

Palomar Property Owners Bylaws

ARTICLE 1: Purposes and Definitions

Section 1. Purposes

PALOMAR PROPERTY OWNERS is a non-profit California corporation, established for the following purposes:

- (a) To further at all times better living conditions and physical surroundings by evaluating and determining appropriate measures to maintain and enhance the quality and safety of the environment in Palomar Park;
- (b) To present to appropriate public officials and agencies the views and opinions of property owners in Palomar Park with a view to the improvement of conditions in the area;
- (c) To provide a means of keeping the property owners in Palomar Park adequately informed on all matters of common interest;
- (d) To engage in any lawful act or activity for which a corporation may be formed under the California Nonprofit Mutual Benefit Corporation Law.**

Section 2. Definitions

As used in these Bylaws:

- (a) "Palomar Park" means that unincorporated area in San Mateo County, California to the north and east of Edgewood Road bounded by the City of San Carlos on the west, north and east, and by the northern and eastern side of Edgewood Road on the south and west.
- (b) "Lot" means any parcel of real property located within the boundaries of Palomar Park, as defined in Subsection (a) thereof.
- (c) "The Corporation" means Palomar Property Owners.
- (d) "Board" means the Board of Directors of the Corporation.
- (e) "Fiscal year" means the twelve-month period beginning on January 1 of each year and ending on the following December 31.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

ARTICLE II: Members

Section 1. Eligibility

The following persons shall be eligible for membership in the Corporation:

Regular voting members

- (a) Every person who is the owner of record, or part owner, of any lot, whether title is held in joint tenancy, tenancy in common, community property, partnership, trustee, life estate, or any other form of legal title, regardless of whether or not such title is subject to a deed of trust, mortgage, or other encumbrance;

- (b) Every person who resides on a lot and who is purchasing it under a contract or agreement of purchase;
- (c) The legal spouse of any person eligible for membership under Subsection (a) or (b) hereof.

Associate members

Any person who is an occupant of a residence in Palomar Park who neither owns a home or property, but is interested in supporting the Corporation, may become an Associate member. Associate members have no voting rights but may serve on committees.

Section 2. Application for Membership

Membership shall be acquired by any eligible person as defined in Section 1 hereof for the fiscal year upon making payment of the annual assessment for that year.

Section 3. Meetings

The semi-annual meetings of the members shall be held in April and October of each year.

Section 4. Special Meetings

Special meetings of the members may be called upon resolution of the Board; or upon the request of two or more Directors, or of not less than ten percent (10%) of the members of the Corporation.

Section 5. Notices

- (a) It shall be the obligation of each member to notify the Secretary of the address to which notices shall be sent; and the name and current address of each member shall be maintained ***in a membership database.***
- (b) Notices of each regular and special meeting of the members of the Corporation shall be given in writing by the ***Board, or its*** Secretary, at least ***ten (10)*** days before the date set for the meeting, specifying the date, time, place and purpose of the meeting, and the general nature of the business to be transacted. Such notice may be given by personal delivery to the member, ***by email to the member at the address recorded in the Corporation's membership database, or by*** postage thereon fully prepaid, addressed to the member at the address recorded in the ***Corporation's membership database.***

Section 6. Quorum

Ten percent (10%) of the total number of all the ***regular*** members of the Corporation, present in person or represented by proxy, shall constitute a quorum for the transaction of any business at any meeting of the members. A majority of the members present and entitled to vote, or the vote of a majority of a quorum, shall be necessary for the adoption of any motion or resolution.

Section 7. Voting Rights of Members

The voting rights of members of the Corporation at a legal meeting of the members shall be exercised as follows:

- (a) Except as otherwise provided in Subsection (b) hereof, each member shall be entitled to one vote.
- (b) Where two or more members shall have acquired collective membership through ownership of a lot under any form of title as defined in Article 1, Section 1(a) or 1(b) hereof, and/or as legal spouse or spouses of such member or members, then in each such instance such

members shall collectively be entitled to only one vote, which may be cast by any of them who shall first attempt to do so.

- (c) A member shall be entitled to vote either in person or by proxy at any meeting of members of the Corporation. **All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable. No proxy shall be valid after eleven (11) months from the date of execution.** However, no member shall be entitled to vote by proxy at any meeting unless said proxy is in writing, signed by said member and endorsed by the Secretary as having been filed with him or her at least forty-eight (48) hours prior to the time originally fixed for such meeting. No proxy shall be valid after one year from the date of filing thereof with the Secretary. In the absence of fraud, the date of such filing as endorsed on the proxy shall be conclusive.
- (d) Except as provided under Subsection (c) hereof and Article III Section 4, Subsection (f), no member may vote on any matter by mail, telephone, representative, or otherwise than in person.

Section 8. Action by Written Ballot.

Any action which may be taken at a regular or special meeting of members may be taken without a meeting if a proper ballot is prepared containing all the legal requirements of Corporations Code §7513.

Section 9. Property Rights of Members

Subject to the provisions of Article VI hereof, the Corporation is the property of its members. Any and every right, title and interest of a member in and to the Corporation, its good will, contracts, assets, revenues or rights of every kind and nature shall cease upon the termination of his or her membership.

Section 10. Termination of Membership

Membership of a member shall terminate when:

- (a) His or her status with respect to a lot changes so that he or she is ineligible for membership;
- (b) He or she files with the Secretary his or her written resignation as a member. Such written resignation may specify the effective date of resignation, which shall not be prior to the date of filing thereof;
- (c) **Non-payment of annual membership fees.**

Section 11. Reinstatement of Terminated Membership

In order to be reinstated, a member whose membership has been terminated under Section 10 hereof, but who remains or has again become eligible, must submit his or her new payment under Section 2.

ARTICLE III: Directors

Section 1. Composition and Terms

The Board of Directors of the Corporation shall consist of nine (9) Directors, who shall be elected by the members for terms of three (3) years, in such manner that the terms of three (3) Directors shall expire in each year.

Section 2. Powers of Directors

The Board shall have and exercise for and on behalf of the Corporation all the powers, duties and authority conferred upon it by law. They shall manage, direct and control the affairs and business of the Corporation, and shall make such rules and regulations, in exercise of those powers, as are not inconsistent with these Bylaws, the Articles of Incorporation, or the laws of the State of California. In addition to their other rights, duties and powers, they shall have the specific power to:

- (a) Appoint and remove at their pleasure all Officers, agents and employees of the Corporation; prescribe their duties; fix their compensation, if any, subject to the provisions of Section 7 hereof, and require in their discretion a fidelity bond or bonds for the faithful performance of the responsibilities entrusted to them;
- (b) Establish and dissolve committees; appoint their members, who shall be members of the Corporation, but who need not be Directors, and prescribe their duties, as the Board shall see fit;
- (c) Determine the places where regular and special meetings of the members shall be held, under the provisions of Article II, Sections 3 and 4 hereof;
- (d) Establish, assess, and collect assessments upon members, in and for each fiscal year, at such rate as they shall from time to time determine; provided (1) that all members shall be assessed at the same annual rate, and no member shall for any reason be exempt there from and (2) that collective members, as defined in Article II. Section 7(b) hereof, shall be assessed as if they were single members;
- (e) Designate the bank or banks in which the funds of the Corporation shall be deposited; and determine from time to time the number and names of the Officers authorized to withdraw such funds.

Section 3. Qualifications of Directors

- (a) Directors shall be members of the Corporation in good standing at the times of their nomination and election, and shall reside within the boundaries of the Palomar Property Owners as defined in **Article I**, Section 2, Subsection (a).
- (b) No Director shall be qualified to serve while another Director currently in office is a collective member with him or her as defined in Article II, Section 7(b) hereof.
- (c) A Director shall be eligible **for** nomination and election to any number of terms, either successively or otherwise, as long as he or she shall remain otherwise eligible.

Section 4. Nomination and Election of Directors

- (a) At the regular meeting of the Board in June of each year, the President shall appoint, with the consent of the Directors, a **Nomination and Election Committee**, consisting of not less than three and not more than five persons, who shall be members of the Corporation, but a majority of whom shall not be Directors.
- (b) The **Nomination and Election Committee** shall prepare, and submit to the Board at its regular meeting in September of each year, a list of candidates eligible for election as prescribed in Section 3 hereof, at least equal to the number of Directors to be elected at the October meeting, together with the written consent of each candidate, and the information regarding each as prescribed in Subsection (c) hereof.

- (c) Upon certification by the Secretary of the eligibility of the candidates presented by the **Nomination and Election Committee**, the Board shall cause to be prepared and printed, for use at the October meeting of the members, a sufficient number of ballots, on which shall be listed, in alphabetic order of their last names, the **nominee's full name, a 100 word or less statement by the nominee, at the nominee's option**, and providing, on the same ballot, a number of blank spaces, equal to the number of Directors to be elected, for the writing in of names of persons other than **those** nominated by said Committee.
- (d) The **notice** of the October Meeting required under the provisions of Article II, Section 5(b), shall include the ballot as described in Article III, Section 4, Subsection (c) and an unmarked envelope.
- (e) The Directors shall be elected at the October Meeting of members and shall serve for three fiscal years, or until their successors shall have been elected and qualified.
- (f) Voting for Directors shall be by one of the following methods:
 - 1. Secret ballot conducted and supervised by the Secretary, with the assistance of the **Nomination and Election Committee**. The polling place shall be conspicuously indicated and shall be located within the general area where the October meeting is being conducted. The polls shall open at the time specified for the October Meeting and shall remain open for **one (1) hour**. The President or other presiding Officer shall announce at the beginning of the meeting the place and manner of voting for Directors. To be valid, a ballot must contain votes for at least one person, but for not more than the number of seats to be filled. The Secretary and the said Committee shall canvass the ballots, announce the results to the **members** assembled at the meeting, and record them in the records of the Corporation;
 - (2) Mail: Completed ballot shall be placed in the unmarked envelope provided under Article III, Section 4, Subsection (d) and sealed. Sealed, unmarked envelope shall be placed in a second envelope that must bear return address of sender and shall be mailed or delivered to PPO, 419 Palomar Drive, Redwood City, CA **94062**. Mailed ballots must be received no later than 48 hours prior to the scheduled election.
- (g) Vacancies on the Board shall be filled by appointment by the Board of Directors or added to the ballot for the next annual election of Directors.**
- (h) The persons receiving the highest numbers of votes on valid ballots cast shall be declared elected, provided, that the eligibility or otherwise of any write-in candidates shall be certified by the Secretary. If seats are to be filled for unexpired terms, those persons receiving the highest numbers of votes shall be declared elected to full three-year terms, and those with successively smaller totals, to the shorter terms. If there be a tie affecting the result, it shall be resolved by vote of the members present, choosing among those tied, which vote shall be conducted by secret ballot supervised and canvassed by the Secretary and the said Committee.

Section 5. Meetings of the Board

- (a) Regular meetings of the Board shall be held **monthly or as needed**, at such dates, times and places as the Directors shall from time to time determine.
- (b) Special meetings of the Board shall be held when called by the President, Vice President, Secretary or Treasurer, or upon the request of any two Directors, delivered to the Secretary.
- (c) Notice of each regular and special meeting shall be delivered to each Director by the Secretary **or other Director via mail, personal distribution or email**, at least **two** days before the date

established for such meeting, stating the date, time and place of the meeting, and, for a special meeting, the general nature of the business to be transacted.

- (d) A meeting of the Board may be held without notice as prescribed under Subsection (c) hereof, which, if a quorum be present, shall be as valid as if a proper notice had been delivered to each Director, provided, that, either before or after said meeting, each Director not present thereat shall sign a written waiver of notice, or consent to the holding of such meeting, or approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Corporation and shall be made a part of the minutes of the said meeting.
- (e) Five (5) Directors shall constitute a quorum for transacting business at any meeting of the Board, and the votes of at least five (5) Directors shall be necessary to adopt any motion or resolution, provided, that a lesser number may adopt a motion or resolution for: *(i) recessing, adjournment from time to time or place, or for final adjournment or (ii) appointing new members to the Board to achieve a number of members sufficient to constitute a quorum.*
- (f) Regular Board meetings will be open to members. Special Board meetings will be open to members only at the invitation of the President. Non-members may attend meetings at the invitation of the President.
- (g) Action Without Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written unanimous approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors and shall be recorded in the minutes by the Secretary***

Section 6. Vacancies

- (a) A vacancy shall occur whenever a Director shall die or resign, or when his or her membership in the Corporation shall terminate, or, at the discretion of the Board, when he or she shall have failed to attend three consecutive meetings of the Board.
- (b) Whenever a vacancy occurs, the Board shall ***attempt to*** within ninety (90) days thereafter ***appoint*** another member to fill the vacant seat, to serve until the next annual election of Directors or until his or her successor shall have qualified.
- c) In such cases that there are no interested or available candidate members who would agree to be appointed to any vacant Director position(s), the vacant seat may be left unappointed until the next annual election or an appropriate candidate is identified.***

Section 7. Compensation of Directors

No Director shall receive any compensation for his or her services on the Board or as an Officer, either in cash, property, or otherwise. Directors may, however, be reimbursed for the amount of any actual expenditures legitimately made or incurred by them on behalf of the Corporation, with the approval of the Board, and upon submission of invoices, vouchers, receipts and/or other documents evidencing, to the satisfaction of the Treasurer, that the services or goods purchased have been received and payment in full made there for.

ARTICLE IV: Officers

Section 1. Designation of Officers

The Officers of the Corporation shall be chosen by the Board and shall include a President, a Vice President, a Secretary, and a Treasurer. The offices of Secretary and Treasurer may, at the discretion of the Board, be held by the same person. The Board may, in its discretion, appoint other Officers, as the business of the Corporation may require, including an assistant Secretary and/or an assistant Treasurer; and it may, in its discretion, abolish any of these offices.

Section 2. Qualifications of Officers

All Officers of the Corporation shall be members of the Corporation in good standing. The president, the Vice President, the Secretary and the Treasurer shall be members of the Board.

Section 3. Election of Officers

At its regular meeting in January of each year the Board shall elect Officers, who shall continue in office, subject to the provisions of Sections 4 and 5 hereof, for terms of one year, or until their successors have been elected and qualified. Any Officer may be re-elected to any number of successive terms, as long as he or she shall remain qualified.

Section 4. Removal of Officers

The Board in its absolute discretion may remove any Officer from office at any time, by adoption of an appropriate resolution.

Section 5. Vacancies

A vacancy in any office resulting from death, resignation, removal, disqualification, or other cause shall be filled by the Board at its regular meeting coinciding with or next following the occurrence of the vacancy.

Section 6. Duties and Powers of Officers

The various Officers shall have and exercise the duties and powers required by law or by these Bylaws, and any other duties which the Board may from time to time prescribe.

Section 7. Duties and Powers of the President

The President shall:

- (a) Preside over all meetings of the members of the Corporation and all meetings of the Board, when present and able to do so;
- (b) Execute, in the name and on behalf of the Corporation, all deeds, contracts and other written instruments, upon approval thereof by the Board, unless such authority in any specific instance is otherwise conferred by the Board;
- (b) Execute, in the name and on behalf of the Corporation, all deeds, contracts and other written instruments, upon approval thereof by the Board, unless such authority in any specific instance is otherwise conferred by the Board;
- (c) Under the direction and control of the Board, supervise, manage and control the business affairs of the Corporation;
- (d) Make an annual report to the members of the Corporation of its activities during the year and of the general state of its affairs.

Section 8. Duties and Powers of the Vice President

The Vice President shall have and exercise all the powers and duties of the President, in the event of the President's absence, inability or refusal to act.

Section 9. Duties and Powers of the Secretary

The Secretary shall:

- (a) Prepare and **coordinate delivery of** notices of all meetings of the members of the Corporation, and of the Board;
- (b) Prepare **and maintain minutes** of all meetings and proceedings of the members of the Corporation, and of the Board;
- (c) Supervise, with the assistance of the **Nomination and Election Committee**, the election of Directors;
- (d) Maintain, **and coordinate maintenance with the Treasurer**, current records of the names and addresses of all members of the Corporation, including the dates of their admission to, and of the termination of, membership.
- (e) **Upon request mail or deliver or email** to each new member of the Corporation a conformed copy of these Bylaws, and, upon their amendment, a copy thereof to every member of the Corporation **shall be available upon request**;
- (f) Certify as to the eligibility of members to vote at meetings of the members; to be candidates for election as Directors; to serve as Directors if elected, and to be elected to the various offices designated herein;
- (g) Have custody of the corporate Seal, and affix it to any documents requiring the same.

Section 10. Duties and Powers of the Treasurer

The Treasurer shall:

- (a) Collect, receive and deposit, in the bank account or accounts of the Corporation, all funds which may come into its possession, or to which it may legally be entitled, properly endorsing restrictively for such deposit all checks or other negotiable instruments;
- (b) Have custody of all **bank records**, notes, securities, deeds, and instruments evidencing title of the Corporation in and to any property, whether tangible or intangible;
- (c) **Prepare** and mail or **coordinate delivery of** notices of annual assessments at such rate as the Board may determine, subject to the provisions of Article III, Section 2(d) hereof;
- (d) Examine **and** approve for payment, upon submission of appropriate vouchers, invoices, receipts, and/or other supporting documents, such expenditures as shall have been authorized by the Board; and prepare and cause to be executed and mailed or delivered, proper checks in payment thereof;
- (e) Maintain current and accurate books of account reflecting the assets, liabilities, revenues and expenditures of the Corporation;
- (f) Maintain **and coordinate maintenance with the Secretary of member records, in a database or by other reasonable means**, of the Corporation, reflecting the dates and amounts of payments of annual membership fees, contributions, and other payments by such member to the Corporation.
- (g) Prepare and file in a timely manner any financial reports or tax returns required by federal, state or county law or regulation;
- (h) Render an annual report to the members of the Corporation of its financial condition and the results of its financial operations for the year then ended;

- (i) Render a financial report at each regular meeting of the Board in such form as it shall require;
- (j) Make available for examination and audit all the books, records, bankbooks, securities, documents, statements and accounts of the Corporation in his or her custody; and surrender the same promptly to his or her successor in office

ARTICLE V. Corporate Seal

The Corporation shall have a seal in circular form, upon the circumference of which shall appear the words, "Palomar Property Owners, a California Corporation", and in the center of which shall appear the words, "Incorporated July 13, 1956".

ARTICLE VI. Dissolution

Section 1. Manner of Dissolution

The Corporation may be dissolved, or merged or consolidated with another corporation having similar purposes, in accordance with the provisions of any applicable state or federal statutes, upon the vote or written assent of a majority of all the members of the Corporation entitled to vote, at a special meeting of the members of the Corporation called for such purpose; provided, that in determining the total number of members and the total number of votes, members collectively entitled to one vote, as defined in Article II, Section 7(b) hereof, shall be counted as only one member.

Section 2. Directors and Members not to Benefit

In the event of dissolution, merger or consolidation of the Corporation, no assets, revenues, payment, or anything of value, tangible or intangible, shall inure to the benefit of any Officer, Director, or member of the Corporation, notwithstanding the provisions of Article II, Section 8.

Section 3. Disposition of Assets

In the event of dissolution of the Corporation, its assets shall be donated or contributed to such public agency or agencies, or to such non-profit corporation or corporations, as the members of the Corporation shall determine, such disposition to be specified in the Resolution of Dissolution; and the Officers, or such of them as may be required, shall execute such documents and take such other actions as the receiving agency or corporation may require.

Section 4. Notice of Special Meeting

No Resolution of Dissolution, merger or consolidation of the Corporation shall be valid unless a copy thereof shall be included in the notice of the meeting called for that purpose.

ARTICLE VII: Insurance

Section 1. This Corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such.

ARTICLE VIII: Indemnification

Section 1. *To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code section 7237(a), 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 corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.*

Section 2. *On written request to the Board by any person seeking indemnification under Corporations Code section 7237(b) or section 7237(c), the Board shall promptly decide under Corporations Code section 7237(e) whether the applicable standard of conduct set forth in Corporations Code section 7237(b) or section 7237(c) has been met and, if so, 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 that proceeding, the Board shall promptly call a meeting of members. At that meeting, the members shall determine under Corporations Code section 7237(e) whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.*

Section 3. *To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by the sections above shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.*

ARTICLE IX: Amendments

Section 1. Manner of Amendment

Subject to the provisions of Section 2 and 3 hereof, these Bylaws may be amended, by addition, alternation and/or repeal, at any regular meeting of members of the Corporation, or at a special meeting of the members of the Corporation called for that purpose.

Section 2. Change in Number of Term of Directors

No amendment of these Bylaws the effect, or one of the effects, of which would be to change the number of Directors and/or the length of their terms of office, shall be adopted without the vote or written assent of a majority of all the members of the Corporation entitled to vote; provided, that in determining the total number of members and the total number of votes, members

collectively entitled to one vote, as defined in Article II, Section 7(b) hereof, shall be counted as only one member.

Section 3. Notice of Proposed Amendments

No Resolution of Amendment of these Bylaws shall be valid unless notice of the proposed change or changes has been incorporated in the notice sent to members of the Corporation of the meeting at which the change or changes are to be voted upon.

Section 4. Distribution of Bylaws

Whenever any Resolution or Amendment of these Bylaws shall be adopted, the Secretary shall, ***make available via mail, delivery, website or email to any*** member of the Corporation ***who so requests, a copy of the amended Bylaws.***

Amended: April 22, 1998, February 11, 1999, April 18, 2005, and April 28, 2015