

**LOS PASEOS ASSOCIATION  
COMPARISON CHART/SUMMARY OF CHANGES  
RESTATED ARTICLES OF INCORPORATION  
SECOND AMENDED AND RESTATED BYLAWS  
AND  
SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS,  
CONDITONS AND RESTRICTIONS**

Note: This is not an exhaustive list of all changes. The changes described are those that the Board feels are most significant. In some cases, changes may not be described and sections may be listed simply as a convenience so you may compare the sections. This document should not be solely relied upon when making your decision on how to vote. “Redlines” of your existing Bylaws and CC&Rs cannot be provided. It is your responsibility to review the Amended and Restated Bylaws and CC&Rs and compare them to the existing Bylaws and CC&Rs.

<b>Existing Bylaws; Article or Section Reference</b>	<b>Existing Bylaws; Summary of Provision</b>	<b>Second Amended and Restated Bylaws; Article or Section Reference</b>	<b>Second Amended and Restated Bylaws; Summary of Provision</b>
		Bylaws	Includes references to the Davis-Stirling Common Interest Development Act, including section numbers as of January 1, 2014.
Article III, Section 5 Membership	Provides for Associate Memberships with one year term; and collection of fees for Associate Memberships; caps number of Associate Members at 75; provides that Associate Memberships may be terminated for violation of Association’s rules and regulations.	Article 3, Section 3.4 Membership	Allows for Associate Membership with Board approval for use of pool and Common Area; the Board shall have the absolute right to suspend or terminate any Associate Membership.
Article IV, Section 2 Board of Directors	Board of Directors shall consist of five owners whose memberships are in good standing; allows the Board to appoint a sixth member from the Associate Membership with voting rights on non-financial matters.	Article 5, Section 5.1	The Board shall consist of five members; does not allow for sixth member from the Associate Membership.
Article V, Membership Meetings		Article 4, Member Meetings and Voting	

3.1 Annual Meetings	Annual meeting shall be held in September or October of each year on a date and time established by the Board.	4.1 Annual Meeting	Annual meeting to be held in during the month of November at a date and time to be designated by the Board of Directors.
Article V, Section 5 Quorum Requirements		4.8 Quorum Requirements	Different quorum requirements for different votes, to make it easier to conduct Association business.
Section 5 (a)(i) Quorum for Votes on Assessment Increases and Removal of Directors from Office	Quorum for votes on assessment increases is a majority of the members or the percentage specified in Civil Code 1366 (Civil Code section 1366 pertains to assessment increases only).	4.8.1 Quorum for Votes on Assessment Increases	Quorum requirement for assessment increases requiring a vote of the members is more than 50% of the members. <b><i>This is consistent with current California law and cannot be modified.</i></b>
Section 5 (a)(i) Quorum for Votes on Assessment Increases and Removal of Directors from Office	Quorum for removal of directors from office is a majority of the members or the percentage specified in Civil Code 1366 (Civil Code section 1366 pertains to assessment increases only).	4.8.3 Quorum for Removal of Directors	Quorum requirement for valid action on the proposal to remove a director or directors shall be a majority (i.e., more than fifty percent (50%)) of the Total Voting Power of the Association.
Section 5 (a)(ii) Quorum for Valid Action on Other Matters Section 5 (a)(iii) Reduction on Quorum Percentage for Action on Other Matters	Quorum for valid action on other matters is majority of the members eligible to vote and represented in person or by proxy. May be reduced to 15% of the voting power of the members if quorum is not reached at a meeting.	4.8.2 Quorum for Election of Directors and Vote Regarding Excess Income	No minimum quorum requirement for election of directors and vote regarding excess income; quorum established by number of ballots and/or votes received by deadline. <b><i>This is common practice and is consistent with the California absentee voting system, on which the 2006 elections law was based.</i></b>
Section 5 (a)(ii) Quorum for Valid Action on Other Matters Section 5 (a)(iii) Reduction on Quorum Percentage for Action on Other Matters	Quorum for valid action on other matters is majority of the members eligible to vote and represented in person or by proxy. May be reduced to 15% of the voting power of the members if quorum is not reached at a meeting.	4.8.4 Quorum for Votes to Amend Declaration	Quorum requirement for valid action on the proposal to amend the CC&Rs shall be at least twenty percent (20%) of the Members of the Association.

Section 5 (a)(ii)(iii) Quorum for Valid Action on Other Matters Section 5 (a)(iii) Reduction on Quorum Percentage for Action on Other Matters	Quorum for valid action on other matters is majority of the members eligible to vote and represented in person or by proxy. May be reduced to 15% of the voting power of the members if quorum is not reached at a meeting.	4.8.5 Quorum for Valid Action on Other Matters	Quorum requirement for all other votes is at least 25% of the Total Voting Power. May be reduced to 20% of the Total Voting Power if quorum is not reached at a meeting.
Section 5 (a)(ii)(iii) Quorum for Valid Action on Other Matters Section 5 (a)(iii) Reduction on Quorum Percentage for Action on Other Matters	Quorum for valid action on other matters is majority of the members eligible to vote and represented in person or by proxy. May be reduced to 15% of the voting power of the members if quorum is not reached at a meeting.	4.8.6 Quorum for Annual Meeting of Members	No minimum quorum requirement for annual meeting of members. <b><i>Given that members no longer vote at the annual meeting, there is no need for a minimum quorum requirement.</i></b>
Article IV, Section 5 Proxies	The use of proxies is allowed at all meetings of the members.	4.9 Proxies	Proxies prohibited. Now that most votes are conducted via secret written ballot (rather than at a meeting), and members must be given at least 30 days to return ballots, proxies are not necessary.
Article IV, Section 6 Action By Written Ballot	Allows for votes of the members (other than election of directors) to be conducted by secret written ballot if certain conditions are met.	4.11 Voting by Ballot ( <i>Corporations Code</i> section 7513)	Reflects the fact that certain votes of the members <u>must</u> be conducted via secret written ballot, per California law.
Article VII, Board of Directors		Article 5 Board of Directors; Election; Term of Office	
Section 2 Number and Qualification of Directors	Five (5) Directors. The five Board members may appoint a sixth member to the Board from among the "associate membership." The sixth Board member may vote on all Board matters, except matters which pertain to the financial affairs of the Association.	5.1 Number and Qualification of Directors	Five (5) Directors. Requires that candidates be Members in Good Standing (no sixth member from the associate membership).

Article VII, Section 4 Nomination of Directors	Members may become a candidate for the Board by nominations made by, (1) the nominating committee, (2) a member (in person or by proxy) from the floor at a meeting to elect directors, or (3) a petition signed by at least 2 percent of the voting power.	5.2 Nomination	Permits the Board to appoint a Nominating Committee and permits self-nomination. Prohibits nominations from the floor. <b><i>This is consistent with current California law, which requires associations to permit self-nomination. Nominations from the floor no longer make sense now that ballots are mailed at least 30 days in advance of the meeting where ballots are counted.</i></b>
None	No similar provision.	5.4 Election by Acclamation	Permits the Association to avoid the expense of sending dual-envelope, secret ballots if the number of candidates is equal to or less than the number of available seats on the Board.
Section 6 Vacancies On Board of Directors	No change.	5.6 Removal 4.8.3 Quorum for Removal of Directors	Provides a director or directors may be removed with the approval of a Simple Majority of the members. Quorum for this purpose shall be a majority of the Total Voting Power. <b><i>This is consistent with the Corporations Code for an Association of your size in which cumulative voting is not permitted.</i></b>
Article VIII Board Meetings		Article 6 Meetings of Directors	
Section 3 Other Regular Meetings Section 4 Notice of Special meetings	Regular and special meetings shall be held "without call" from time to time at a date fixed by the Board of Directors and communicated to the Board members. Ordinarily Board meetings shall be conducted monthly but can be held as infrequently as every 3 months if the Board's business does not justify more frequent meetings.	6.2 Regular Meetings 6.4 Notice to Directors 6.5 Notice to Members; Agenda	Regular meetings shall be held at least monthly at a place within the development or a convenient place outside the development. In the event the business of the Association does not reasonably justify monthly meetings, regular meetings of the Board shall be held at such intervals as the Board may determine, but not less frequently than quarterly.

Section 3 Other Regular Meetings Section 4 Notice of Special Meetings	Notice of time and place of regular meetings shall be posted in a prominent place in the Common Area, and shall be communicated to Board members not less than 72 hours prior to the meeting. Notice of special meetings shall be given at least four (4) days before the time set for the meeting.	6.4 Notice to Directors 6.5 Notice to Members; Agenda	Reflects current California law, which requires four (4) days' notice of a regular or special meeting and two (2) days' notice of a Board meeting that will be held solely in executive session. Provides that notice must be given to Board members and members. Requires that the agenda be included with notice of any Board meeting.
None	No similar provision.	6.7 Teleconference and Remote Participation	Directors may participate in meetings via teleconference. Members may attend the portion of such a meeting that is open to the members. <b><i>This is pursuant to current California law, specifically the Civil Code.</i></b>
Section 9 Action Without a Meeting	Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action.	6.9 Restrictions on Board Action Outside of Meeting; Board Meetings Via Email	Only <i>emergency</i> action can be taken without a Board meeting, if all Board members consent in writing to take the action. <b><i>This is pursuant to current California law, specifically the Civil Code.</i></b>
Article IX Duties and Powers of the Board of Directors		Article 7 Powers of the Board of Directors Article 8 Duties of the Board of Directors	Detailed discussion of powers and duties of the Board which are consistent with current California law.
Section 1(d) Specific Powers		7.1 Rules (see also Article 9 of CC&Rs re Enforcement)	Reflects current California law regarding rule adoption.
Section 2(a)	Prohibits the Board from entering into a contract for goods or services with a term greater than one year without the approval of the members with several exceptions.	7.2 Contracts	Any officer or officers of the Board may enter into a contract on behalf of the Association for a term longer than one year.

Article XIV Miscellaneous, Section 7 Indemnification	Requires the Board authorization or a vote of the members to indemnify persons seeking indemnity. This is not required by the law and does not encourage people to volunteer to serve on the Board and/or otherwise act on the Association's behalf.	7.12 Indemnification of Agents	Directors, officers and agents indemnified except for intentional, wanton and/or grossly negligent acts.
Article XII Member Assessment Obligations and Association Finances Article XIII Other Required Disclosures to Members		Article 8 8.5 – 8.7 Reserve Study and Annual Review; Reserve Funds; Investment of Reserve Funds 8.8 Review of Accounts 8.11 Annual and Periodic Notices and Disclosures	Requires the Board to make all disclosures as required by law; these requirements change frequently.
Article IX Duties and Powers of the Board Article X Committees	The Board may appoint an Architectural Committee.	Article 10 Committees	The Board may appoint an Architectural Review Committee.
Article XIV Miscellaneous Section 5(b) Amendments	Amendments to the Bylaws must be approved by a majority of the members.	12.1 Amendment by the Members	Future amendments to the Bylaws must be approved by a Simple Majority (i.e., majority of a quorum).
<b>Existing CC&amp;Rs; Article or Section Reference</b>	<b>Existing CC&amp;Rs; Summary of Provision</b>	<b>Second Amended and Restated CC&amp;Rs; Article or Section Reference</b>	<b>Second Amended and Restated CC&amp;Rs; Summary of Provision</b>
CC&Rs		CC&Rs	Includes updated references to the Davis-Stirling Common Interest Development Act, including section numbers as of January 1, 2014.

Recitals		Recitals	Current statutory references (to applicable sections regarding the definition of planned development, etc.) are included. The legal description was revised to reflect the current number of lots within the Association (i.e., 279 lots).
Article I Definitions		Article 1 Definitions	The definitions section includes additional definitions including Member in Good Standing, Reimbursement Assessment (as opposed to "Special Individual Assessment" in the existing CC&Rs) and Simple Majority. Additionally, the term Total Voting Power is defined to include only those members who are in good standing.
Article VII Membership in and Duties of the Association		Article 2 Homeowners Association	
None	No similar provision.	2.7.3 Deductible	Addresses whom (i.e., the Owner or the Association) is responsible for payment of the deductible when a claim is made against the Association's property insurance policy. <b><i>This is common practice in contemporary CC&amp;Rs.</i></b>
None	No similar provision	2.7.4 Claims Submission	Only the Board may make claims to the Association's insurance policies. <b><i>This is common practice in contemporary CC&amp;Rs.</i></b>
Article IX, Section 4	Each member is responsible for obtaining such fire and casualty coverage as required by their Mortgagee, or if not required by their Mortgagee, coverage as may be determined by the Board.	2.8 Insurance by Owner	Each member shall be required to buy and maintain a policy of homeowners insurance.

None	No similar provision.	2.9 Insurance by Tenant	Each owner who rents out his or her lot shall require their tenant to obtain and maintain a renter's policy.
None	No similar provision.	2.10 Acquisition of Property	The approval of two-thirds (2/3) of the total voting power is required for the Board to acquire property valued at more than 10% of the budgeted gross expenses for the year if the item is not included in the reserve budget.
Article II Section 1(c) (see also, Article IX, Section 2 of the Bylaws)	The CC&Rs do not contain such a member approval requirement for constructing or installing capital improvements but the Association cannot borrow money for capital improvements without approval of two-thirds (2/3) of the members. However, Article IX, Section 2 of the existing Bylaws requires member approval for capital expenditures in excess of 5% of the budgeted gross expenses of the Association.	2.11 Capital Improvements	The approval of a majority of the total voting power is required for the Board to construct or install Capital Improvements valued at more than 10% of the budgeted gross expenses for the year.
None (but see, Article IX, Section 2 of the Bylaws)	The CC&Rs do not contain such a member approval requirement but it is contained in Article IX, Section 2 of the Bylaws.	2.12 Sale or Transfer of Association Property	The approval of a majority of the total voting power is required for the Board to sell property of the Association valued at more than 5% of the budgeted gross expenses for the year.
Article VII Section 7.5	The Association may grant easements over the common area to any public agency, authority or utility upon approval of a two-thirds (2/3) vote of the members.	Article 3 3.9 Easements Granted by the Board	The Board may grant easements over the common area for public or quasi-public improvements but must obtain the consent of any owner or resident affected.
Article VI Use of Properties and Restrictions		Article 4 Use Restrictions	
Section 1 Single Family Residential Use		4.1 Residential Use	Lots shall be occupied and used for residential purposes only.



Section 7	No provision specifically addresses child care facilities. Section 7 prohibits businesses that are unacceptable to the Board. In deciding whether the business activity is acceptable, the Board must consider whether the business activity is unreasonably offensive or disruptive.	4.4 Child Care Facilities	California law provides that family day care homes may not be prohibited in homeowners associations; this section sets forth the protections for the association permitted by law in the event a family day care home is operated in the development.
Section 5 Household Pets	Permits a reasonable number of dogs, cats or other birds or pets.	4.13 Animals	Limits the total number of all dogs, cats, and birds in cages kept on a Lot to seven (7), only two (2) of which may be dogs and five (5) of which may be cats. A reasonable number of fish and small caged animals are also permitted, subject to rules adopted by the Board. No other animals, livestock, or poultry (including chickens) of any kind shall be kept, bred or raised on any Lot. Dogs must be on leashes while in the Common Area and off the Owner's Lot.
Section 6 Signs		Section 4.15 Signs, Banners, Flags	Sets forth current law regarding the display of signs, banners and flags.
Section 14 Parking and Vehicle Restrictions		Section 4.16 Prohibited Vehicles Section 4.17 Parking Enforcement; Parking Rules 4.18 Use and Maintenance of Alley Section 4.19 Garages	Commercial Vehicles prohibited other than in garages, or parked temporarily in accordance with the Rules.
Section 8 Garbage	Trash shall be stored in covered disposal containers and facilities which shall be screened from view of any street, neighboring Lot or Common Area.	4.14 Trash Disposal	Requires that all trash and waste materials be concealed from view, except on the day before scheduled trash pickup, when the containers may be placed on the curb for collection.

None	No similar provision	Article 5 Renting or Leasing	Rental restrictions, including a “cap” on the number of permitted Residences in the development which can be rented, are included. The Board believes it is important to limit the number of rentals to not more than 25% of the lots in the development in order to best preserve/maintain property values in the development and make sure buyers and current owners have access to the best financing for the Residences in your development. <b>All current owners will be “grandfathered” in and will be entitled to rent their Residences for as long as they own them.</b>
Article III Section 6	The Association shall provide advance written notice of not less than seventy-two (72) hours of its intent to perform maintenance, repair, or replacement on an owner’s lot, except in the event of an emergency.	Article 6 Maintenance, Repair, and Replacement Responsibilities, Section 6.6 Association’s Right of Entry	The Association shall provide reasonable advance written notice of not less than twenty-four (24) hours of its intent to perform maintenance, repair, or replacement on an owner’s lot, except in the event of an emergency.
Article V Architectural Modifications	The Board has final authority regarding approval or disapproval of requests for architectural modifications.	Article 7 Architectural Review	Architectural Review Committee, if any, does not have decision-making authority. The Committee may only make recommendations to the Board regarding approval or disapproval of request for architectural modifications. The law requires that the Board adopt certain rules pursuant to the process set forth in the Civil Code. No “automatic approval” provision included.
Article IV Assessments		Article 8 Assessments and Liens	The provisions regarding levying and collecting assessments comply with current California law.

Article XII Breach and Default		Article 9 Enforcement	Up-to-date provisions regarding enforcement of the governing documents, including provisions regarding internal dispute resolution, are included.
Article XV Amendment of Declaration		Article 11 Amendment	
Section 1 Amendment in General	Requires the approval of 51% of all owners.	11.1 Amendment by Members	Amendments to the CC&Rs must be approved by the affirmative vote of the Members representing at least a majority of a quorum, as defined in the Bylaws (20%).