

**DEL MESA CARMEL COMMUNITY ASSOCIATION, INC.**

**SENATE BILL 323 BYLAW NONCOMPLIANCE  
“CHEAT SHEET”**

This “cheat sheet” highlights the provisions of the Association’s existing Bylaws<sup>1</sup> which are out of compliance with Senate Bill 323.<sup>2</sup> This “cheat sheet” will be a useful tool for navigating conflicts between the Association’s Election Rules and Bylaws. This sheet notes the portions of the Association’s Election Rules which address these issues, where appropriate.

<p><b>CURRENT BYLAWS SECTION NUMBER &amp; TOPIC</b></p>	<p><b>BRIEF DESCRIPTION OF SB 323 NONCOMPLIANCE</b></p>
<p><i>Article III, Section 3.</i> Notice of Member Meetings.</p>	<p><b>Notices – Notice requirements for Special Meetings of the Members is governed by Civil Code section 5115. (See Section 2.2 of Election Rules)</b></p>
<p><i>Article III, Section 4.</i> Member Meetings.</p>	<p><b>Pursuant to Corporations Code section 7510(e), special meetings may be called by Directors, petition of <u>5%</u> of the members, or others specified in the Bylaws. (See Section 2.1 of Election Rules)</b></p>
<p><i>Article III, Section 7.</i> <i>Qualification Date.</i></p>	<p><b>Voter eligibility - SB 323 prohibits suspension of voting rights. To the extent this qualification date is intended to determine Member “standing”, it is superseded.</b></p>

<sup>1</sup> Bylaws, dated February 9, 2017

<sup>2</sup> This “cheat sheet” is limited, with few exceptions, to addressing noncompliance involving changes in the law due to passage of SB 323. There may be provisions of the Bylaws which are out of compliance with other applicable laws and statutes.

<p align="center"><b>CURRENT BYLAWS SECTION NUMBER &amp; TOPIC</b></p>	<p align="center"><b>BRIEF DESCRIPTION OF SB 323 NONCOMPLIANCE</b></p>
<p><i>Article IV, Section 2. Qualifications.</i></p>	<p><b>Director Qualifications – SB 323 allows the following director qualifications in addition to Membership, which is required: no co-owners; current assessments; member over 1 year; a criminal conviction that would prevent a fidelity bond. If a member is not in good standing with respect to the payment of assessments, a member may still be qualified if they have entered into a payment plan and are fulfilling the terms of that payment plan. (See Section 3.3 of Election Rules)</b></p>
<p><i>Article IV, Section 3. Term of Office.</i></p>	<p><b>Director Qualifications – Term limits have been seen as a Qualification and as they are not part of permissible qualifications under SB 323, Section 3.2 of the Election Rules may, or may not be permissible.</b></p>
<p><i>Article IV, Section 4. Nomination of Candidates for Directors.</i></p>	<p><b>Notices - SB 323 imposes multiple requirements involving notices, timing and content; See Election Rules and Election Timeline for notice and other timing and content requirements. (See Article 5 of Election Rules)</b></p>
<p><i>Article IV, Section 5. Election of Directors.</i></p>	<p><b>Voter eligibility - SB 323 prohibits suspension of voting rights.</b></p> <p><b>SB 323 imposes multiple requirements involving notices, timing and content; See Election Rules and Election Timeline for notice and other timing and content requirements. (See Article 5 of Election Rules)</b></p> <p><b>SB 323 imposes requirements related to the Inspector of Elections. (See Article 4 of Election Rules)</b></p>
<p><i>Article V, Section 13. Removal from the Board.</i></p>	<p><b>Director Qualifications – SB 323 allows the following director qualifications: no co-owners; current assessments; member over 1 year; a criminal conviction that would prevent a fidelity bond. If a member is not in good standing with respect to the payment of assessments, a member may still be qualified if they have entered into a payment plan and are fulfilling the terms of that payment plan. (See Section 3.3 of Election Rules)</b></p>

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<p><i>Article VIII, Section 3. Inspection of Association Records.</i></p>	<p align="center"><b>Membership Lists – SB 323 now makes Member e-mail addresses part of the membership list which may be subject to member review</b></p>
<p><i>Article XI, Section 2. Presentation.</i></p>	<p align="center"><b>Notices - SB 323 imposes multiple requirements involving notices, timing and content. (See Election Rules)</b></p>