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# RESTATED BYLAWS

of the

# MOUNTAIN VALLEY HOMEOWNERS ASSOCIATION

a California nonprofit, mutual-benefit corporation

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**RESTATED BYLAWS**  
of the  
**MOUNTAIN VALLEY**  
**HOMEOWNERS ASSOCIATION**  
a California nonprofit, mutual-benefit corporation

These Restated Bylaws ("Bylaws") revokes all previous bylaws as well as all amendments to those bylaws and substitutes in their place these Bylaws.

**ARTICLE 1**  
**ADMINISTRATION**

1.1 **Name.** The name of this corporation is the Mountain Valley Homeowners Association ("Association"), a California nonprofit, mutual-benefit corporation.

1.2 **Location.** The Association shall have its principal office in the Clubhouse located at 2244 N. Justin Ave., Simi Valley, CA 93065, or as close to the Project as practicable as the affairs of the Association may require from time to time.

1.3 **Definitions.** All terms used in these Restated Bylaws ("Bylaws") shall, unless stated otherwise, be defined as set forth in the Restated Declaration of Covenants, Conditions and Restrictions ("CC&Rs").

**ARTICLE 2**  
**MEMBERSHIP RIGHTS**

2.1 **Membership.** Except as otherwise provided in the CC&Rs, each Lot owner in the Association shall be a Member. Members shall be subject to the terms and provisions of the Articles of Incorporation, the CC&Rs, these Bylaws, and the Rules and Regulations.

2.2 **Proof of Membership.** No person or entity may exercise the rights of membership without an ownership interest in a Lot in the Association. If the Board should request proof of ownership, such proof shall be in the form of a recorded deed.

2.3 **Termination of Membership.** Membership in the Association shall automatically terminate when such Member no longer holds an interest in a Lot.

2.4 **Voting Rights.** In all matters submitted for a vote of the Members, including the election of Directors, Members in good standing shall be entitled to vote on such issues.

2.5 Suspension of Rights. Membership rights and privileges, including voting rights, may be suspended as provided for in the CC&Rs. Regular and Special Assessments shall continue to accrue and shall be due and payable notwithstanding the suspension of membership rights and privileges.

### ARTICLE 3 MEETINGS OF MEMBERS

3.1 Place of Membership Meetings. Annual and special meetings of the membership shall be held at a suitable location near the Project

3.2 Annual Meetings. There shall be at least one meeting of the Members in each calendar year for the purpose of electing Directors and conducting any other legitimate business of the Association. The Board shall fix the date and hour for holding such meetings; provided, however, that each Annual Meeting shall be held in the same month as the preceding Annual Meeting if it is reasonably practicable to do so but in no event more than thirteen (13) months from the date of the preceding Annual Meeting.

3.3 Special Meetings. Special meetings of the Members may be called by any of the following:

- a. *Board.* A majority of the Board.
- b. *Members.* Members in good standing constituting at least twenty percent (20%) of the voting power of the Association. If a special meeting is called by Members of the Association, the request shall be submitted to the Board in writing, specifying the nature of the business to be transacted. The Director or officer receiving the request shall promptly deliver the request to the remaining Directors.

3.4 Scheduling of Special Meeting. The person or persons calling a special meeting of the membership may request a date, time and location for holding the meeting. The Board shall set the date, time and location of the meeting as requested by the person or persons calling the meeting if such date, time and location is reasonable and the date is not less than ten (10) days nor more than forty-five (45) days following the receipt of the request. If the persons calling the meeting fail to request a particular date, time and location, the Board shall set a reasonable date, time, and location not less than ten (10) days nor more than forty-five (45) days following the receipt of the request.

3.5 Notice of Members' Meetings. Notice of all meetings of the Members shall be given by the Board.

- a. *Notice Period.* All notices of meetings of Members, both special and annual, shall be sent or otherwise given in accordance with this section not less than ten (10) days nor more than forty-five (45) days before the date of the meeting.

- b. *Notice Contents.* The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the nature of the business to be transacted as specified by those persons calling the meeting (and that no other business may be transacted except as specified in the notice), or (ii) in the case of the Annual Meeting, those matters which the Board intends to present for action by the Members.
- c. *Manner of Giving Notice.* Notice of any membership meeting, whether annual or special, shall be given either personally or by first-class mail, charges prepaid, addressed to each Member (i) at the address appearing on the books of the Association, or (ii) at the address given by the Member for the purpose of notice, or (iii) if no address appears on the Association's books and no other address has been given, (iii) at the address of the Member's Lot. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail.
- d. *Declaration of Mailing Notice.* A declaration of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary, President, or any other party giving the notice, and shall be prima facie evidence of the effective transmittal of the notice.
- e. *Failure to Give Notice.* If the Board fails to give notice, the persons calling the special meeting may give notice consistent with these Bylaws.

3.6 Chairman of Meeting. The President of the Board or, in his or her absence, the Vice-President or any other person designated by the Board, shall call the membership meeting to order and shall preside as chairman of the meeting unless a majority of the Members attending the meeting in person or by proxy select another person to chair the meeting. The Secretary of the Association shall act as Secretary. However, in the absence of the Secretary the presiding officer may appoint any person to serve as acting Secretary for the meeting.

3.7 Quorum. A majority of the voting power of the Association (excluding those Members whose voting rights have been suspended), represented in person or by proxy, shall constitute a quorum at all meetings of Members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be the act of the Members unless the vote of a greater number is required by the CC&Rs or these Bylaws.

3.8 Lack of Quorum. If at any Annual Meeting of the Association a quorum is not present, a majority of the Members present and entitled to vote may adjourn the meeting in accordance with the provisions of this Article. At the subsequent meeting the presence, in person or by proxy, of Members otherwise entitled to vote who represent at least thirty-three percent (33%) of the voting power of the Association (excluding those Members whose voting rights have been suspended) shall constitute a quorum.

3.9 Loss of Quorum. The Members present at a duly called meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the loss of a quorum so long as the business is approved by enough Members to constitute at least a majority of a quorum had a quorum been present.

3.10 Adjourned Meetings. Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time-to-time by the vote of the majority of the Members represented at the meeting, either in person or by proxy; provided, however, an adjournment for lack of a quorum shall be to a date not less than five (5) days nor more than thirty (30) days from the date the original meeting was called. In the absence of a quorum, no business may be transacted except to adjourn the meeting to another date and time. If a new date for a subsequent meeting is announced prior to adjournment, no further notice need be given to the membership. If, however, a new date is not announced prior to adjournment, the Board President (or the remaining Directors in the President's absence or failure to act) may set the date for the subsequent meeting and shall cause written notice of the date, time and place of such meeting to be given to the Members at least four (4) days in advance of the meeting.

3.11 Voting Rights. Each Member shall be entitled to one (1) vote per Lot on all matters presented to the Members for a vote.

- a. *No Cumulative Voting*. Members shall not be allowed to use cumulative voting.
- b. *Co-Owners*. Where there is more than one record owner of a Lot ("Co-Owners"), any or all such Co-Owners shall be Members and may attend any meeting of the Association, but only one Co-Owner shall be entitled to exercise the vote to which the Lot is entitled. Fractional votes shall not be allowed.
- c. *Presumption of Consent*. Unless the Board receives a written objection in advance from a Co-Owner, it shall be conclusively presumed that the corresponding voting Co-Owner is acting with the consent of his or her Co-Owners.
- d. *Voting Rights Suspended*. The voting rights of a Member may be suspended if the Member is more than thirty days delinquent in paying any Assessment, provided however, the Board gives the Member notice of the pending suspension and an opportunity to present evidence to the Board as to why the Member's voting rights should not be suspended (such as presenting canceled checks showing the Member is not delinquent). Once suspended, a Member's voting privileges shall remain suspended until such time as the delinquency, including any accumulated penalties, interest and costs of collection, have been paid in full.

3.12 Approval By Majority. Except as provided elsewhere in these Bylaws or the CC&Rs, once a quorum has been established, the affirmative vote of a majority of the Members represented in person or by proxy at the meeting may pass any measure properly presented for a vote. As provided for in this Article in "Loss Of Quorum," the membership may continue to

transact business notwithstanding the loss of a quorum so long as the business is approved by enough Members to constitute at least a majority of a quorum had a quorum been present.

3.13 Action by Ballot Without A Meeting. Other than the election of Directors, any action which may be taken at any annual or special meeting of Members may be taken without a meeting if the Association distributes a written ballot to every Member entitled to vote on the matter.

- a. *Form of Ballot.* Such ballot shall: (i) set forth the proposed action, (ii) provide an opportunity to specify approval or disapproval of any proposal, (iii) set forth the number (not percentage) of responses needed to satisfy the quorum requirement, (iv) set forth the percentage (not number) of responses needed to pass the proposal, and (v) set forth a deadline by which the ballot must be returned to the Association in order to be counted.
- b. *Approval Requirement.* Approval by written ballot shall be valid only when (i) the number of votes cast by ballot by the specified deadline equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of votes cast by ballot equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- c. *Transmittal of Ballots.* The Association may deliver ballots either personally or by first-class mail, charges prepaid, addressed to each Member (i) at the address appearing on the books of the Association, or (ii) at the address given by the Member for the purpose of notice, or (iii) if no address appears on the Association's books and no other address has been given, (iii) at the address of the Member's Lot. A declaration of transmittal executed by the person transmitting the ballots shall be prima facie evidence of the effective transmittal of ballots.
- d. *Revocation of Ballot.* Once a ballot has been returned to the Association it cannot be revoked.
- e. *Extension of Time.* If, by the deadline specified by the Board for return of the ballots, the Board has received ballots from less than a majority of the voting power so that a quorum has not been achieved, the Board may extend the deadline by not more than thirty (30) additional days and shall promptly notify Members of the extension.

3.14 Proxies. Every person entitled to vote shall have the right to do so either in person or by written proxy filed with the Association on or before the date of the meeting.

- a. *Revocability.* Every person entitled to vote shall have the right to do so either in person or by written proxy filed with the Association on or before the date of the meeting. A validly executed proxy shall continue in full force and effect unless

revoked (i) by the Member in writing before the vote cast, (ii) by a subsequent proxy executed by such Member or (iii) by personal attendance and voting at the meeting by such Member. Every proxy shall be revocable and shall automatically cease after completion of the meeting for which the proxy was filed.

- b. *Form of Solicited Proxies.* Proxies must bear an original or faxed signature of the Member giving the proxy. Proxies which do not designate a proxy holder shall be presumed to designate the Board of Directors and may be voted by the Board.

#### ARTICLE 4 MEETINGS OF THE BOARD

4.1 Place of Meetings. All meetings of the Board shall be held at the Clubhouse located at 2244 N. Justin Ave., Simi Valley, CA 93065, or as close to the Project as practicable as the affairs of the Association may require from time to time.

4.2 Organization Meeting. Within thirty (30) days following each Annual Meeting of the Members, the Board shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business.

4.3 Regular Meetings. Meetings of the Board shall be held at least once per month although the Board may, at its discretion, waive a monthly meeting.

4.4 Executive Sessions. The Board may, upon the vote of a majority of the Board's quorum, meet, or adjourn a Board meeting and reconvene, in executive session exclusive of all Members who are not Directors to discuss and vote upon (i) personnel matters, (ii) vendor contracts, (iii) litigation in which the Association is involved, (iv) hearings held pursuant to the CC&Rs for the purpose of imposing monetary penalties, suspending voting privileges or suspending membership privileges of Members who have violated provisions of the Articles of Incorporation, the CC&Rs, these Bylaws, or the Rules and Regulations, and (v) other similar matters requiring confidentiality. The general nature of all business to be considered in executive session shall be announced in open session and shall be generally noted in the minutes of the open session meeting. If no open session meeting was held in conjunction with the executive session meeting, the general nature of all business considered in executive session shall be announced in the following open session meeting and shall be generally noted in the minutes of that meeting.

4.5 Minutes of Meetings. The minutes of any Board meeting other than an executive session shall be available to Members within thirty (30) days of the meeting and shall be distributed to any Member upon request and upon reimbursement of the Association's cost in making that distribution.

4.6 Special Meetings. Special meetings of the Board may be called by the President or any two (2) members of the Board. Such meetings may be held upon three (3) days' notice.

In the event of an emergency, the Board may meet with less notice but must post such notice to the membership and must note in the minutes of the meeting the reason why more notice could not be given.

4.7 Notice of Meetings. Members shall be given notice of the time and place of Board meetings at least four (4) business days prior to the meeting. Notice may be given by posting the notice in a prominent place or places within the Common Area and by mail or delivery of the notice to each Residence, or by newsletter or similar means of communication. An emergency meeting of the Board may be called if there are circumstances that could not have been reasonably foreseen which require immediate attention by the Board. In such instances, the Board shall give notice as may be reasonable and practical.

4.8 Attendance by Members at Board Meetings. Regular and special (non-executive session) meetings of the Board shall be open to all Members. However, no Member who is not an officer or Director may participate in any deliberation or discussion unless expressly authorized by a majority of a quorum of the Board. Even though Members may not participate in deliberations or discussions of the Board, a reasonable amount of time must be set aside at the beginning or at the conclusion of the Board's meeting to permit Members the opportunity to address the Board. Attendance by Members and time for addressing the Board shall only apply to non-executive sessions of the Board.

4.9 Teleconference. Members of the Board may participate in a meeting through use of a conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Participation in a meeting pursuant to this subdivision constitutes presence in person at such meeting.

4.10 Quorum For Board Meetings. A majority of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn the meeting as proved for below. Every act or decision made or done by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board.

4.11 Adjournment of Board Meetings. A majority of a quorum of the Directors may adjourn any Board meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any Board meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

4.12 Action by Written Consent in Lieu of Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall state that the action was taken by unanimous written consent of the Board without a meeting, and that these Bylaws authorized the Directors to so act. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors. For the purposes of this section only, "all Directors" shall not

include any "interested Directors" as defined in California Corporations Code §5233 as made applicable pursuant to §7238.

## ARTICLE 5 DIRECTORS

5.1 Powers. The business and affairs of the Association shall be controlled by the Board of Directors. In addition to the powers and duties set forth in the Association's Governing Documents, the Board shall have the power to perform any and all other acts that a nonprofit, mutual benefit corporation is empowered to do in the administration of the Association's affairs and to protect and advance the general welfare of the Association.

5.2 Number of Directors. The Board shall consist of nine (9) Directors.

5.3 Qualification of Directors. Each Director shall be a Member of the Association. In the event a corporation or other impersonal entity is a Member of the Association, it may designate one person to stand for election to the Board on its behalf. No person may be a candidate for the Board, or, once elected, shall automatically cease to be a Director if that person:

- a. *Delinquent.* Is delinquent by more than sixty (60) days in the payment of any Assessment levied by the Association;
- b. *Litigation.* Is engaged as an opponent in litigation with the Association;
- c. *Non-Member.* Ceases to be a Member of the Association; or
- d. *Joint Ownership Interest.* Has a joint ownership interest in a Unit with another Director or resides in the same Unit with another Director.

5.4 Failure to Attend Meetings. In the event a Director is absent three (3) consecutive regular meetings of the Board or four (4) meetings within a twelve (12) month period or six (6) meetings in a two-year period, a quorum of the remaining Directors may declare the seat vacant and appoint a replacement Director.

5.5 Two-Year Staggered Terms. The term of office served by Directors shall be two-year staggered terms with five (5) Directors elected on odd-numbered years and four (4) Directors elected on even-numbered years. There shall be no limitation on the number of terms served.

5.6 Nominating Committee. A Nominating Committee shall be appointed each year by the Board. The Committee shall consist of at least one (1) Director and one (1) Member of the Association. The Nominating Committee shall review the qualifications of all candidates who wish to run for election to the Board and who have given notice to the Board of their intent to run for election. The Nominating Committee shall only nominate those persons who are (i)

Members of the Association, (ii) not delinquent by more than sixty (60) days in the payment of any Assessment levied by the Association, (iii) not engaged as an opponent in litigation with the Association; and (iv) not a co-owner of a Lot with a Director whose term will overlap with the candidate if the potential nominee were elected. The Nominating Committee may not exclude candidates who are qualified. Prior to excluding a candidate from nomination, the Committee must give the candidate notice and an opportunity to present evidence to the Committee as to why he or she should not be excluded from nomination. At the time of election, the Nominating Committee shall: (i) make rules for voting procedures; (ii) determine the existence of a quorum for the transaction of business; (iii) supervise the voting; (iv) determine the authenticity and effect of proxies; (v) receive votes and ballots; (vi) hear and determine all challenges and questions arising in connection with the right to vote; (vii) count and tabulate all votes; (viii) determine the result of the election and (ix) do such acts as may be proper to conduct the vote with fairness.

5.7 Date for Close of Nominations. The Board each year shall solicit candidates to serve on the Board of Directors by giving written notice of the date of the Annual Meeting and the date for the close of nominations. The date for the close of nominations shall not be less than thirty (30) nor more than forty-five (45) days before the Annual meeting. If there are fewer nominations than seats to be filled, the Board may extend the time for nominations.

5.8 Election of Directors. Those persons receiving the largest number of votes shall be elected to the Board. If the number of persons elected is less than the number of vacancies, the newly-elected Board may appoint qualified Members to the unfilled vacancies. Once nominations are closed, if the number of nominees is less than or equal to the number of vacancies, the Association, at the Annual Meeting, may without further action declare the nominees to have been elected.

5.9 Election By Mail-In Ballot. In lieu of an election at the Annual Meeting, Directors may be elected by written mail-in ballot with the results of the balloting announced at the Annual Meeting. A written ballot pursuant to this section shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at an Annual Meeting. Write-in candidates shall not be recognized.

5.10 Nominee Mailings. The Association must, upon request of any nominee for election to the Board and the prepayment of reasonable mailing costs, mail materials prepared by the nominee to all Members but only if the materials relate to the nominee's election campaign.

- a. *Delivery of Election Materials.* The Association shall deliver or mail the nominee's election materials within ten (10) days of the nominee's request provided the nominee has prepaid the mailing costs.
- b. *Association Not Liable For Statements.* Statements made in nominee mailings cannot be attributable to the Association, its officers, Directors, employees or agents nor shall the mailings be deemed a "publication" by the Association, its officers, Directors, employees or agents for the purposes of any alleged

defamatory remarks which may be made by a nominee. As provided for in Section 7525 of the Corporations Code, nominees shall indemnify and hold the Association, its agents, officers, directors, and employees and each of them harmless from all demands, costs, including reasonable legal fees and expenses, claims, damages and causes of action arising out of such material or any such mailing or publication.

5.11 Resignation. Any Director may resign by giving written notice to the President, the Secretary, or the Board. The resignation shall take effect upon the giving of the notice unless a later time is specified in the notice. If the resignation is effective at a future time, the resigning director may participate in the selection of a successor to fill the vacated seat.

5.12 Removal By The Board. The Board may declare vacant the offices of a Director who has been (i) declared of unsound mind by a final order of court, or (ii) convicted of a felony during his or her term of office, or (iii) at any point during his or her term fails to meet the qualifications of a Director as provided for in this Article.

5.13 Removal By Membership. At any duly called and noticed meeting of the Members, at which a quorum is present, the entire Board or any individual Director may be removed from office, with or without cause, by a majority of the total votes present at the meeting either in person or by proxy and entitled to vote. In the event that any or all Directors are so removed, new Directors shall be elected at the same meeting.

5.14 Vacancies. A vacancy or vacancies on the Board shall be deemed to exist in case of the death, resignation or removal of any Director, or in the case of a declaration of the Board of a vacancy by reason of a Director having been declared of unsound mind by an order of court, convicted of a felony or otherwise disqualified under the provisions of this Article. Vacancies on the Board created other than by removal may be filled by a vote of a majority of the remaining Directors, though less than a quorum, and each Director so elected shall hold office until the end of his predecessor's term unless subsequently removed by the Board. In the event the remaining Directors are evenly divided and cannot agree on the appointment of a Director to fill the vacancy, a special election shall be noticed by the Board within forty-five (45) days for the election of a Director by the membership. Vacancies on the Board created by removal by the membership may only be filled by a vote of Members.

5.15 No Compensation of Directors. Directors shall be exempt from monthly assessments only during their term of office. However, no director shall receive any other compensation except reimbursement for their actual expenses incurred in the performance of their duties.

5.16 Conflicts of Interest. The Association shall not enter into any contract with any party in which any officer or Director of the Association, the Manager, management company, or any employee of the Association has a direct or indirect economic interest in the contract without (i) full disclosure of the interest to the Board, (ii) full disclosure of the interest to the membership

in the meeting minutes of the Board where a public discussion occurred, and (iii) recusal from the deliberations and voting by the interested party.

5.17 Limited Personal Liability. No officer, Director, Committee member, or employee of the Association shall be personally liable for any loss, injury, or damage to persons or property for any act or omission if the act or omission was performed within the scope of the person's duties for the Association, was not self-dealing, and was performed in good faith, in a manner believed to be in the best interest of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances.

5.18 Duty To Defend. The Association shall indemnify and defend and shall advance reasonable attorneys' fees and costs its officers, Directors, Committee members, and employees against all expenses and liabilities reasonably incurred by such person(s) in connection with any proceeding to which they may be a party by reason of having been an officer, Director, Committee member or employee of the Association. Provided, however, the Association may recover its attorneys' fees and costs from persons who are adjudged to have acted in bad faith or in gross negligence in the performance of their duties.

## ARTICLE 6 OFFICERS

6.1 Officers. The officers shall be Members of the Association and shall consist of President, Vice-President, Secretary and Treasurer, each of whom shall be appointed by the Board and shall hold office at the pleasure of the Board. The President may not hold more than one office; however, any two of the remaining offices may be held by a single person.

6.2 Selection of Officers. The officers of the Association shall be chosen annually by the Board and each shall hold office until he or she shall resign or shall be removed or otherwise be disqualified to serve, or until his or her successor shall be elected and qualified.

6.3 Removal and Resignation. Any officer may be removed, either with or without cause, by the vote of a majority of all the Directors then in office at any regular or special meeting of the Board at which a quorum is present. Any officer may resign at any time by giving written or verbal notice to the Board. Any such resignation shall take effect as of the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation may be withdrawn upon approval of the Board.

6.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

6.5 President. The President shall be the principal executive officer of the Association and shall, subject to the control of the Board, supervise, direct and control all of the business and affairs of the Association. The President shall preside at all meetings of the Board, shall have the general powers and duties of management usually vested in the office of the President of a corporation, and shall have other powers and duties as may be prescribed by the Board or these Bylaws. The President shall act as spokesperson (or liaison) between the Manager and the Board unless the Board directs otherwise.

6.6 Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have the powers of, and be subject to all the restrictions upon, the office of President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

6.7 Secretary. The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board may order, of all meetings of Directors and Members with the time and place of the meeting, whether regular, special or executive, the names of those present or represented at the meeting. The Secretary shall keep, or cause to be kept, a membership register showing: (i) the names and addresses of all Directors and officers of the Board; (ii) the names of all Members of the Association and their addresses; and (iii) the property to which each membership relates. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

6.8 Treasurer. The Treasurer shall keep, or cause to be kept, accounts of the monies, properties and business transactions of the Association. The Treasurer shall cause to be deposited all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall cause to be disbursed the funds of the Association as may be ordered by the Board, shall render to the President and Directors, whenever they request it, an account of the Association's transactions and the financial condition of the Association which shall be made a part of the minutes of Board meetings, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

6.9 Assistant Treasurer and Assistant Secretary. The Board may appoint one or more Assistant Treasurers and/or Assistant Secretaries.

6.10 Parliamentarian. The Board may also appoint a Parliamentarian to advise it on matters of parliamentary procedure.

## ARTICLE 7 MISCELLANEOUS COMMITTEES

7.1 Establishment of Committees. The Board may establish Committees as it deems appropriate and necessary to advise and/or assist the Board in carrying out its duties. The Board

shall specify task of each Committee, may limit the number of members of any Committee, may appoint non-Members to Committees, may limit the term of the Committee, and may appoint Committee chairpersons who need not be Board members. Committee chairpersons may be appointed by the Board and if not appointed may be elected by members of the Committee.

7.2 Term of Committees. Committees shall exist at the discretion of the Board. The term of a Committee will vary depending on the Committee's task. Committees shall disband (i) automatically with the completion of the task assigned to it by the Board, (ii) automatically when the Board that appointed it has been replaced by a new Board at the Annual Meeting, or (iii) the Board disbands the Committee. In addition, individual Committee members may be removed, with or without cause, by the Board.

7.3 Committee Authority. Committees are advisory only and shall have no authority to spend Association monies, enter into contracts, or direct Association personnel or vendors.

7.4 No Compensation. Committee membership is voluntary and members shall not be compensated for their services. However, Committee members may be reimbursed for reasonable expenses incurred in the performance of their duties.

7.5 Meetings. Committees shall meet from time to time as may be necessary to perform their duties. Committees shall make interim reports to the Board during the course of their task and shall make a final report to the Board upon completion of their tasks.

7.6 Conflicts of Interest. No Committee member may participate in or make recommendations on any matter which involves a member of his or her own family, or in which the Committee member or his or her family has a direct or indirect financial interest.

## ARTICLE 8 INSPECTION OF RECORDS

8.1 Maintenance of Records. The Secretary or such other officer of the Association as may from time to time be designated by the Board, shall keep or cause to be kept a membership register setting forth all names, mailing addresses and telephone numbers of the Members, minutes of the meetings of the Board, minutes of meetings of the membership, and financial records and books of account of the Association, including a chronological listing of all receipts and expenditures of funds, as well as a separate account for each Assessment levied or charged against each Unit or Member, the dates when so assessed and when the same is due, the amounts paid thereon, and the balance, if any, of any Assessment remaining unpaid.

8.2 Records Subject to Inspection. Members and the holders of first mortgages, or their agents, shall have a limited right to inspect the Association's records provided the request is in writing and states the purpose of the request which must be reasonably related to the person's interest as a Member or first mortgagee. In addition, the request must specify with particularity the documents to be inspected and must be submitted to the Board at least five (5) business days

in advance of a regularly scheduled meeting of the Board. If the Board determines the request is consistent with the person's interest as a Member or first mortgagee, such person shall be permitted to inspect the following records:

- a. *Financial Books & Records.* Annual financial statements of the Association, the Association's operating budget, a list of delinquent owners, status of the Association's reserves.
- b. *Board Minutes (open sessions).* Minutes of non-executive sessions of the Board. Minutes of executive session meetings as well as minutes of administrative hearings pertaining to the imposition of fines, late fees or other punitive disposition of other Members shall not be made available for inspection or copying.
- c. *Insurance Policies.* The Association's insurance policies.
- d. *Contracts.* Vendor contracts which have been approved by the Board.

8.3 Records Not Subject to Inspection. The following records are not subject to inspection or copying:

- a. *Personnel Records.*
- b. *Working Papers.* Papers related to the decision-making process of the Board, its agents and officers, i.e. papers, memos, letters exchanged by and/or among the Board, its agents and/or officers as well as working papers, notes, tapes, etc. used in the preparation of minutes and/or financial statements and preliminary data, information or investigations which have not been formally approved by the Board, such as contractor bid prospects.
- c. *Litigation Files.* Privileged communications with the Association's attorney and attorney work product. However, documents filed with the court may be inspected.
- d. *Executive Session Minutes.*
- e. *Additional Records Not Subject to Inspection.* The Board may deny the inspection or copying of records in the following circumstances:
  - i. **Statutory Violation.** Where disclosure would violate a constitutional or statutory provision or applicable public policy.
  - ii. **Harm.** Where disclosure would result in harm to the Association or any of its Members which would outweigh the right to access.

9.6 Financial Statement. The Board shall annually distribute to the Members a review of the Association's financial statement within 120 days of the close of the fiscal year.

9.7 Assessment Collection Policies. The Board shall annually distribute to the Members during the sixty (60) day period prior to the beginning of the fiscal year the Association's policies and practices in enforcing lien rights or other legal remedies for enforcing delinquencies (i.e., late charges, interest, suspension of privileges, etc.).

9.8 Insurance. The Board shall annually distribute to the Members with the Budget a summary of the Association's insurance which includes: (i) the name of the insurer, (ii) the type of insurance, (iii) policy limits, (iv) the amount of the deductibles (v) a statement that the summary is not a substitute for complete policy terms and conditions, (vi) a statement that Members may review the policies, (vii) a statement that the policies may not cover personal property, improvements, personal injuries or other losses of Members, (viii) a statement that even if a particular loss is covered, the Members may be responsible for the deductible, and (ix) a statement that Members should consult their own insurance agent to determine their need for additional coverage. The Board must also notify Members if any policies have been canceled and not immediately replaced.

9.9 Reserve Transfers for Litigation. The Board shall notify Members in its next available mailing of any transfers from Reserves to pay for litigation.

ARTICLE 10  
MISCELLANEOUS

10.1 Fiscal Year. The fiscal year of the Association shall be July 1 to June 30, unless and until a different fiscal year is adopted by the Board.

10.2 Singular Includes Plural. Wherever the context of these Bylaws requires same, the singular shall include the plural and the masculine shall include both feminine and the neuter.

10.3 Amendments. These Bylaws may be modified, amended or replaced with new bylaws by the vote or written consent of a majority of the voting power of the membership.

WE HEREBY CERTIFY this \_\_\_\_\_ day of \_\_\_\_\_, 2000 that these Restated Bylaws have been duly approved and adopted by the Members of the Association.

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

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