Association.

Section 3. "Secretary." The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Association; shall serve notice of meetings of the Association; shall keep, or cause to be kept, appropriate current records showing the names of the Owners; and shall perform such other duties as may be required by the Association.

Section 4. "Treasurer." The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The books of account shall at all times be open to inspection by any owner. The Treasurer shall deposit all monies and other valuables in the names and to the credit of the Association with such depositories as may be designated by the Association. He shall disburse the funds in payment of approved bills and invoices presented to him. He shall furnish to the Chairperson and Owners, whenever they request it, an account of all his transactions as Treasurer, and of the financial conditions of the Association, and shall have such other powers and perform duties as may be prescribed by the Association.

Section 5. "Compensation." No officer shall receive any compensation for any service he may render to the Association; provided, however, any officer may be reimbursed for actual out-of-pocket expense incurred by him in the performance of his duties.

#### ARTICLE 7

#### ASSESSMENTS

Section 1. "Liability for Assessments; Collection." As more fully provided in Article VII of the Declaration, each member is obligated to pay to the Association annual and special assessments to be collected as therein set forth.

#### ARTICLE 8

#### AMENDMENTS

Section 1. These By-Laws may be amended by vote or written consent of a bare majority of the voting power of the Association and at least a bare majority of the votes of the members. Provided, further, that in the event the clause or provision to be amended requires the affirmative vote of a percentage of owners greater than a bare majority, such clause or provision may not be amended by a vote of less than such higher percentage.

Section 2. Any amendments to these By-Laws must be recorded by proper Governmental agency and becomes a part of permanent Association records.

#### ARTICLE 9

#### GENERAL PROVISIONS

Section 1. In the case of any conflict between any provisions of the Declaration and these By-Laws, the conflicting provisions of the Declaration shall control. In case any of these By-Laws conflict with any provisions of the laws of the State of California such conflicting By-Laws shall be null and void, but all other By-Laws shall remain in full force and effect.

Section 2. "Fiscal Year." The fiscal year of the Association shall be a calendar year unless and until a different fiscal year is adopted by the members at a duly constituted meeting thereof.

Section 3. "Proof of Membership." No person shall exercise the rights of membership in the Association until a satisfactory proof thereof has been furnished to the Secretary. Such proof may consist of either a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person to be the owner of an interest in a Manufactured Home entitling him to membership. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

Section 4. "Absentee Ballots." The board may make such provisions as it may consider necessary or desirable for absentee ballots.

Section 5. "Inspection of Books and Records." The membership register, if any, books of accounts and minutes of meetings of the Association shall be made available for inspection and copying by any member of the Association or by his duly appointed representative at any reasonable time at the project. In this regard, The Association shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the member desiring to make the inspection;

(b) Hours and days of the week when such an inspection may be made; and

(c) Payment of the cost of reproducing copies of documents requested by a member.

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. The right of inspection by a director includes the right to make extract and copies of the documents.

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CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Quail Meadows West Homeowners Association, Inc., a California nonprofit Corporation, and

2. The foregoing By-Laws comprising of 9 pages, including this page, constitute the By-Laws of the Corporation duly adopted at the meeting of the Association Members there of, duly held on \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name

\_\_\_\_\_



RESOLUTION

**QUAIL MEADOWS WEST HOMEOWNER'S ASSOCIATION**

**RECORDS INSPECTIONS RULES/POLICY**

**WHEREAS**, the Board is proposing new rules relating to inspection of HOA records and is considering adoption of a policy herein, for the Association; and

**WHEREAS**, the governing documents for the Association address the subject matter at CCR's, Article XIII, Section 13.01; and

**WHEREAS**, California law provides guiding regulations in this areas in Civil Code Sections 1363(f) and 1365.2, and Corporations Code Section 8330, and

**NOW, THEREFORE**, Pursuant to California Law, we hereby adopt the following Records Inspection Policy:

**REQUEST MUST BE IN WRITING:** All requests to review, inspect and/or copy records of the Association must be made in writing [on the attached form/in the format shown on page 2 of this Resolution]. The owner requesting the list shall state the purpose for which the list is requested which purpose shall be reasonably related to the requester's interest as an Owner. If the board reasonably believes that the information in the list will be used for another purpose, it may deny the Owner access to the list. If the request is denied, in any subsequent action brought by the Owner to enforce the right to receive records, the association shall have the burden to prove that the Owner would have allowed use of the information for purposes unrelated to his or her interest as an Owner.

**WHAT MAY BE INSPECTED/COPIED/PROVIDED:** The following records shall either be made available for inspection of copied pursuant to an Owner request (on the terms, requirements and timelines stated below):

**"Association Records"** which include:

**Financial and Accounting Records**

1. Any financial document required to be provided to an Owner in Section 1365 (which relate to Association financial disclosures to Owners).
2. Any financial document or statement required to be provided in Section 1368 (which relate to documents provided by seller at time of sale).
3. Interim unaudited financial statements, periodic or as compiled, containing any of the following: balance sheet, income & expense statement, budget comparison, general ledger (a report that shows all transactions that occurred in an association account over a specified period of time), all of which are prepared in accordance with an accrual or modified accrual basis of accounting.
4. Executed contracts not otherwise privileged under law.
5. Written board approval of vendor or contractor proposals or invoices.
6. State & Federal tax returns.
7. Reserve account balances and records of payments made from reserve accounts.
8. Agendas and minutes of meetings of the Owners, the board and any committees appointed by the board of directors; excluding, however, agendas, minutes, and other information from executive sessions of the board of directors as described in Section 1363.05.
9. Check registers.

**Membership lists**, including only the name, property address, and mailing address of Owners. An Owner of the association may opt out of the sharing of his or her name, property address and mailing address by notifying the association in writing that he or she prefers to be contacted via the alternative process in subdivision (c) of section 8330 of the Corporations Code. To do so, an Owner must send his or her written request to the Association to “opt out”. What this means is that if any Owner requests a copy of the Association Membership list to send out any communication, that Owner will *not* receive the names and addresses of those Owners who have “opted out”. However, the “alternative” is that Owner may request that the Association send out the communication to all Owners or those who opted out, at the expense of the Owner requesting the service. This opt-out shall remain in effect until changed by the Owner.

**“Enhanced Association Records”** which include invoices, receipts and canceled checks for payments made by the association, purchase orders approved by the association, credit card statements for credit cards issued in the name of the association, statements for services rendered, and reimbursement requests submitted to the association, provided that the person submitting the reimbursement request shall be solely responsible for removing all personal identification information from the request.

The timeline for records available for inspection and for providing said records is:

DOCUMENT	TIME TO PROVIDE
Association records/enhanced records for the current fiscal year	Within 10 business days of written request
Association records/enhanced records for prior two fiscal years	Within 30 business days of written request
Minutes of Board/Association Meetings-all years available	Per timeline above
Minutes of meetings of committees with decision-making Authority for meetings commencing on or after January 1, 2007	Within 15 calendar days following Approval

**WHO MAY INSPECT/VIEW/COPY:** The inspection and/or copying may be done by an Owner of the association, or the Owner’s designated representative, subject to payment of certain costs by the Owner, as specified below. The Owner shall make this designation in writing.

**WHERE/HOW DOES ONE INSPECT?** The records shall be made available for inspection and copying. The association will make the specified association records available for inspection and copying at a time and place that the requesting owner and association agree upon. If the association and the requesting owner cannot agree upon a place for inspection and copying pursuant to paragraph (2), or if the requesting owner submits a written request directly to the association for copies of specifically identified records, the association may satisfy the requirement to make the association records available to inspection and copying by mailing copies of the specifically identified records to the Owner by first-class mail within the timeframes set forth above.

**ELECTRONIC DELIVERY** is not available.

**WHAT ARE THE COSTS/WHO PAYS?** The requesting Owner will be billed for the direct and actual cost of copying and mailing requested documents if copies are required. If the association (or manager) is going to make the copies, the Board/management shall inform the Owner of the amount of the copying and mailing costs, and the Owner must agree to pay those costs, before the copying and mailing of the requested documents will occur.

The Board/management may as an alternative, require that Owner provide a copy service to copy any documents desired, in which case the Association and Owner have to agree upon a location for the copying to take place.

**REDACTION/COSTS** – The association may withhold or redact information from the association records for any of the following reasons:

- The release of the information is reasonably likely to lead to identity theft. For the purposes of this section, “identity theft” means the unauthorized use of another person’s personal identifying information to obtain credit, goods, services, money, or property.
- Examples of information that may be withheld or redacted pursuant to this paragraph include bank account numbers of Owners or vendors, social security or tax identification numbers, and check, stock, and credit card numbers
- The release of the information is reasonably likely to lead to fraud in connection with the association.
- The information is privileged under law. Examples include documents subject to attorney-client privilege or relating to litigation in which the association is or may become involved, and confidential settlement agreements.
- The release of the information is reasonably likely to compromise the privacy of an individual Owner of the association.
- Personnel records, other than the payroll records required to be provided as clarified below.
- Interior architectural plans, including security features, for individual homes.
- Agendas, minutes, and other information from executive sessions of the board of directors as described in Section 1363.05.
- The information contains any of the following:
  - Records of a-la-carte goods or services provided to individual Owners of the association for which the association received monetary consideration other than assessments.
  - Records of disciplinary actions, collection activities, or payment plans of Owners other than the Owner requesting the records.
  - Any person’s personal identification information, including, without limitation, social security number, tax identification number, driver’s license number, credit card account numbers, bank account number, and bank routing number.

Executed contracts that are not otherwise privileged will not be withheld. Privileged contracts do not include contracts for maintenance, management, or legal services. However, to the extent said contracts contain sensitive information that could lead to identity theft, that information shall be redacted.

Except as provided by the attorney-client privilege, the association may not withhold or redact information concerning the compensation paid to employees, vendors, or contractors. Compensation information for individual employees shall be set forth by job classification or title, not by the employee’s name, social security number, or other personal information.

RECORDS REQUEST FORM FOR:

**QUAIL MEADOWS WEST HOMEOWNERS ASSOCIATION**

My purpose for asking to see/copy the following records is \_\_\_\_\_

\_\_\_\_\_ I would like to **OR**  
\_\_\_\_\_ I would like to appoint as my agent, \_\_\_\_\_, on my behalf

\_\_\_\_\_ Review/Inspect

\_\_\_\_\_ Copy

\_\_\_\_\_ Receive copies of  
Association documents from

\_\_\_\_\_ Prior Fiscal Year OR

\_\_\_\_\_ Prior 3 Fiscal Years

These are the documents that are requested:

\_\_\_\_\_

In order to satisfy my request, (check all that apply)

I [\_\_\_\_\_ am \_\_\_\_\_ am not willing] to come to the management office to review these records. {If you checked that you are not willing, then can you suggest a place that you would agree to review the records? \_\_\_\_\_}

(If there is no agreement the Board has the right as an alternative to provide copies in lieu of the review.)

I [\_\_\_\_\_ want \_\_\_\_\_ do not want] copies and understand that it is up to me to arrange for a copy service if I want copies, or if the manager or board member is willing to make copies, I agree to pay for them upon delivery, understanding that the Board/management or copy service will provide me the cost figures before reproduction.

I understand that if any of the information requested requires redaction, in the opinion of the Association, to protect privacy and protect from identity theft, the redaction shall be done at my expense (limit of \$10 per hour up to a maximum of \$200) and I understand also that I will be responsible to pay the reasonable cost of copying the records requested.

\_\_\_\_\_  
Owner signature : \_\_\_\_\_  
Address of property in Quail Meadows West

In addition to the direct and actual costs of copying and mailing, the association shall bill re requesting Owner up to ten dollars (\$10) per hour, not to exceed a total of two hundred dollars (\$200) total per written request, for the actual time involved in redacting the enhanced association records as provided above. The association shall inform the Owner of the estimated costs, and the Owner must agree to pay those costs, before retrieving the requested documents.

**NO LIABILITY FOR FAILURE TO REDACT:** No association, officer, director, employee, agent or volunteer of an association shall be liable to damages to an Owner of the association as the result of identity theft or other breach of privacy because of the failure to withhold or redact that Owner's information under this subdivision unless the failure to withhold or redact the information was intentional, willful, or negligent.

If requested by the requesting Owner, the association shall provide a written explanation specifying the legal basis for withholding or redacting the requested records.

**LIMITATIONS OF USE/COURT ACTION TO STOP USE:** The association records, and any information from them, may not be sold, used for a commercial purpose, or used for any other purpose not reasonably related to an Owner's interest as an Owner. The association may bring an action against any person who violates this section for injunctive relief and for actual damages to the association caused by the violation.

- There is not a limit herein to the right of an association to seek damages for misuse of information obtained pursuant to this policy or to limit the right to injunctive relief to stop the misuse of this information.
- The association may recover reasonable costs and expenses, including reasonable attorney's fees, in a successful action to enforce its rights under this section.
- An Owner may bring an action to enforce the Owner's right to inspect and copy the association records. The Owner may seek reasonable costs and expenses, including reasonable attorney's fees, and a civil penalty of up to five hundred dollars (\$500) for the denial of each separate written request.

Any cause of action under this section may be brought in small claims court if the amount of the demand does not exceed the jurisdiction of that court. The association may recover any costs if the court finds the action to be frivolous, unreasonable, or without foundation.

I the secretary of **Quail Meadows West Homeowners Association**, hereby declare that the above Resolution was duly adopted on August 10, 2006.

Wallace B. Pate  
SECRETARY