

# *RESTATED BYLAWS*



## *RANCHO VENTANA RV RESORT COMMUNITY ASSOCIATION, INC.*

A Planned Residential Development

February 2010

**IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (p) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.**

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**RESTATED BYLAWS OF**  
**RANCHO VENTANA RV RESORT COMMUNITY ASSOCIATION, INC.**  
*A Planned Residential Development*

**ARTICLE 1 — NAME, LOCATION AND APPLICABILITY**

1.1 **Name.** The name of the association is Rancho Ventana RV Resort Community Association, Inc., a California Nonprofit Mutual Benefit Corporation ("Association").

1.2 **Principal Office.** The principal office of the Association is located at 3410 North Arrowhead Boulevard, Blythe, California. The Board shall have the full power and authority to change the principal office of the Association from one location to another in the County of Riverside, California. Any such change shall be adopted by a resolution of the Board and noted in the meeting minutes.

1.3 **Application.** These Bylaws are applicable to the residential Community known as Rancho Ventana RV Resort Community subdivision ("Project"), located at Blythe in Riverside County, California. These Bylaws are also applicable to all Members of the Association and all tenants, employees, and other persons who use the facilities of the Project in any manner.

1.4 **Definitions.** Unless otherwise specified in these Bylaws, the definitions set forth in Article I of the Restated Declaration of Covenants, Conditions and Restrictions, recorded on \_\_\_\_\_, as Instrument No. \_\_\_\_\_, amended of Official Records of the County Recorder of Riverside County (hereinafter "Restated Declaration"), apply to these Bylaws.

1.5 **Membership Rights.** The qualifications for membership are set forth in Section 3.2 of the Restated Declaration and are hereby incorporated by reference.

**ARTICLE 2 — MEETINGS OF MEMBERS**

2.1 **Place of Member Meetings; Conduct.** All meetings of the Members shall be held at the Association's Clubhouse or a place designated by the Board which shall be as close to the Project as reasonably possible. If no meeting place is designated, the meetings shall be held at the Association's Clubhouse. No meeting of the Members shall, unless unusual conditions exist, be held outside of Riverside County, California. Meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Board may adopt by resolution.

2.2 **Annual Member Meeting.** The annual meeting of the Members shall be held on a date and time established by the Board, so long as the annual meeting is held within the month of February ("Annual Meeting"). The purpose of the Annual Meeting shall be solely for the installation of newly elected Directors, for reports from officers, committees and staff, and for questions and comments from Members regarding matters of common interest or concern to the Association, its Members and the Rancho Ventana RV Resort Community in general.

2.3 **Special Member Meetings.** Special meetings of the Members may be called for any lawful purpose by a majority of a quorum of the Board, the President of the Association, or by a written request signed by Members representing at least five percent (5%) of the total voting power of the Association. The special member meeting shall be held not less than thirty-five (35) nor more than ninety (90) days after adoption of the resolution or receipt of the request by an officer of the Association. Only that business stated in the notice of meeting given pursuant to Section 2.4 of these Bylaws shall be transacted at the special meeting.

2.4 **Notice of Member Meetings.** The Secretary of the Association shall give written notice of any Member meeting to each Member of record in accordance with the following:

2.4.1 Except as otherwise provided in this Article, the notice shall be given at least twenty (20) but not more than ninety (90) days before the meeting, by first class mail, by personal delivery or by newsletter in accordance with *Corporations Code* §5016 and any other successor statute related thereto, as well as any other method permitted by California law.

2.4.2 The notice shall be addressed to the Member at the address appearing on the books of the Association, or the address supplied by the Member to the Association for this purpose. If there is no such address, notice shall be given at the principal office of the Association. When there is more than one (1) record Owner of a Lot ("Co-Owners"), only one of them shall be entitled to notice under this provision. It shall be up to the Co-Owners to designate the Member entitled to notice and, failing to do so, then it shall be provided to the first name listed on the Association's records for said Lot.

2.4.3 The notice shall state the place, date, and time of the meeting.

2.4.4 Voting meeting of the members shall be as provided in Section 3.5.2 below. The quorum for meetings of members shall be twenty-five percent (25%) of the voting power of the Association.

2.5 **Informational Meeting.** At the request of the Board of Directors, the Association may conduct informational meetings for the Members, from time to time.

### **ARTICLE 3 — MEMBER VOTING RIGHTS**

3.1 **Voting Rights of Members.** Subject to the conditions and requirements set forth in the Restated CC&Rs, Members may exercise the voting rights which are set forth below:

3.1.1 **Election of Directors.** Members have the right to vote to elect Directors of the Association, as provided in this Article 3. There is no quorum requirement for an election of Directors.

3.1.2 **Regular Assessment Increases.** Regular Assessment increases greater than twenty percent (20%) of the Regular Assessment for the preceding fiscal year requires approval by Members, as provided in Section 4.9 of the Restated CC&Rs. For purposes of this subsection 3.1.2, a quorum shall mean fifty percent (50%) plus one (1) of the voting power of the Association and member approval shall mean the affirmation by at least a majority of the valid votes cast by written ballot when the number of valid written ballots cast equals or exceeds a quorum.

3.1.3 **Special Assessments.** A Special Assessment greater than five percent (5%) of budgeted gross expenses for the fiscal year in which the Special Assessments are levied requires approval by the Members, as provided in Section 4.9 of the Restated CC&Rs. For purposes of this subsection 3.1.3, a quorum shall mean fifty percent (50%) plus one (1) of the voting power and member approval shall mean the affirmation by at least a majority of the valid votes cast by written ballot when the number of valid written ballots cast equals or exceeds a quorum.

3.1.4 **Recall of Directors.** Members have the right to recall Director(s) as provided in Section 4.7.2 below. For member approval of a recall, the quorum requirement is fifty percent (50%) plus one (1) of the voting power of the Association.

3.1.5 **Certain Board Actions.** Member approval is required before the Board can exercise the powers enumerated in Section 4.11 below. Member approval shall require the affirmation by at least a majority of the valid votes cast by written ballot when the number of valid written ballots cast equals or exceeds a quorum requirement of twenty-five percent (25%) of the voting power of the Association.

3.1.6 **Amendments to the Restated CC&Rs.** Amendments to the Restated CC&Rs require member approval pursuant to Article 14 of the Restated CC&Rs, by fifty percent (50%) plus one (1) of the voting power of the Association.

3.1.7 **Amendments to these Bylaws.** Members must approve amendments to these Restated Bylaws as provided in Article 9 below.

3.1.8 **Other Matters.** Member approval for other matters shall require the affirmation by at least a majority of the valid votes cast by written ballot when the number of valid written ballots cast equals or exceeds a quorum requirement of twenty-five percent (25%) of the voting power of the Association.

3.2 **Single Class of Membership.** The Association shall have one class of voting Membership comprised of Owners of Lots.

3.3 **Voting Eligibility.**

3.3.1 **Record Date.** Members of record are Owners holding a Membership as of the close of business on a record date established by the Board in advance, such date to be not more than sixty (60) days before the day on which the written ballots are mailed, notwithstanding any transfer of Membership after the record date. In the absence of Board action to establish a record date for written balloting, the record date shall be seven (7) business days before the date scheduled for mailing of the written ballots.

3.3.2 **Members in Good Standing.** Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's residential unit and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Governing Documents. A Member's good standing shall be determined as of the record date established in accordance with Section 3.3.1 above. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with these Bylaws.

3.3.3 **Foreclosure.** Any mortgagee who acquires title to a Lot pursuant to a judgement of foreclosure or a trustee sale shall automatically become entitled to exercise all voting rights which the Owner of said Lot would otherwise have had.

3.3.4 **Assignment of Voting Rights.** The right to vote is not transferable or assignable, except in connection with the transfer of a Member's ownership interest in the Lot to which the Membership is appurtenant, including a transfer pursuant to a contract of sale. If an Owner has leased or rented the Owner's Lot, the Owner shall retain the right to vote as a Member.

3.4 **One Lot, One Ballot.**

3.4.1 Ownership of a Lot includes a single vote for each issue on the ballot to be voted upon in the Association Election and one vote for each vacancy on the Association's Board of Directors. Lot co-owners are deemed to be one Member for voting purposes.

3.4.2 A vote cast by a member of a multi-owner Lot will be deemed to have the approval of the other owners of that Lot. Only one ballot may be cast for each Lot. If more than one ballot is received, or if any ballot is contested in writing by another co-owner, no ballot will be counted.

3.5 **Exercise of Vote.**

3.5.1 **By Written Ballot.** Written ballots are required for those issues described in Section 3.1 above. Unless otherwise indicated, such votes require a quorum of twenty-five percent (25%) of the voting power of the Association and must be accomplished as provided in Section 3.6 below.

3.5.2 **At Meetings of Members.** Voting at meetings of Members shall be limited to (i) advisory, non-binding votes to poll the Members in attendance with respect to a matter or issue of interest to the Association and its Members; or (ii) motions on procedural matters relating to the conduct of that meeting.

3.5.3 **Proxy Voting.** Proxy voting is not permitted.

3.5.4 **Cumulative Voting.** Cumulative voting is not permitted.

### 3.6 **Voting by Written Ballot.**

3.6.1 **Written Ballots.** Any matter or issue requiring the vote of the Members, including the election of Directors, shall be by written ballot without the necessity of calling a meeting of the Members, so long as the procedures and requirements for action by written ballot set forth in this Section 3.6 are satisfied, as well as the election rules adopted by the Board of Directors from time to time.

3.6.2 **Ballot Schedule.** The Board shall issue the call for a written ballot vote and establish the mailing and due dates of the balloting period. Unless otherwise determined by the Board, the due date of ballots for the election of Directors shall be noon the day before the Annual Meeting.

3.6.3 **Distribution of Written Ballots.** Unless the Board reserves the right to extend the period for the return of ballots as provided in Section 3.6.5(b), below, written ballots shall be mailed (or delivered in any other manner permitted by California and Federal law) to all Members who are eligible to vote not more than ninety (90) days prior to the date and time the ballots are to be received to be counted, but no less than thirty (30) days prior to such date.

#### 3.6.4 **Requirements for Valid Member Action by Written Ballot.**

(a) For all matters other than election of Directors, member approval by written ballot shall only be valid if: (A) the number of votes cast by written ballot within the time established for return of the ballots equals or exceeds the quorum requirement specified in the Governing Documents, and (B) the number of affirmative valid votes cast during the prescribed balloting period equals or exceeds the number of affirmative votes required for approval.

(b) For Director elections, there is no quorum requirement. Members are entitled to cast one vote for each vacant position on the Board, and only one vote may be cast for any one nominee. The nominees receiving the greatest number of valid votes, up to the number of vacancies, shall be elected.

#### 3.6.5 **Content of Written Ballots and Information Materials.**

(a) **Ballots for Director Elections.** Written ballots used in any election of Directors shall set forth the names of those nominees who have been certified as being Members in Good Standing. The written ballot shall specify the time and date by which the written ballot must be received by the Association in order to be counted.

(b) **Ballots for Other Matters.** The provisions of this Section 3.6.5(b) shall not apply to the election of Directors. Any written ballot distributed to the Members to vote on any issue shall set forth the proposed action and provide an opportunity for the Member to specify approval or disapproval of the proposal. The written ballot shall indicate (A) the percentage of affirmative votes necessary to approve the measure submitted for membership approval and the number of responses needed to meet the quorum requirement for valid action, and (B) the date and time by which the written ballot must be received by the Association in order to be counted. The date fixed for the return of ballots may only be extended if the Association notifies the Members on the face of the written ballot or in the balloting materials originally sent to Members, that the Board is reserving the right to extend the balloting time period. In no event shall any extension or extensions exceed a total of one hundred twenty (120) additional days.

(c) **Information Materials.** The information materials accompanying the ballots shall include voting instructions and such other information as may be prescribed by the Board.

(d) **Authenticating Ballots, and Lost (or Otherwise Unusable) Ballots.** The Board of Directors shall establish a procedure, which must be followed by the Inspector of Elections, for authenticating the ballots cast by Members (such as a numbering system or other form of authentication), as well as a procedure which must be followed when a homeowner requests a replacement ballot for lost or otherwise unusable ballots. This section shall apply to all written ballots, whether for Board of Director elections or any other ballot distributed to the membership.

### 3.6.6 **Balloting Procedures.**

(a) **Inspector of Elections.** The Inspector of Elections shall determine the eligibility of the voters, issue ballots and shall conduct and supervise the ballot process in accordance with California State law, these Restated Bylaws, the election rules and any resolutions by the Board of Directors. Any report or certificate made by the Inspector of Elections shall be prima facie evidence of the facts therein.

(b) **Voting by Mail or Personal Delivery.** Any Member may return the written ballot by mail or personal delivery to the address set forth in the information materials for return of the ballots, and such written ballot must be received no later than the time and date indicated on the written ballot and/or in the accompanying information materials.

(c) **No Revocation of Written Ballot.** Once cast, a written ballot may not be revoked.

3.6.7 **Tabulation of Votes.** At the close of the balloting period, written ballots shall be tabulated by the Inspector of Elections and his/her designees in public at a properly noticed open meeting of the Board of Directors.

3.6.8 **Notification of Results of Balloting Process.** Upon completion of the tabulation of ballots, the results shall be certified by the Inspector of Elections to the Board and notification of the results shall be given to the Members as soon as practicable, except as may be otherwise provided in the Governing Documents. For ballots other than Board elections, if the number of valid ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirement for member approval, the Board shall so notify the members. The Inspector of Elections' certification of the result of the balloting process shall be retained as permanent records of the Association.

3.6.9 **Storage of Ballots.** Following tabulation, all ballots, inclusive of election of Directors shall be sealed and stored by the Inspector of Election for nine (9) months. Thereafter, the ballots shall be stored by the Association for an additional one (1) year, after which the ballots themselves may be destroyed.

3.6.10 **Additional Procedures.** The Board may adopt such additional reasonable procedures as it deems necessary or appropriate to assure fairness in any balloting process.

## **ARTICLE 4 — BOARD OF DIRECTORS**

4.1 **Number; Qualifications.** The affairs of this Association shall be managed and its duties and obligations performed by an elected Board of Directors, consisting of five (5) persons. Members of the Board must be Members of the Association and meet all the eligibility requirements set forth in Section 4.3.

4.2 **Nomination.** Nominations for election to the Board of Directors may be made by any of the following:



4.2.1 A nominating committee, which shall be comprised of no less than three (3) but no more than seven (7) Owners, appointed by the Board at least one hundred twenty (120) days prior to an Annual Meeting of Owners. On the first Saturday of October, the Nominating Committee shall hold a Nominating Committee meeting at which time its nominations shall be announced to the Owners; or

4.2.2 A written self-nomination delivered to the Secretary of the Association at least forty-five (45) days prior to the Annual Meeting. The written self-nomination shall identify the nominee, containing that person's written consent to serve as a Director and must meet the eligibility requirements identified in Section 4.3 below. In light of this self-nomination process, there shall be no nominations from the floor at any annual or special member meeting; or

4.2.3 The Board, which may make nominations at any time.

4.3 **Eligibility.** Candidates for nomination for election to the Board of Directors shall meet the following minimum standards in order to qualify to be a Board member:

4.3.1 Must be a member in good standing as that term is defined in Section 3.3.2 of these Restated Bylaws;

4.3.2 Own a minimum twenty-five percent (25%) interest in his/her Lot either as a fee simple Owner or, if ownership is in the form of a trust or business entity, a minimum twenty-five percent (25%) beneficial interest in the trust or business entity. The Board may establish rules, regulations, and procedures from time to time to assist the Nominating Committee in verifying this eligibility requirement of beneficial interests in trusts or business entities; and

4.3.3 Must be the only Member of the Residential Lot running for election to the Board of Directors and/or serving on the Board of Directors.

4.3.4 Must be able to attend at least four (4) regular Board meetings per year; and

The Inspectors of Election shall verify that all candidates meet the eligibility standards set forth in this Section. However, any candidate determined by the Inspectors of Election to not meet the eligibility standards may appeal the Inspectors of Election's decision to the Board of Directors, but must do so in writing and no later than ten (10) days after the Inspectors of Election mails or delivers its ruling to the candidate.

4.4 **Annual Election.** The annual election of Directors shall be conducted by secret written ballot in accordance with *Civil Code* §1363.03 or any successor statute thereto, this Section 4.4 and Article 3. At each annual election of the Association, the Members shall fill, by election, all vacant positions on the Board. The ballots shall be mailed by first class mail (or delivered in any other manner permitted by California and Federal law) to all Owners who are eligible to vote, at least thirty (30) days before the date of the Annual Meeting. All ballots for election of Directors must be received by noon the day before the Annual Meeting in order to be counted. Any ballot received thereafter shall be invalid and shall not be counted. Each Owner shall be entitled to his/her/its respective voting rights for each Lot owned within the Project. In all Director elections, the Owner may cast, in respect to each vacancy, one vote on a non-cumulative basis. The results of the Board election shall be announced at the Annual Meeting. The nominees receiving the highest number of votes up to the number of Directors to be elected shall be elected as Directors and shall take office immediately following the Annual Meeting. In the event that there is a tie vote between those nominees who receive the lowest number of votes necessary to be elected, the tie shall be broken by runoff election if the nominees themselves cannot mutually agree on who shall be elected

4.5 **Special Election.** In the case of a special election called to fill a vacancy caused by a removal of a Director(s) by the Owners, all ballots for election of Directors must be received by noon the day before the Board meeting which has been scheduled to count the ballots. Distribution and receipt of ballots,

as well as the voting, tie-breaking and announcement of results for a special election shall be handled in the same manner as provided for in Annual Elections.

**4.6 Term.** Except as provided for in Section 4.8 herein, each Board member shall serve for a two- (2) year term on a staggered basis, with three (3) Directors being elected in odd years and two (2) Directors being elected in even years. Each director shall hold office until the election of his/her successor or until the director's death, resignation, removal, or judicial adjudication of mental incompetence. Directors shall be elected at each Annual Meeting.

**4.7 Removal.** Directors may be removed as follows:

**4.7.1** The Board on a majority vote of at least three directors may declare vacant the office of a director on the occurrence of any of the following events:

- (a) The director is declared of unsound mind by a final order of Court;
- (b) The director is convicted of a felony; or
- (c) The director has failed to attend three (3) regular meetings of the Board in any twelve-month period; or
- (d) The director has become delinquent in the payment of any assessment for a period in excess of forty-five (45) days. In this regard, the director who is delinquent for over forty-five (45) days shall be given a minimum of fifteen (15) days' written notice to pay any such delinquency, and only upon the failure of such director to pay such delinquency shall the Board declare vacant the office of such director.
- (e) The director fails to meet the eligibility requirements set forth in Section 4.3 of these Bylaws.

**4.7.2** One or more directors may be removed from office by members prior to the expiration of the Director's term by the following procedure. Members may present a petition to any officer of the Board, signed by twenty percent (20%) of the voting power of the Association calling for a vote of the members to recall one or more Directors ("Recall Ballot Measure"). Upon receipt of a petition, the Board shall immediately require the Inspector of Elections to validate the signatures as soon as possible. Upon validation by the Inspector of Election that at least twenty percent (20%) of the voting power of the Association did sign the petition, the Board shall mail the Recall Ballot Measure Materials to the Membership within twenty (20) days of receiving the petition. The date upon which the ballots must be returned shall be no less than thirty-five (35) days and no more than ninety (90) days from the date the petition was received and must, at a minimum, provide for a return date that is at least thirty (30) days from the date of mailing. A Director shall be immediately removed if a majority of valid votes approve removal of that Director's Recall Ballot Measure. The quorum for the recall vote shall be fifty percent plus one (50% + 1) of the voting power of the Association.

**4.8 Filling Vacancies.** Except for vacancies created by removal of a Board member by the Owners pursuant to Section 4.7.2 of these Bylaws, the vacancy shall be filled by a vote of a majority of the remaining directors, even though they may constitute less than a quorum. Each person so selected shall fill the balance of the unexpired term. Vacancies created by removal of a Board member by the Owners pursuant to Section 4.7.2 of these Bylaws shall be filled consistent with the special election requirements set forth in Section 4.5 herein.

**4.9 Compensation.** No director shall receive any compensation for any service he or she may render to the Association; provided, however, that a director may be reimbursed for actual out of pocket expenses incurred by the director in the performance of his or her duties.

**4.10 Powers and Duties.** The Board shall exercise for the Association all powers and duties vested in or delegated to the Board or the Association by the Governing Documents and the California *Corporations Code* governing nonprofit mutual benefit corporations. Said powers and duties shall be subject to the limitations of the Governing Documents, and shall include, but not be limited to, the following:

4.10.1 Formulating Rules and Regulations for the use and operation of the Lots, the Common Area, common facilities and facilities owned or controlled by the Association;

4.10.2 Enforcing the applicable provisions of the Governing Documents and any other instruments governing the ownership, management, and control of the Project;

4.10.3 Initiating and executing disciplinary proceedings against Members for violations of provisions of the Governing Documents in accordance with procedures set forth in Section 4.14 herein;

4.10.4 Paying taxes and assessments that are, or could become, a lien on all or a portion of the Common Area;

4.10.5 Fixing and establishing the fiscal year for the Association, including the power to modify the fiscal year;

4.10.6 Contracting for casualty, liability, and other insurance on behalf of the Association;

4.10.7 Contracting for goods and services for the Common Area facilities, and interests of the Association, subject to the limitations set forth in Section 4.11 herein;

4.10.8 Borrowing money, incurring indebtedness and executing promissory notes or other evidences of debt for the Association, provided, however, that no action of the Board shall be taken that will cause a deed of trust or mortgage to be placed on any of the common areas of the Association without the approval of a majority of a quorum of the owners;

4.10.9 Creating and disbanding committees pursuant to resolutions adopted by a majority of the Board; provided that if a committee will exercise any power or authority of the Board, it shall consist of two (2) or more directors, and as many other Members as the Board may designate, to serve at the pleasure of the Board. No directors need serve on any committee which does not exercise any power or authority of the Board;

4.10.10 Delegating its authority, duties, and responsibilities to its officers, employees, committees, or agents, including a general manager, property manager, or professional management agent;

4.10.11 Authorizing the withdrawal of monies from the Association's reserve accounts, upon the signatures of two (2) directors;

4.10.12 Entering any Lot to perform necessary construction, maintenance, inspection for compliance with the Governing Documents, and/or emergency repair work for the benefit of the Common Area, Association Property, or the Members in the aggregate;

4.10.13 Filling vacancies on the Board, except for a vacancy created by the removal of a director by Members;

4.10.14 Extending the time for return of ballots when an action is taken without a meeting pursuant to Section 3.6.5(b) herein, by majority approval of the Board; and

4.10.15 Providing any Owner with the following documents within ten (10) days of the mailing or delivery of a written request therefor and receipt of the costs to prepare and reproduce said documents:

- (a) A copy of the Governing Documents;
- (b) A copy of the most recent financial statement;
- (c) A written statement from an authorized representative of the Association specifying (i) the amount of the Association's current Regular, Special, and/or other assessments and fees; (ii) the amount of any assessments levied on the Owner's Lot that are unpaid on the date of the statement; and (iii) the amount of late charges, interest, and costs of collection that, as of the date of the statement, are or may be made a lien on the Owner's Lot pursuant to the Restated Declaration;
- (d) A statement noting any change in the Association's current assessments and fees which have been approved by the Board, but which have not become due and payable as of the date disclosure is provided pursuant to this Section.

4.11 **Limitation on Powers.** Notwithstanding the provisions of Section 4.10, the Board shall be prohibited from taking any of the following actions, except with member approval via a ballot measure pursuant to Section 3.1.5 of these Restated Bylaws:

4.11.1 Entering into a contract with a third person under which the third person will furnish goods or services for the Common Area or the association property for a term longer than three (3) years with the following exceptions:

- (a) A contract with a public utility if the rates charged are regulated by the Public Utilities Commission, provided that the term shall not exceed the shortest term for which the utility will contract at the regulated rate;
- (b) Agreements for cable television services and equipment not exceeding five (5) years in duration;
- (c) Agreements for the sale or lease of burglar alarm and fire alarm equipment, installation, and services not exceeding five (5) years' duration; and
- (d) Agreements for trash pick up and other trash services not exceeding five (5) years in duration.

4.11.2 Incurring aggregate expenditures for new capital improvements to the Common Area (that otherwise did not exist previously) in any fiscal year in excess of ten percent (10%) of the gross budgeted expenses of the Association for that fiscal year. This section shall not limit expenditures for repair, maintenance and replacement of reserve line items;

4.11.3 Selling during any fiscal year property of the Association having an aggregate fair market value in excess of ten percent (10%) of the gross budgeted expenses of the Association for that fiscal year;

4.11.4 Borrowing money, incurring indebtedness and executing therefor promissory notes or other evidences of debt for the Association in excess of ten percent (10%) of the gross budgeted expenses of the Association for that fiscal year; or

4.11.5 Filling a vacancy on the Board created by the removal of a director by the Members.

**4.12 Financial Documentation; Preparation, Reporting and Review Responsibilities.** With regard to the preparation, reporting and review of the Association's financial documentation, the Board shall have the following responsibilities:

4.12.1 Preparing a pro forma operating budget for each fiscal year and distributing a copy thereof to each Owner not less than thirty (30) and not more than ninety (90) days prior to the beginning of the fiscal year, unless California law provides a different time line, in which case the statute shall control.

- (a) The estimated revenue and expenses on an accrual basis;
- (b) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to Section 1365.5 of the California *Civil Code*, based only on assets held in cash or cash equivalents, which shall be printed in bold type and include all of the following:
  - (i) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component;
  - (ii) As of the end of the fiscal year for which the study is prepared: (1) the current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components, and (2) the current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain those major components; and
  - (iii) The percentage that the amount determined for purposes of clause (2) of subparagraph (ii), above, is of the amount determined for purposes of clause (1) of subparagraph (ii), above;
  - (iv) The current deficiency in reserve funding expressed on a per unit basis.

The summary of the Association's reserves disclosed pursuant to this Section shall not be admissible in evidence to show improper financial management of the Association, provided that other relevant and competent evidence of the financial condition of the Association is not made inadmissible by this provision;

- (c) A statement as to all of the following:
  - (i) Whether the Board, consistent with the reserve funding plan, has determined or anticipates that the levy of one or more Special Assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date and duration of the assessment;
  - (ii) The mechanism or mechanisms by which the Board will fund reserves to repair or replace major components, including assessments, borrowing, use or other assets, deferral of selected replacement or repairs, or alternative mechanisms;
  - (iii) Whether the Board of Directors of the Association has determined to defer or not undertake repairs or replacement of any major component with a remaining life of thirty (30) years or less, including a justification for the deferral or decision not to undertake the repairs or replacement; and
  - (iv) Whether the Association has any outstanding loans within an original term of more than one (1) year, including the payee, interest rate, amount outstanding, annual payment and when the loan is scheduled to be retired.

(d) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain, or other components identified by the Board. The report shall include, but need not be limited to, reserve calculations made using the formula described in Paragraph 4 of subsection (b) of *Civil Code* §1365.2.5, and may not assume a rate of return on cash reserves in excess of two percent (2%) above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

(e) In lieu of the distribution of the pro forma operating budget, the Board may elect to distribute a summary of the statement to each Owner with a written notice that the statement is available at the business office of the Association or designated location and that copies will be provided upon written request and at the expense of the Association. The Association shall provide the copy to the Owner within five (5) working days of the receipt of the Owner's written request.

4.12.2 Preparing and distributing an annual report, within one hundred twenty (120) days after the close of each fiscal year, consisting of the following:

(a) A balance sheet as of the end of the fiscal year;

(b) An operating (income and expense) statement for the fiscal year;

(c) A statement of changes in financial position for the fiscal year;

(d) For any fiscal year in which the gross income to the Association exceeds \$75,000.00, a copy of the review or audit, if applicable, of the annual financial statement prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. If this report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared without independent audit or review from the books and records of the Association; and

(e) A reserve funding plan that indicates how the Association plans to fund the contribution identified in Section 3.11.4(d) above, to meet the Association's obligation for the repair and replacement of all major components with an expected remaining life of thirty (30) years or less, not including those components that the Board has determined will not be replaced or repaired. The plan shall include a schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the reserve funding plan. The plan shall be adopted by the Board at an open meeting before the membership of the Association. If the Board of Directors determines that an assessment increase is necessary to fund the reserve funding plan, any increase shall be approved in a separate action of the Board that is consistent with the procedure described in *Civil Code* §1366 (or any successor statute thereto).

4.12.3 Preparing and distributing to the Owners, not less than thirty (30) nor more than ninety (90) days before the beginning of each fiscal year, a statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of its Assessments against Owners;

4.12.4 Causing to be conducted at least once every three (3) years a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the Community. The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review. This study shall, at a minimum, include:

(a) Identification of the major components which the Association is obligated to repair, replace, restore or maintain which, as of the date of the study, have a remaining useful life of less than thirty (30) years;

(b) Identification of the probable remaining useful life of the components identified in (a), above, as of the date of the study;

(c) An estimate of the cost of repair, replacement, restoration or maintenance of the components identified in (a), above, during and at the end of their useful life; and

(d) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore or maintain the components identified in (a), above, during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.

As used herein, the term "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace, or restore those major components which the Association is obligated to maintain; and

4.12.5 Reviewing the following on at least a quarterly basis:

(a) A current reconciliation of the operating and reserve accounts of the Association;

(b) The actual reserve revenues and expenses for the current year to date compared to the budget for the current year;

(c) An income and expense statement for the operating and reserve accounts of the Association; and

(d) The most current account statements prepared by the financial institution where the Association has its operating and reserve accounts.

4.12.6 A summary of the Association's property, general liability, earthquake, flood and fidelity insurance policies, which shall be distributed not less than thirty (30) nor more than ninety (90) days preceding the beginning of the Association's fiscal year, that includes all of the following information:

(a) The name of the insurer.

(b) The type of insurance.

(c) The policy limits of the insurance.

(d) The amount of deductibles, if any.

The Association shall, as soon as reasonably practicable, notify its members by first-class mail if any of the policies described in paragraph (1) have lapsed, been canceled and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, as to any of those policies. If the Association receives any notice of nonrenewal of a policy described in paragraph (1), the Association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

To the extent that any of the information required to be disclosed pursuant to paragraph (1), is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it to all of its members.

The summary distributed pursuant to paragraph (1) shall contain, in at least 10-point boldface type, the following statement: "This summary of the Association's policies of insurance provides only certain information, as required by subdivision (e) of §1365 of the *Civil Code*, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage."

4.12.7 Members of the Association shall be notified in writing at the time that the pro forma operating budget required in Section 1365 is distributed, or at the time of any general mailing to the entire membership of the association, of their right to have copies of the minutes of meetings of the board of directors, and how and where those minutes may be obtained.

4.13 **Expending Reserve Funds.** The Board may not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement or maintenance of, or litigation involving the repair, restoration, replacement or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

The foregoing notwithstanding, the Board may reallocate monies in the reserve account for different specific line items of major components which the Association is obligated to repair, restore, replace, or maintain, as long as said reallocation is based upon a written finding by the Board of Directors, which explains the reason for the reallocation and includes the opinion(s) of professionals and/or experts confirming the need for the reallocation.

Additionally, notwithstanding the above, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short-term cash-flow requirements or other expenses, if the Board has provided notice of intent to consider the transfer in a notice of meeting, which shall be provided as specified in §1363.05. The notice shall include the reasons the transfer is needed, some of the options for repayment, and whether a special assessment may be considered. If the Board authorizes the transfer, the Board shall issue a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed and describing when and how the money will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a temporary delay would be in the best interests of the Project, temporarily delay the restoration. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve account, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this Section. This special assessment is subject to the limitation imposed by Section 1366. The Board may, at its discretion, extend the date the payment on the special assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid special assessment.

When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of that decision, and of the availability of an accounting of those expenses, in the next available mailing to all Members of a notice or



report addressed and mailed or delivered to a Member as part of a newsletter, magazine or other article regularly sent to Members. The Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members at the Association's office.

#### **4.14 Disciplinary Actions Against Members.**

4.14.1 The Board shall have the right to discipline a Member and/or his/her/its family, tenants, residents, co-owners, guests and/or invitees ("Invitees") for violation of any of the provisions of the Declaration or Bylaws (or any amendments thereto), Rules and Regulations, and Architectural and Landscape Regulations/Guidelines (hereafter "Governing Documents") by (i) suspending the Member's rights and privileges, including voting rights, and the rights and privileges to use the Common Area and/or facilities, appurtenant to the Member's Residential Lot, rights and privileges to cable television services (if the Association has in existence a bulk cable agreement), as well as other use privileges granted to Owners in good standing, and/or (ii) imposing a monetary penalty.

4.14.2 The Board shall have the right to suspend the voting rights of any Member, cable television service to a Residential Lot (but only if the Association has entered into a bulk cable agreement for the Property), and the rights of any Member, and the Invitees deriving rights from any Member, to use and enjoy the Common Area for any period during which the Member is delinquent in the payment of any assessment or monetary penalty, or as otherwise provided in the Governing Documents.

4.14.3 In connection with the general power of enforcement described above, the Board may discipline a Member for violations by the Member and/or his/her/its Invitees of any of the provisions of the Governing Documents, subject to the following limitations:

(a) The accused Member shall be given an opportunity to be heard and shall be given notice of a hearing before the Board of Directors in executive session, where the imposition of a suspension of membership privileges, monetary penalty, or both will be considered with respect to any alleged violation. Said notice shall be given not less than ten (10) days prior to the hearing;

(b) Notwithstanding the foregoing, under circumstances involving conduct that constitutes either (i) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Members, or (ii) a traffic or fire hazard, or (iii) a threat of material damage to, or destruction of, the Common Area, the Board or its agents may undertake immediate corrective or disciplinary action and conduct a hearing as soon thereafter as reasonably possible, if either (1) requested by the offending Member within five (5) days following the Association's action(s), or (2) on the Board's own initiative;

(c) The amount of any monetary penalty shall be established from time to time for each type of violation in an amount to be determined by the Board, and a schedule thereof shall be distributed to the Members by personal delivery or first class mail. Distribution of additional schedules is not required unless there are any changes to an existing schedule;

(d) Except for nonpayment of any assessments, including monetary penalties, any suspension of a Member's privileges shall not exceed nine (9) months for each violation. For nonpayment of any assessment, suspension of the Member's privileges shall continue until the Member remits payment of all monies due, including any collection costs.

### **ARTICLE 5 — MEETINGS OF DIRECTORS**

5.1 **Regular Meetings.** Regular meetings of the Board of Directors shall be held monthly, except during the summer/early fall months of May, June, July, August, September and October, at a time and place within the Project or within the City of Blythe as fixed by resolution of the Board. Any larger meeting room

selected by the Board shall be as close as possible to the Project. Except for an emergency meeting, notice of the time, place and agenda of the meeting shall be posted at a prominent place or places within the Common Area, four days in advance or as otherwise permitted by law, and shall be communicated to the directors not less than seventy-two (72) hours prior to the meeting; provided, however, that prior to or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him/her of the time and place thereof.

5.1.1 Board meetings shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Board may adopt by resolution. Additionally, the Board must follow the following requirements in conducting its Board meetings:

(a) Except as described in paragraphs 5.1.1(b) through (d) below, inclusive, the Board of Directors of the Association may not discuss or take action on any item at a non-emergency meeting unless the item was placed on the agenda included in the notice that was posted and distributed pursuant to this Section 5.1. This provision does not prohibit a resident who is not a member of the Board from speaking on issues not on the agenda.

(b) Notwithstanding Section 5.1.1(a), a member of the Board of Directors, a managing agent or other agent of the Board of Directors, or a member of the staff of the Board of Directors, may do any of the following:

i. Briefly respond to statements made or questions posed by a person speaking at an open Board meeting as described in Section 5.5 below.

ii. Ask question for clarification, make a brief announcement, or make a brief report on his or her own activities, whether in response to questions posed by a member of the Association or based upon his or her own initiative.

(c) Notwithstanding Section 5.1.1(a), the Board of Directors or a member of the Board of Directors, subject to rules or procedures of the Board of Directors, may do any of the following:

i. Provide a reference to, or provide other resources for factual information to, its managing agent or other agents or staff.

ii. Request its managing agent or other agents or staff to report back to the Board of Directors at a subsequent meeting concerning any matter, or take action to direct its managing agent or other agents or staff to place a matter of business on a future agenda.

iii. Direct its managing agent or other agents or staff to perform administrative tasks that are necessary to carry out this provision.

(d) Notwithstanding Section 5.1.1(a), the Board of Directors may take action on any item of business not appearing on the agenda posted and distributed pursuant to Section 5.1 under any of the following conditions (provided before discussing any item pursuant to this paragraph, the Board of Directors shall openly identify the item to the members in attendance at the meeting):

i. Upon a determination made by a majority of the Board of Directors present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the Board that require immediate attention and possible action by the Board, and that, of necessity, make it impracticable to provide notice.

ii. Upon a determination made by the Board by a vote of two-thirds of the Board members present at the meeting, or, if less than two-thirds (2/3) of total membership of the Board is present at the meeting, by a unanimous vote of the Board members present, that there is a need to take immediate action and that the need for action came to the attention of the Board after the agenda was posted and distributed pursuant to Section 5.1.

iii. The item appeared on an agenda that was posted and distributed pursuant to Section 5.1 for a prior meeting of the Board of Directors that occurred not more than thirty (30) calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken.

5.1.2 As used in this section, "meeting" includes any congregation of a majority of the members of the Board at the same time and place to hear, discuss, or deliberate upon any item of business scheduled to be heard by the Board, except those matters that may be discussed in executive session.

5.2 **Special Meetings.** Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two (2) directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting shall be provided to the Members in the manner provided for notice of regular meetings and shall be sent to all directors not less than seventy-two (72) hours prior to the scheduled time of the meeting; provided, however, that notice need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

5.3 **Organizational Meeting.** Immediately after the Annual Meeting, described in Section 2.2, herein, or as soon thereafter as reasonably practicable, the Board shall meet to elect the officers of the Association and conduct any other business of the Association as the Board, in its discretion, shall determine is necessary.

5.4 **Quorum.** A majority of the Board shall constitute a quorum and if a quorum is present, the decision of majority of the directors present shall be the act of the Board.

5.5 **Open Meetings.** Regular and special meetings of the Board shall be open to all the Members of the Association. The Board of Directors shall set aside a time during any meeting of the Board for Members to speak, except for meetings of the Board held in executive session. A reasonable time limit for all Members of the Association to speak to the Board shall be established from time to time by the Board of Directors.

5.6 **Electronic Participation in Meetings.** Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communications, or other communications equipment. Participation in a meeting, through the use of conference telephone, pursuant to this subdivision constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) pursuant to this paragraph constitutes presence in person at that meeting if all of the following apply:

(a) Each member participating in the meeting can communicate with all of the other members concurrently.

(b) Each member is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection, to a specific action to be taken by the corporation.

(c) Association adopts and implements some means of verifying both of the following: (i) A person participating in the meeting is a director or other person entitled to participate in the board meeting; and (ii) all statements, questions, actions, or votes by the board are taken or cast only by the directors and not by persons who are not directors, were made by that director and not by another person not permitted to participate as a director.

**5.7 Emergency Meetings.** An emergency meeting of the Board may be called by the President of the Association, or by any two members of the Board other than the President, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as required by Section 5.1 above.

**5.8 Executive Session.** The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to meet with its legal counsel, or discuss and vote upon (a) litigation in which the Association is or may become involved, (b) matters that relate to the formation of contracts with third parties, (c) personnel matters, (d) member discipline, and (e) meet with a member related to a payment plan for the member's delinquent assessments. The nature of any and all business to be considered in executive session shall first be announced in open session. In the event the executive session does not follow an open session, the Board may conduct an executive session if the nature of any and all business considered in such executive session is announced at the next regularly scheduled Board meeting. Nothing herein contained shall be construed to obligate the Board to first call an open meeting before meeting in executive session. An executive session which does not follow an open meeting may be called and noticed in the same manner as a special meeting. Any matter related to the issues enumerated in this Paragraph discussed in executive session shall be generally noted in the Association minutes of the next Board meeting. The term *generally noted in the Association minutes* means that the date and time of the executive session shall be indicated with a list of the topic(s) discussed under the allowed categories enumerated in this Section.

**5.9 Adjournment.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment shall be given, prior to the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

**5.10 Action Without a Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents may be conveyed by copy, facsimile and/or e-mail and shall be filed with the minutes of the proceedings of the Board. Written consent by e-mail shall be acceptable and constitute written consent provided each Director who has indicated e-mail approval confirms receipt of the proposed Board action and forwards a reply back to the Association, confirming receipt of the proposed Board action and approval of same (which reply shall be attached to the Board action via unanimous written consent as that Director's consent to the intended Board action). An explanation of the action taken shall be communicated by any means the Board deems appropriate.

**5.11 Board Deliberation Regarding Member Discipline.** In any matter relating to the disciplining of a Member, the Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend that portion of the executive session in which the Board discusses the discipline of that Member.

**5.12 Meeting Minutes.** Except as specified in Section 5.8 related to the minutes for executive sessions, the Board shall keep accurate written minutes of its meetings and shall retain them in the permanent records of the Association. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any Board meeting, other than executive session, shall be available to Members within thirty (30) days of the meeting. The minutes, proposed minutes, or summary of minutes shall be distributed to any Member upon request and upon reimbursement for the costs in making that

distribution. Members shall be notified in writing at the time that the budget is distributed, or at the time of any general mailing to the entire membership, of their right to have copies of the minutes of meeting of the Board, and how and where those minutes may be obtained. The Board may, but is not obligated to, keep minutes of executive sessions. However, if minutes of any executive session are taken, said minutes are confidential and shall be kept in a secure place in a separate minute book. Only members of the Board of Directors and those employees and other designated representatives of the Association shall be entitled to review executive session minutes. It is the intent of the Board that executive session minutes shall generally note the nature of any discussion and any action taken by the Board related thereto. Executive session minutes shall not be considered the type of minutes or Association "books and records" which are normally available to the membership under *Corporations Code* §8333.

## ARTICLE 6 — OFFICERS

**6.1 Enumeration of Officers.** The officers of this Association shall be a President, a Vice-President, a Secretary, and a Treasurer. The Board may appoint such additional officers as it may, in its sole discretion, determine necessary or desirable. Any number of offices may be held by the same person except for the offices of (a) President and Treasurer, and (b) President and Secretary. The President, Vice President, Secretary and Treasurer must be members of the Board of Directors. However, all other officers need not be members of the Board.

**6.2 Appointment and Term.** The officers shall be elected annually by the Board. Any vacancies shall be filled by the Board. Each officer shall hold his or her office at the pleasure of the Board.

**6.3 Duties.** Unless otherwise delegated by the Board, the duties of each officer shall be as follows:

**6.3.1** The President shall:

- (a) Preside over all meetings of the Members and of the Board;
- (b) Sign as President all deeds, contracts, and other written instruments that have been approved by the Board, unless the Board, by duly adopted resolution, authorizes the signature of a lesser officer;
- (c) Call meetings of the Board whenever he or she deems it necessary, in accordance with any rules and notice requirements imposed by the Board and the Governing Documents. The notice period shall be not less than ninety-six (96) hours except in the case of emergencies;
- (d) Have, subject to the approval of the Board, general supervision, direction, and control of the affairs of the Association; and
- (e) Discharge any other duties required of him or her by the Board.

**6.3.2** The Vice President shall:

- (a) Act in the place and in the stead of the President in the event of his or her absence, inability, or refusal to act; and
- (b) Exercise and discharge any other duties required of him or her by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

**6.3.3** The Secretary shall:

- Members;
- (a) Keep a record of all meetings and proceedings of the Board and of the
- the seal;
- (b) Keep the seal of the Association, if any, and affix it on all papers requiring
- (c) Serve all required notices of meetings of the Board and the Members;
- (d) Keep current records showing the names and addresses of all Members; and
- (e) Sign as Secretary all deeds, contracts, and other written instruments that have been approved by the Board, if the instruments that have been approved by the Board and signed by the President require a second Association signature and the Board has not passed a resolution authorizing another officer to sign in the place and stead of the Secretary.

6.3.4 The Treasurer shall:

- (a) Receive and deposit all of the funds of the Association in any bank or banks selected by the Board;
- (b) Be responsible for and supervise the maintenance of books and records to account for Association funds and other Association assets;
- (c) Disburse and withdraw Association funds in the manner specified by the Board; and
- (d) Prepare and distribute the financial statements for the Association required by the Restated Declaration.

**6.4 Resignation and Removal.** The Board may remove any officer from office either with or without cause. An officer may resign at any time by giving notice to the Board, the President or the Secretary. The resignation shall take effect at the date of receipt of the notice or at any later time specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation by the Board shall not be necessary to make it effective.

**6.5 Compensation.** An officer shall not receive any compensation for any service he or she may render to the Association; provided, however, that any officer may be reimbursed for actual out of pocket expenses incurred by the officer in the performance of his or her duties. This section shall not apply to any employee who may be appointed an officer of the Association.

**6.6 Delegation.** With Board approval, an officer may delegate his or her powers and duties to any committee, employee or agent of the Association, including, but not limited to the property manager.

## ARTICLE 7 — BOOKS AND RECORDS

**7.1 Required Books and Records.** The Association shall maintain at its principal office:

- 7.1.1 Copies of the Governing Documents as last amended;
- 7.1.2 Adequate and correct books and records of account;
- 7.1.3 Written minutes of the proceedings of its Members, of its Board, and of committees of its Board (excluding executive session minutes and all executive session agendas); and

7.1.4 A membership register containing each Member's name, mailing address and voting rights.

7.2 **Inspection Rights.** The above books and records shall be made available for inspection as follows:

7.2.1 The Association shall make available Association records and enhanced Association records for the time periods and within the time frames provided in *Civil Code* §1365.2, as amended from time to time, or any successor statute thereto ("Statutory Inspection Rights") for inspection and copying by a member of the Association or the member's representative designated in writing to the Association. For purposes of this Section, the terms "association records" and "enhanced association records," as well as the fees that the Association can charge for said records shall be in accordance with the Statutory Inspection Rights. The Association may withhold or redact information from the Association records and enhanced association records consistent with the Statutory Inspection Rights.

7.2.2 Every director shall have the absolute right to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association at any reasonable time. The right of inspection by a director includes the right to make extracts and copies of documents with the exception of secret written ballots, which shall only be reviewed by Inspectors of Election, the management company, or the Association's corporate counsel and/or the Association's CPA.

## **ARTICLE 8 — NONLIABILITY AND INDEMNIFICATION**

8.1 **Limitation on Liability of Association's Directors and Officers.** No directors, committee members or officers of the Association (collectively and individually referred to as the "Released Party") shall be responsible to any Owner, or member of an Owner's family, any of the Owner's tenants, guests, servants, employees, licensees, invitees, or any other person for:

8.1.1 Any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required by the Governing Documents, provided that such Released Party has, upon the basis of such information as may be possessed by the Released Party, acted in good faith, in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Association's annual financial budget, the funding of Association reserve accounts for repair, replacement and maintenance of Common Areas and enforcement of the Governing Documents.

8.1.2 Any loss or damage suffered by reason of theft or otherwise of any article, vehicle or other item of personal property which may be stored by such Owner or other person within any Lot or Exclusive Use Common Area or for any injury to or death of any person or loss or damage to the property of any person caused by fire, explosion, the elements or any other Owner or person within the Project, or by any other cause, unless the same is attributable to his or her own willful or wanton act or gross negligence. It is the intent of this Section to provide volunteer directors and officers with protection from liability to the full extent permitted by California *Civil Code* Section 1365.7, or comparable superseding statute, and to the extent this provision is inconsistent with said section, the *Civil Code* shall prevail.

8.2 **Indemnification of Association.** Each Owner shall be liable to the Association for any damage to the Common Areas and/or Association Property caused by the negligence or willful misconduct of the Owner or his or her family, guests, invitees or renters. Each Owner shall indemnify, hold harmless, and pay any costs of defense of each other Owner from claims for personal injury or property damage occurring within any Lot owned by the indemnitor, provided that this protection shall not extend to any indemnitee whose negligence or willful misconduct caused or contributed to the injury or damage. This Section is not intended

to be for the benefit of any insurer and shall not affect nor limit the duty of any insurer to pay any claim which would be payable by said insurer but for this Section.

**8.3 Indemnification by Association of Directors, Officers, Employees and Other Agents.**

To the fullest extent permitted by law, the Association shall indemnify its directors, officers, committee members, employees, and other agents described in *Corporations Code* Section 7237, 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 *Corporations Code* Section 7237 and including an action by or in the right of the Association, by reason of the fact that such person is or was a person described by that Section. "Expenses", as used in this Section, shall have the same meaning as in *Corporations Code* Section 7237(2).

**8.4 Approval of Indemnity by Association.** On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine in accordance with *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 it has, 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 the proceeding, the Board shall promptly send out a ballot measure seeking membership approval of the indemnification. The ballot measure shall seek a member determination 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 it has, the Members shall vote by the ballot measure to authorize such indemnification.

**8.5 Advancement of Expenses.** To the fullest extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a director, officer, employee or agent seeking indemnification under Sections 7.2 and 7.3 of this Article in defending any proceeding covered by those Sections shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

**8.6 Insurance.** The Association shall have the power to purchase and maintain insurance on behalf of its directors, officers, employees or other agents against other liability asserted against or incurred by any director, officer, employee or agent in such capacity or arising out of the director's, officer's, employee's or agent's status as such.

## **ARTICLE 9 — AMENDMENTS**

These Bylaws may be amended by the vote or written consent of an affirmative vote of at least fifty percent (50%) plus one vote of all members of the Association. Notwithstanding any contrary provision in this Section, the percentage of the voting power necessary to amend a specific clause or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that specific clause or provision. An addition or amendment to this document shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Notwithstanding the above, if the Restated Bylaws include a reference to a *Civil Code* or *Corporations Code* section that has been renumbered by the Legislature, then the Board of Directors may adopt a Board resolution to amend the Restated Bylaws to correct the technical statutory cross-reference within the Association's Restated Bylaws and, thereafter, distribute a corrected Restated Bylaws to the membership.



**CERTIFICATION**

We, the undersigned, do hereby certify:

That we are the duly elected officers of Rancho Ventana RV Resort Community Association, Inc., a California nonprofit mutual benefit corporation.

That the foregoing Bylaws constitute the Restated Bylaws of the Association, as duly adopted by the vote or written consent of Owners of at least fifty-one percent (51%) of the voting power.

IN WITNESS WHEREOF, we have subscribed our names on the date hereunder written.

RANCHO VENTANA RV RESORT COMMUNITY  
ASSOCIATION, INC.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
President

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary