

**FIRST AMENDMENT TO
AMENDED BYLAWS OF
GATEVIEW HOMEOWNERS' ASSOCIATION, INC.**

The Amended Bylaws of the Gateview Homeowners' Association, Inc., dated 2000 ("**Bylaws**"), are hereby amended with this First Amendment to the Bylaws as follows:

1. Section 4.5 (Manner of Casting Votes) of the Bylaws is deleted in its entirety.
2. Section 4.6 (Proxy) of the Bylaws is deleted in its entirety and the following new Section is substituted in lieu thereof:

Section 4.6 Mandatory Secret Ballot Matters. At any meeting of the Members ("**Membership Meeting**"), each Member may vote in person, or by secret written ballot, subject to the following restrictions:

a. Votes Conducted via Secret Ballot. Voting by Secret Ballot must be conducted for the following issues:

- 1) Assessments that cannot be enacted without a vote of the members as provided in California Civil Code Section 1366(b);
- 2) Election and removal of Board members;
- 3) Amendments to the Governing Documents; and/or
- 4) The grant of exclusive use of Common Area to a Member pursuant to California Civil Code Section 1363.07.

b. Votes not Conducted via Secret Ballot. For all other matters upon which the Members may vote, Secret Ballot voting may be used, but is not required.

c. The Association shall establish Association Rules for the selection and use of one (1) or three (3) Election Inspector(s) to conduct Secret Ballot Voting for all items legally requiring such a voting method. The Election Inspector(s) shall gather and tabulate the Secret Ballots and report results to the Association. The Association shall retain Secret Ballots for twelve (12) months following the vote. If Secret Ballots are mailed to the Election Inspector(s), Membership approval shall only be valid if: (1) the number of votes cast within the time established for return of the Secret Ballots equals or exceeds the Quorum that would have been required to be present at a Membership Meeting if such a meeting had been convened to vote on the proposal; and (2) 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 Membership Meeting.

d. Secret Ballots shall be distributed to all eligible Members at least thirty (30) days prior to the final date the Secret Ballots must be received in order to be counted. All Secret Ballots shall state on the face of the Secret Ballot, or in an accompanying notice, the date by which the Secret Ballot must be returned in order to be counted. The Election Inspector(s) may reserve the right to extend

the time to return Secret Ballots if such an extension is necessary in order to obtain a Quorum.

e. Election to the Board shall be by Secret Ballot, processing and vote tabulation to be conducted by Election Inspector(s) as provided in this Section. Candidates may campaign for open positions thirty (30) to forty-five (45) days prior to the election; the persons receiving the largest number of votes shall be deemed elected.

3. Section 5.4 (Quorum) of the Bylaws is deleted in its entirety and the following new Section is substituted in lieu thereof:

5.4 Quorum

a. **Quorum for Actions Other than Election of Directors and Certain Assessments.** Except as otherwise provided herein, the presence at any meeting, in person by secret ballot of more than one third (1/3) of the total voting power of the Association shall constitute a Quorum. If any meeting cannot be held because a Quorum is not present, Members representing a majority of the votes present may adjourn the meeting without notice other than announcement at the meeting of the time and place of the adjourned meeting, to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At any such adjourned meeting, the Quorum requirement shall be at least twenty-five percent (25%) of the total voting power. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if a new date is fixed for the adjourned meeting after the adjournment of the original meeting, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 5.3.

b. **Quorum Required for Election of Directors.** Notwithstanding the provisions of Section 5.4(a) above, when the Members are voting to elect Directors, the number of ballots cast shall constitute a Quorum and the candidates receiving the most votes shall be deemed elected.

c. **Quorum Required for Approval of Certain Assessments.** Notwithstanding the provisions of Section 5.4(a) above, the Board may not impose a Regular Assessment increase of more than twenty percent (20%) greater than the Regular Assessment for the Association's preceding fiscal year or impose Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of a majority of the votes cast during an election where a quorum has been established, unless an "emergency situation" exists as defined by California Civil Code Section 1366. For purposes of this Section, a "quorum" means more than fifty percent (50%) of the voting power of the Association.

4. Except as expressly stated herein, all of the provisions of the Bylaws are restated and affirmed and shall remain in full force and effect.

CERTIFICATE OF SECRETARY

The undersigned is the Secretary of the Gateview Homeowners' Association, Inc., a California nonprofit mutual benefit corporation. The undersigned does hereby certify that the foregoing First Amendment to the Amended Bylaws of the Gateview Homeowners' Association, dated 2000, consisting of three (3) pages, including this page, were duly adopted by a vote of at least a majority of the total voting power of the Association on January 12, 2011.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Adoption of the First Amendment to the Bylaws on this 14 day of January, 2011.

GATEVIEW HOMEOWNERS'
ASSOCIATION, INC.,
a California nonprofit mutual benefit corporation

Nancy Cruff

Nancy Cruff, Secretary