

## **CAMEO COMMUNITY ASSOCIATION**

### **A California Non-Profit Mutual Benefit Corporation**

#### Summary of changes to CC&Rs and Bylaws

The laws have changed greatly since our CC&Rs and Bylaws were written by the Irvine Company, and our Governing Documents are not only out of date, but contained provisions which would not be legal if written today. Because the changes were so extensive, these documents are essentially completely new documents, so we cannot provide the members with redlined marked up documents showing each change made from the old documents. The following are the major areas of change from the old to the new documents.

#### **AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CAMEO COMMUNITY ASSOCIATION (CC&Rs)**

- Removal of references to the developer (declarant) which are unnecessary since the Irvine Company has not been involved in our association since the late 1970s.
- Additional and new definitions to clarify the old terms used in the old CC&Rs and update the references to current California law and terms used in the Davis-Stirling Common Interest Development Act (Davis-Stirling Act).
- Exclusive Use of Common Areas – the Davis-Stirling Act requires a membership vote for any grant of exclusive use of common areas to the members. (Section 2.2)
- Leasing of Residences – California law has changed significantly on the restrictions which can be placed on short term rentals. (Section 2.4)
- Rules and Regulations – The Association has always had authority to adopt Rules, and has now clarified the areas where the Board may adopt Rules. (Section 3.7)
- Assessments – The Davis-Stirling Act supersedes and controls over the Association's governing documents on assessments, collections, and delinquencies. The new CC&Rs are now consistent with the Davis-Stirling Act. (Article 4)
- Architectural Committee – This section has been updated to clarify the committee procedures and standards. (Article 5)
- Use Restrictions – This section has been updated to include new areas in the law which impact the Association such as ADUs, nuisance, signs, animals, parking, etc. (Article 6)
- Insurance – This section has been updated to include the types of insurance which associations standardly carry today (Article 10)
- Catastrophic damage to Common Areas – Governing Documents generally contain provisions to address what happens in the event of a natural disaster such as earthquake, fire, etc. (Article 11)
- Nuisance – The Association must address situations which rise to the level of a nuisance, and has added language to clarify and explain nuisance (Article 13)
- Notice to members – The Davis-Stirling Act has requirements for notice to and from owners which have been incorporated (Article 14)
- Mortgagee Protection – Nothing has been changed in any references to the holders of first mortgages and their rights under the old and new CC&Rs. (Article 15)
- Amendment of the CC&Rs – Currently the CC&Rs require approval of 75% of the owners to amend the CC&Rs. The new CC&Rs would require a majority of the owners to amend the

CC&Rs. Under the Davis-Stirling Act, the Board has the authority to amend the CC&Rs under certain circumstances. This has been added to the new CC&Rs. (Article 16)

### **AMENDED AND RESTATED BYLAWS (Bylaws)**

- Classes of voting – there is only one class of voting at the Association since the developer left. (Article III, Section 2)
- Meetings of the Membership – minor changes have been made to the old Bylaws to conform to changes in the law regarding membership meetings (Article III, Sections 6-8)
- Quorum at meetings of the Members – the quorum required to hold a membership meeting has been reduced from a majority of the members to 25% (Article III, Section 9). This will save money and time since quorum will now be easier to obtain for the annual and other membership meetings. At any adjourned meeting, the quorum will further reduce to 20% of the voting power.
- Election of Directors – Qualifications – the Davis-Stirling Act has changed the requirements for director qualifications, and the new Bylaws have been changed to reflect current law. (Article IV)
- Nomination/Election by Acclamation – as of 2022, the Davis-Stirling Act now allows the Association to have elections of directors without sending out a ballot if there are the same or less candidates than the number of open director positions. There are numerous procedures which must be followed in order to conduct such an election by "acclamation" and if there are more candidates than open positions, the Association must send out ballots and conduct the election/annual meeting as it has in the past. This is a possible money and time saving procedure if there are the same or less candidates than board positions available. (Article V)
- Meetings of the Board – this section updates the new Bylaws to be consistent with current laws regarding notice, board meetings, etc. (Article VI)
- Board powers- this section has been updated to be consistent with current law and other association governing documents to enable the Board to effectively operate the Association (Article V)
- Officers – this section has been changed only to clarify that certain offices may be held by one Director. (Article VIII, Section 7)
- Committees – this section has been changed to make minor clarifications to the existing language regarding the creation and composition of committees. (Article IX)
- Miscellaneous – the new Bylaws have added the requirements from the Davis-Stirling Act regarding the Annual Budget Report, and Annual Policy Statement, employee dishonesty insurance, etc. (Article XIV)