

The Elmwood Manor Homeowners Association

MEMORANDUM FROM THE BOARD OF DIRECTORS REGARDING PROPOSED FIRST AMENDMENT TO BYLAWS AND FIRST AMENDMENT TO CC&RS

31st October, 2025

TIME SENSITIVE – PLEASE READ

VOTING MATERIALS ENCLOSED

Dear Homeowners,

Enclosed are proposed amendments to the Association's Bylaws and CC&Rs. The purpose of the Bylaw amendments is to incorporate provisions in the Bylaws so that they are more consistent with existing state law regarding the handling of homeowner association elections and voting. Other amendments are aimed at allowing Association operations to run more smoothly, such as reducing the number of Directors required to serve on the Board, modifying the date of the annual meeting, and allowing additional flexibility for the Board to enter into contracts on the Association's behalf.

The purpose of the CC&R amendments is to bring the CC&Rs into compliance with recent changes to state law regarding the rental of units and enforcement of the governing documents. The proposed amendments also incorporate changes to the hard surface flooring restriction, and clarify certain legal definitions. Enclosed with this Memorandum are the: (1) proposed First Amendment to the Bylaws, (2) proposed First Amendment to the CC&Rs; (3) a Ballot, and (4) two envelopes to use to return your Ballot to the Inspector of Elections.

Proposed First Amendment to Bylaws

The text of the proposed First Amendment to Bylaws is enclosed as a separate document with this Memorandum. Please review it in its entirety before casting your Ballot. The following are brief explanations of the proposed amendments.

1. Elections. State law strictly regulates the manner in which homeowner associations conduct certain membership votes. Associations may avoid the expense of a ballot election where the election is uncontested (i.e., the number of candidates running is equal to or less than the number of seats available). There are statutory conditions to use election by acclamation including that a ballot election must be held at least once every three years; however, this change will help streamline uncontested elections and save our Association money. Additionally, as of 2025, homeowner associations may now conduct member elections by electronic voting, subject to certain statutory conditions. To bring our Bylaws in line with current law, and to allow our Association to take advantage of election by acclamation and electronic voting, we propose changes to Sections 4.05, 7.04 and 7.05 of the Bylaws.
2. Reduction of quorum requirement for director elections. Under current state law, in any director election where a ballot is used, every member will be sent a ballot to vote, so all members will have the opportunity to vote. Reducing the quorum requirement for a valid vote does not interfere with any member's right to vote but it makes it easier and less costly for the Association to conduct its business. Additionally, under the current documents, if the Association fails to reach a quorum in the election, the election of new

directors could be prevented. As such, we recommend amending Section 5.05 so that for purposes of director elections, quorum be equal to the number of valid ballots received. Quorum for other member votes are not being changed.

3. Nominations. The amendment to Section 7.03 modifies director nomination procedures to harmonize with the nominations process required by law. Any qualified member will continue to have the right to self-nominate.
4. Inspectors of Election. The amendment to Section 7.04 aligns with current law with respect to Inspectors of Election.
5. Member Discipline. The amendments to sections 4.03 and 9.04 aligns with current law with respect to member discipline.
6. Meetings. The amendments to Sections 5.03 5.04, 8.01, 8.03, 8.05, 8.06, 8.07, 8.08 brings these sections in line with current law governing where and how meetings may be conducted, and the notice requirements for Board meetings.
7. Annual Meeting. The amendment to Section 5.02 allows the Association greater flexibility in the scheduling of the annual meeting.
8. Board Authority. The amendment to Section 9.02 allows the Board to authorize expenditures in emergency circumstances. The amendment to Section 9.03(a) allows the Board to enter into certain contracts with a term greater than one year but less than three years, without incurring the expense of conducting a membership vote. The amendment to Section 9.03(e) brings that provision in line with the same provision within the CC&Rs.
9. Records Inspections. The amendment to Section 14.04 brings that provision in line with current law governing member inspections of Association records.
10. Budget Disclosures. The amendment to Section 12.10 brings that provision in line with current law governing budget disclosures and financial review.

Proposed First Amendment to CC&Rs

The text of the proposed First Amendment to CC&Rs is enclosed as a separate document with this Memorandum. Please review it in its entirety before casting your Ballot. The following are brief explanations of the proposed amendments.

1. Governing Document Enforcement and Member Discipline. State law strictly regulates the manner in which homeowner associations may enforce violations of their governing documents and impose discipline on members who violate provisions of the governing documents. To bring our CC&Rs in line with current law we propose changes to Sections 4.01, 5.03, 5.09, and 15.06.
2. Restrictions on Renting. State law also regulates what kind of restrictions homeowners associations may impose on a member's right to rent their unit. To bring our CC&Rs in line with current law we proposed amending Section 4.02(a)(2), thereby reducing the minimum lease term from 180 days to 30 days.
3. Hard Cover Flooring. The proposed amendment to Section 10.27 clarifies that hard-cover flooring is permitted throughout first-floor units. Additionally, under the proposed amendment those second story units with hard surface flooring installed prior to the recordation of the First Amendment are not in violation of the hard cover flooring restrictions outlined in Section 10.27.

4. Definitions. The proposed amendments to Sections 1.29 and 1.43 amend the definitions of “Member” and “Voting Power” for clarity.

Member Approval Required

These amendments must be approved by the members before they can be implemented. The Bylaw amendments and CC&R amendments require approval of a majority of the voting power of the members. (Bylaws § 14.07, CC&R .16.01) This means that at least 12 “YES” votes must be cast to approve the amendments.

Voting Information

Your ballot and return envelopes are enclosed. Voting instructions are on the ballot page. The deadline for the return of ballots is January 14th, 2026 @ 5 pm. Any ballot **RECEIVED** after the deadline will not be counted unless the voting period is extended. Please note: the Inspector of Elections will be conducting the vote count over zoom and will NOT be present in person. Ballots will not be accepted at the meeting and should be received by the Inspector of Elections by the deadline stated above.

You may submit your ballot to the Inspector of Elections by mail to the following address:

The Elmwood Manor Homeowners Association
c/o The HOA Election Guys, Inc
27472 Portola Pkwy #205-412
Foothill Ranch, CA 92610

Before marking your Ballot, please consider the information provided above. If you have any questions about this memorandum or the ballot, please contact the Board via the Association’s manager, Jessica Lundgren at pm@skylinepmg.com.

Once enough ballots have been received, **the ballots will be opened at an open meeting of the Board of Directors scheduled for January 15, 2026, at 6:30 PM via zoom**. The Inspector of Elections will open the ballots, tabulate the votes, and announce the results. Any Member who wishes to attend the zoom meeting to watch the ballot opening may do so. The zoom link is <https://skylinepmg.com/0/2y>. If you do not have the ability to access zoom, the following physical location will be available with a device to access the zoom meeting: **249 Elm Street, Apt 104, San Mateo, CA 94401**

**Approving these governing documents
is important for our Association!**

PLEASE VOTE!!

Sincerely,

Board of Directors
The Elmwood Manor Homeowners Association

Enclosures:

- Proposed First Amendment to the Bylaws
- Proposed First Amendment to the CC&Rs
- Ballot
- Two envelopes

THE ELMWOOD MANOR HOMEOWNERS ASSOCIATION

SECRET BALLOT

To vote on proposed First Amendment to Bylaws and First Amendment to CC&Rs
as described in the Memorandum to Members dated 31st October, 2025

Shall the Members approve the following resolution?

Resolved, that the First Amendment to the Restated Bylaws of The Elmwood Manor Homeowners Association is approved?

[] YES

[] NO

Shall the Members approve the following resolution?

Resolved, that the First Amendment to the Restated Declaration of Covenants, Conditions and Restrictions of The Elmwood Manor Homeowners Association is approved?

[] YES

[] NO

Voting Instructions:

- Mark your ballot (your vote shall be cast in accordance with the choice specified above).
- Place your ballot in the “Yellow Secret Ballot Envelope” and seal it.
- Put the “Yellow Secret Ballot Envelope” inside the larger white return envelope addressed to the Inspector of Elections and seal it. Return postage has been included.
- Your name and address are pre-printed in the upper left-hand corner of this white return envelope. Please check that this is correct.
- **SIGN YOUR NAME on the indicated line.** This is proof that *you* have personally completed your ballot. ***If you fail to sign your name, your ballot will not count.***
- Please return your envelope to the Inspector of Elections at the following address:

The Elmwood Manor Homeowners Association
c/o The HOA Election Guys, Inc
27472 Portola Pkwy #205-412
Foothill Ranch, CA 92610

Ballots must be received no later than January 14th, 2026 @ 5 pm The voting deadline may be extended if necessary to achieve greater member participation and ballots shall remain valid during that period. **Ballots will be opened at an open meeting of the Board of Directors scheduled for January 15, 2026, at 6:30 PM via zoom.**

For purposes of this vote, a minimum of 6 ballots must be received to achieve quorum and at least 12 “yes” votes must be received for the resolutions to pass.

The rules governing this election may be found here:
TheHOAElectionGuys.com/elmwood

PLEASE CAST YOUR BALLOT NOW