

2021 AMENDED AND RESTATED BYLAWS
OF
THE VILLA AVANTI ASSOCIATION
An Association for a Residential Planned Development Community

NOTICE
(Gov. Code § 12956.1)

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TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 - PLAN OF ASSOCIATION MEMBERSHIP	1
1.1 <i>Name</i>	1
1.2 <i>Definitions</i>	1
1.3 <i>Bylaws Applicability</i>	1
1.4 <i>Documents Being Replaced; Approvals</i>	1
1.5 <i>Eligibility of Members</i>	1
1.6 <i>Assessment Obligations</i>	1
1.7 <i>Termination and Transfer of Membership</i>	1
ARTICLE 2 - VOTING, MAJORITY OF MEMBERS, QUORUM	2
2.1 <i>Voting</i>	2
2.2 <i>Majority of Members</i>	2
2.3 <i>Quorum</i>	2
2.4 <i>Election of Board</i>	2
ARTICLE 3 - ADMINISTRATION.....	2
3.1 <i>Association Responsibilities</i>	2
3.2 <i>Place of Meeting and Conduct</i>	2
3.3 <i>Annual Meetings</i>	3
3.4 <i>Special Meetings</i>	3
3.5 <i>Notice of Meeting</i>	3
3.6 <i>Adjourned Meetings</i>	4
3.7 <i>Adjustment of Voting Power and Quorum at Membership Meetings</i>	4
3.8 <i>Voting by Ballot at Membership Meetings</i>	4
3.9 <i>Action Without a Membership Meeting</i>	5
3.10 <i>Order of Business</i>	5
3.11 <i>Fiscal Year</i>	5
ARTICLE 4 - BOARD OF DIRECTORS	6
4.1 <i>Number and Qualifications of Directors</i>	6
4.2 <i>Qualifications of Candidates for Election to the Board</i>	6
4.3 <i>Powers and Duties</i>	6
4.4 <i>Other Duties</i>	11
4.5 <i>Management Agent</i>	11
4.6 <i>Term of Office</i>	11
4.7 <i>Vacancies</i>	12
4.8 <i>Vacancies and Removal of Board Members</i>	12
4.9 <i>Organization Meeting</i>	13
4.10 <i>Regular and Special Meetings</i>	13
4.11 <i>Emergency Board Meetings</i>	13
4.12 <i>Executive Sessions of the Board</i>	14
4.13 <i>Open Meetings and Notice to Members</i>	14
4.14 <i>Quorum</i>	15
4.15 <i>Fidelity Bonds</i>	15
ARTICLE 5 - OFFICERS	15
5.1 <i>Designation</i>	15

5.2	<i>Election and Removal of Officers</i>	15
5.3	<i>President</i>	16
5.4	<i>Vice President</i>	16
5.5	<i>Secretary</i>	16
5.6	<i>Treasurer</i>	16
5.7	<i>Delegation of Officers' Duties</i>	16
5.8	<i>Execution of Documents</i>	16
5.9	<i>No Compensation of Officers</i>	17
5.10	<i>Limitation of Officers' Powers</i>	17
	ARTICLE 6 - INDEMNIFICATION	17
	ARTICLE 7 - MORTGAGEES.....	17
	ARTICLE 8 - ENFORCEMENT.....	17
8.1	<i>Suspension</i>	17
8.2	<i>Fines</i>	18
8.3	<i>Remedies Cumulative</i>	18
8.4	<i>Attorneys' Fees</i>	18
	ARTICLE 9 - AMENDMENTS.....	18
9.1	<i>Amendments to Bylaws</i>	18
9.2	<i>Special Restrictions</i>	18
	ARTICLE 10 - CONFLICTS	18
	ARTICLE 11 - INSPECTION OF BOOKS AND RECORDS	18
11.1	<i>Member Inspection of Association Records</i>	18
11.2	<i>Member Inspection of Membership Register</i>	19
11.3	<i>Denial of Inspection Request for Membership Register</i>	19
11.4	<i>Director Inspection of All Association Records</i>	19
11.5	<i>Removal of Records</i>	19
	ARTICLE 12 - NONLIABILITY AND INDEMNIFICATION.....	19
12.1	<i>Limitation on Liability of Association's Directors and Officers</i>	19
12.2	<i>Indemnification by Association of Directors, Officers, Employees and Other Agents</i>	20
12.3	<i>Approval of Indemnity by Association</i>	20
12.4	<i>Advancement of Expenses</i>	21
12.5	<i>Insurance</i>	21

2021 AMENDED AND RESTATED BYLAWS

OF

THE VILLA AVANTI ASSOCIATION

ARTICLE 1 - PLAN OF ASSOCIATION MEMBERSHIP

1.1 **Name.** The name of the nonprofit mutual benefit corporation created hereby is THE VILLA AVANTI ASSOCIATION ("the Association"). The principal office of the Association shall be located in Riverside County, California.

1.2 **Definitions.** All defined terms used in these Bylaws shall have the same meaning and definition ascribed to those terms in the Restated and Amended Declaration of Covenants, Conditions, and Restrictions for Villa Avanti Association recorded on _____, as Instrument No. _____, Official Records of Riverside County. Any amendment to those definitions shall be applicable to these Bylaws.

1.3 **Bylaws Applicability.** The provisions of these Bylaws are applicable to the Community and all Owners, residents, tenants, employees, and other persons who use the facilities of the residential planned development Community known as Villa Avanti, comprised of four hundred and seventy-four (474) residential Lots.

1.4 **Documents Being Replaced; Approvals.** These Restated Bylaws amend and restate, in their entirety, the Bylaws of The Villa Avanti Association, ("Original Bylaws"). In accordance with Section 1 of Article IX of the Original Bylaws, these Restated Bylaws have received the approval of at least a majority of the Voting Power.

1.5 **Eligibility of Members.** Every Owner of a Lot within the Community shall automatically become a Member of this Association, which membership shall be appurtenant to said Lot.

1.6 **Assessment Obligations.** As provided in the Declaration, each Owner shall be subject to assessments of regular monthly maintenance of the Landscape Maintenance Areas, Common Areas, and reserves for long-term repair and replacement of capital improvements. In addition, subject to the limitations provided in the Declaration, each Owner may be subject to special assessments.

1.7 **Termination and Transfer of Membership.** A membership in the Association shall automatically terminate upon transfer of title of the Lot to which it is appurtenant. A membership may be transferred only in conjunction with the transfer of title of the Lot to which it is appurtenant, and then only to the transferee of title. Upon said transfer and termination, the transferee shall automatically become a Member of the Association.

ARTICLE 2 - VOTING, MAJORITY OF MEMBERS, QUORUM

2.1 **Voting.** The Association shall have one class of voting membership as defined in Article 3, Section 3.2 of the Declaration. Members shall have one (1) vote per Lot owned as more specifically set forth in the Declaration. In an election of directors, each Lot shall be assigned one (1) vote for each position on the Board to be filled at the election.

2.2 **Majority of Members.** Any provision in these Bylaws or in the Declaration calling for approval by a "majority of Members" or "majority of the Voting Power" for action to be taken by the Association shall mean those Members holding a majority of the Voting Power of the Association.

2.3 **Quorum.** Except as otherwise provided in these Bylaws, the presence in person, or by the submission of a ballot of Members holding more than twenty-five percent (25%) of the votes in accordance with Section 2.1 of this Article 2 shall constitute a quorum. Voting by proxy is not allowed.

2.4 Election of Board.

2.4.1 Voting for the Board shall be by secret written ballot.

2.4.2 Every Owner entitled to vote at any election for Board members of the Association may cumulate the Owner's votes and give one candidate the number of votes equal to the number of Board members to be elected multiplied by the number of Lots which the Owner owns or may distribute the votes among as many candidates as the Owner thinks fit.

2.4.3 The candidates receiving the highest number of votes shall be elected. In the event of a tie vote between candidates for the last position on the Board, the winner of the tie shall be determined by a game of chance.

ARTICLE 3 - ADMINISTRATION

3.1 **Association Responsibilities.** The Board will have the responsibility of administering the Community, approving the Annual Budget Report, establishing and collecting monthly assessments and arranging for the management of the Community.

3.2 **Place of Meeting and Conduct.** Meetings of the Association shall be held within the Property or as close thereto as practical, as determined by the Board. Meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such other parliamentary procedures as the Board may adopt by resolution.

3.3 ***Annual Meetings.***

- 3.3.1 The annual meetings of the Association shall be held in the month of April on a date and time established by the Board, provided that adjournments of such meeting for lack of quorum or otherwise may be held as soon thereafter as practical.
- 3.3.2 At such meetings, a Board shall be elected by ballot of the Members in accordance with the requirements of Section 4 of Article 2 of these Bylaws. The Members may also transact such other business of the Association as may properly come before them.
- 3.3.3 The actions to be taken at any annual meeting may be taken by ballot without holding an annual meeting, at the discretion of the Board.

3.4 ***Special Meetings.***

- 3.4.1 Special meetings of the Members may be called for any lawful purpose (a) upon the vote for such a meeting by a majority of a quorum of the Board or (b) upon receipt of a written request signed by Members representing not less than five percent (5%) of the total Voting Power of the Association.
- 3.4.2 The Notice of any special meeting shall state the time and place of such meeting and the purpose thereof.
- 3.4.3 If the special meeting is requested by the Members, it shall be held not less than thirty-five (35) or more than ninety (90) days after receipt of the request by an Officer of the Association.
- 3.4.4 Only that business stated in the meeting notice shall be transacted at the special meeting. The actions to be taken at any special meeting may be taken by ballot without holding a special meeting, at the discretion of the Board.

3.5 ***Notice of Meeting.*** It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting, to each Member in accordance with the following:

- 3.5.1 The notice shall state the purpose of the meeting, as well as the date, time and place where it is to be held, to the address of each Member as it appears on the Membership register of the Association,
- 3.5.2 [Corp. Code § 7511(b)] Except as otherwise provided in this Article, the notice shall be given not less than ten (10) nor more

than ninety (90) days prior to such meeting by first class mail, by personal delivery or electronic transmission. The mailing or personal delivery of a notice in the manner provided in this Section shall be considered notice served.

3.5.3 [Corp. Code § 7510(e)] In the case of a special meeting which is called by Members, the notice shall be given within twenty (20) days after receipt of the request for the meeting. If that twenty (20) day requirement is not satisfied, the Members who called the meeting may give the notice.

3.5.4 [Corp. Code § 7511(b)] An affidavit of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary, and if so executed, shall be filed with the corporate records or made a part of the minutes of the meeting. Such affidavit shall constitute prima facie evidence of the giving of notice.

3.6 *Adjourned Meetings.*

3.6.1 If any meeting cannot be organized because a quorum has not attended, the Members who are present in person may not transact any business except to adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called.

3.6.2 The quorum requirement for the subsequent meeting shall be twenty-five percent (25%) of the Voting Power of all Members of the Association.

3.6.3 If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

3.7 *Adjustment of Voting Power and Quorum at Membership Meetings.*

For purposes of establishing a quorum and approving an action by the membership, the Voting Power of the Association shall be reduced by an amount equal to the number of any Lots for which membership voting rights are suspended as provided in the governing documents.

3.8 ***Voting by Ballot at Membership Meetings.*** [Civ. Code § 5115] Votes cast at an annual or special membership meeting by ballot may be counted to establish a quorum at such meeting.

3.9 Action Without a Membership Meeting.

- 3.9.1 Any vote of the Members may be conducted at a regular or special membership meeting or without a membership meeting by distribution of a written ballot to every Member entitled to vote on the matter.
- 3.9.2 Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide reasonable time within which to return the ballot to the Association.
- 3.9.3 Approval by written ballot pursuant to this Section shall be valid only when:
 - (a) The number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and
 - (b) The number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- 3.9.4 Ballots must be delivered to Members by first class mail or hand delivery unless otherwise allowed by applicable law. All such ballots shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballot other than for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The ballot must specify the time by which it must be received in order to be counted.
- 3.9.5 Once a written ballot is submitted to the Association, the Member submitting the ballot may not revoke it.
- 3.9.6 Any deadline stated for return of the ballots may be extended for successive reasonable periods with the approval of the inspectors of election.

3.10 Order of Business. The order of business of all meetings shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) reading of Minutes of preceding meeting; (d) reports of officers; (e) report of committees; (f) appointment of inspectors of election; (g) election of Board members; (h) unfinished business; and (i) new business.

3.11 Fiscal Year. Unless modified by resolution of the Board, the fiscal year of the Association shall be from August 1 to July 31 each year.

ARTICLE 4 - BOARD OF DIRECTORS

4.1 ***Number and Qualifications of Directors.***

- 4.1.1 The affairs of the Association shall be governed by a Board of Directors ("Board"). The Board shall be composed of five (5) persons serving a term as set forth in Section 4.6 of this Article.
- 4.1.2 Members of the Board must be Members of the Association. No more than one (1) Owner of any Lot may serve on the Board at the same time.

4.2 ***Qualifications of Candidates for Election to the Board.*** Candidates for election to the Board must be Members in good standing. Good standing shall mean that as of the date specified in advance by the Board for the preparation of the ballot (1) all assessments, fees, charges or monetary penalties due the Association must be no more than thirty (30) days delinquent and (2) the membership rights of the Member must not be suspended for any violations of the Association's governing documents.

4.3 ***Powers and Duties.***

- 4.3.1 The Board shall have the power and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or these Bylaws directed to be exercised and done by the Members. The powers and duties of the Board shall include but not be limited to the following:
 - (a) Enforcement and carrying out of the provisions of the Articles of Incorporation, Declaration, Bylaws, Rules and Regulations, and other agreements.
 - (b) Payment of taxes and special assessments which are or would become a lien on the Common Areas or Landscape Maintenance Areas, or a portion thereof, unless such lien encumbers a part of a Lot and is solely the obligation of the owner of such Lot.
 - (c) Contracting and paying for a fidelity bond and for fire, casualty, liability and other insurance insuring the Association, Board, Common Areas and Owners.
 - (d) Contracting and paying for maintenance, gardening, utilities, materials and supplies, and other goods and services relating to the Common Areas and Landscape Maintenance Areas and employment of personnel necessary for the operation of the Community, including

legal and accounting services, subject to the limitations of Section 4.3.2, below.

- (e) [Corp. Code § 7212] Creating committees pursuant to resolution 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 only directors. No directors need serve on any committee which does not exercise any power or authority of the Board (e.g., the architectural control committee and social committees).
- (f) Delegation of its powers to committees, officers or employees of the Association as expressly authorized in the Declaration, Articles of Incorporation and these Bylaws.
- (g) Preparation of budgets and financial statements as prescribed in (q) below in this Section 4.3.1.
- (h) Formulation, adoption and publishing of Rules and Regulations governing the use of the Community, and the personal conduct of the Members and their guests thereon.
- (i) Formulation, adoption and publishing of Rules and Regulations governing membership meetings, elections, appointment of inspector(s) of election, and voting procedures
- (j) Imposition of fines and suspension of voting rights for non-payment of assessments or other breaches of the Declaration, the Bylaws, or the Association's published Rules and Regulations after notice and hearing which are required by other provisions hereof.
- (k) Entering onto any Lot where necessary in connection with maintenance or construction for which the Association is responsible or becomes responsible.
- (l) Payment for reconstruction of any portion or portions of the Property damaged or destroyed which are to be rebuilt by the Association.
- (m) Levying of assessments as provided in the Declaration.
- (n) Election of officers of the Board.

- (o) Filling of vacancies on the Board except for a vacancy created by the removal of a Board member as provided in Section 4.8 of this Article 4.
- (p) The Board shall adopt architectural guidelines and set forth procedures, rules and regulations for submission of plans for improvements (as set forth in Article 9 of the Declaration) to the Architectural Control Committee. The Board shall also set forth appeal procedures from Committee decisions and such other rules for enforcement as the Board deems necessary.
- (q) The Board shall regularly prepare and distribute the following financial information to all Members regardless of the number of Members or the amount of assets of the Association:
 - (i) An Annual Budget Report for each fiscal year consisting of at least the following information shall be distributed not more than ninety (90) nor less than thirty (30) days prior to the beginning of the fiscal year.
 - i. Estimated revenue and expenses on an accrual basis.
 - ii. The identification of the total cash reserves currently set aside.
 - iii. An itemized estimate of the remaining life of, and the methods of funding to defray the future repair, replacement or additions to the major components that the Association is obligated to maintain.
 - iv. A general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Areas, Landscape Maintenance Area or other items for which the Association is responsible.
 - (ii) A report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year.

- i. A balance sheet as of the end of the fiscal year.
 - ii. An operating (income) statement for the fiscal year.
 - iii. A statement of changes in financial position for the fiscal year.
 - iv. For any fiscal year in which the gross income to the Association exceeds \$75,000, a copy of the review of the annual report 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 from books and records of the Association without independent audit or review.
- (iii) In addition to financial statements, the Board shall annually distribute during the ninety (90) days period immediately prior to the beginning of the fiscal year a statement of the Association's policies and practices in enforcing its lien right or other legal remedies against Members for defaults in the payment of regular and special assessments.
- (r) On a quarterly basis the Board shall do all of the following:
- (i) Review a current reconciliation of the Association's reserve accounts.
 - (ii) Review a current reconciliation of the Association's operating accounts.
 - (iii) Review the current year's actual reserve revenues and expenses compared to the current year's budget.
 - (iv) Review the latest account statements prepared by the financial institution where the Association has its operating and reserve accounts.

(v) Review an income and expense statement for the Association's operating and reserve accounts.

(s) The Board shall require the signature of two (2) of its members to withdraw any funds from the Association's reserve accounts.

4.3.2 The Board shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the Voting Power of the Association residing in Members.

(a) Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Areas, the Landscape Maintenance Areas or the Association for a term longer than one (1) year with the following exceptions: (i) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration; or (ii) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; or (iii) prepaid casualty and/or liability insurance policies of not to exceed three (3) years' duration, provided that the policy permits short rate cancellation by the insured.

(b) Incurring aggregate expenditures for capital improvements to the Common Areas or Landscape Maintenance Area in any fiscal year in excess of five percent (5%) of the Budgeted Gross Expenses of the Association for that fiscal year or a regular annual assessment which is more than twenty percent (20%) greater than the regular assessment of the immediately preceding fiscal year, except as set forth in section 5605 of the California Civil Code. As used herein, the term "capital improvement" shall mean to construct or build an addition to the Property, where such use of funds is optional under the governing documents, rather than mandatory, and is not otherwise required by applicable law. Maintenance, repair or replacement of improvements within the Property which the Association is obligated to maintain, using materials of similar kind, or using materials which are needed due to changes in building or fire codes or due to discontinued fabrication or unavailability, or using materials that have substantially

similar cost over the useful life of the material shall not be considered a capital improvement.

- (c) Selling, during any fiscal year, property of the Association having an aggregate fair market greater than five percent (5%) of the Budgeted Gross Expenses of the Association for that fiscal year; provided, however, the Board may sell, lease or assign without compensation to the County Service Area 143 all or part of the Common Areas and/or the Landscape Maintenance Areas without an approval of Members.
- (d) Paying compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a Board member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.
- (e) Filling of a vacancy on the Board created by the removal of a Board member by the Members as provided for in Section 4.8 of this Article 4.

4.4 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board shall be responsible for the following: care, upkeep and periodic inspection of the Property as provided in the Declaration; collection of monthly and special assessments from the Owners; and hiring and dismissal of the personnel necessary for the Association's maintenance and operation of the Community.

4.5 Management Agent. Subject to the limitations set forth in Section 4.3.2 of this Article 4, the Board may employ for the Association a management agent and/or security officers at a compensation established by the Board to perform such duties and services as the Board shall authorize. Any management agreement for the Community shall provide for termination by either party without cause and without payment of a termination fee, upon thirty (30) days' written notice, and shall have a term, not exceeding one (1) year, renewable by agreement of the parties for successive one (1) year periods.

4.6 Term of Office. Subject to the initiation of staggered terms described as follows, the term of office for each Board member shall two years. Staggered terms shall be initiated at the first election following adoption of these Restated Bylaws. If this election is in an odd-numbered year, the three directors elected with the most votes will serve a two year term and the two directors elected with the least number of votes will serve a one year term. If this election is in an even-numbered year, the two directors elected with the most votes will serve a two year term and the three directors elected with the least votes will serve a one year term. Thereafter, all terms shall be two years.

4.7 Vacancies. Vacancies in the Board caused by any reason other than the removal of a Board member by a vote of the Association Members shall be filled by the vote of the majority of the remaining Board members, and each person so elected shall be a Board member until a successor is elected at the next annual or special meeting of the Association.

4.8 Vacancies and Removal of Board Members. Vacancies may be declared, or directors may be removed as follows:

4.8.1 The Board 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.
- (c) The director has failed to attend three (3) consecutive regular meetings of the Board.
- (d) The director ceases to be an Association Member.
- (e) The director is more than ninety (90) days delinquent in the payment of any assessments, fees, charges or monetary penalties due the Association.
- (f) The director is found to have accepted any type of gain, such as money, services, products, gifts or gratuities of a significant value, as determined by a majority vote of the directors who meet all of the required qualifications to serve as such, which gain is offered in relation to the Owner's service as a director.

4.8.2 At any regular or special meeting of Members duly called, any one (1) or more of the Board members may be removed with or without cause by a majority of the Members, and a successor may then and there be elected to fill the vacancy thus created (by cumulative voting as provided in Section 2.4 of Article 2). Any Board member whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. Unless the entire Board is removed by the vote of Members of the Association, no individual Board member shall be removed prior to the expiration of his or her term of office if the votes cast against removal would be sufficient to elect the Board member if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Board members authorized at the time of the most recent election of the Board member were then elected.

4.9 Organization Meeting. The first meeting of a newly elected Board shall be held within thirty (30) days of election at such place within the Property or as close thereto as possible as shall be fixed by the Board at the meeting at which such Board was elected, provided a majority of the whole Board shall be present.

4.10 Regular and Special Meetings.

- 4.10.1 Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board members, but at least one such meeting shall be held each month, unless business to be transacted does not justify such frequent meetings, in which case the Board shall meet at least every three (3) months.
- 4.10.2 Special meetings of the Board may be called by written notice signed by the President or by any two (2) members of the Board other than the President. The notice of a special meeting shall state the time, place and purpose of the meeting.
- 4.10.3 Notice of the time and place of regular Board meetings shall be communicated to all Board members not less than four (4) days prior to the meeting by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, including a voice messaging system or by electronic transmission to Board members, provided, however, that notice of a regular or special meeting need not be given to any Board member who has signed a waiver of notice or a written consent to the holding of the meeting.

4.11 Emergency Board Meetings. [Civ. Code § 4923]

- 4.11.1 An emergency meeting of the Board, either in open session or executive session, may be called by the President or by any two (2) Board members 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 herein.
- 4.11.2 Electronic transmissions may be used as a method of conducting an emergency meeting if all Board members agree in writing or electronic transmission to conducting the emergency meeting by electronic transmission. The consent of each Board member must be filed with the minutes of the emergency meeting. If all the Board members consent to conducting the emergency meeting by electronic transmission, a decision by a majority of the directors voting on the item of

business shall be the act of the Board as long as a quorum of the Board votes.

4.12 *Executive Sessions of the Board.* [Civ. Code § 4935]

- 4.12.1 The Board may, with the approval of a majority of a quorum of the Board, meet in executive session with its legal counsel, or meet to discuss and vote upon (1) litigation in which the Association is or may become involved, (2) matters that relate to the formation of contracts with third parties, (3) personnel matters, (4) Member disciplinary matters, (5) orders of business of a similar nature, and (6) to meet with a Member, upon the Member's request, regarding the Member's payment of assessments.
- 4.12.2 An executive session which does not follow an open meeting may be called and noticed to the Board members in the same manner as a special meeting or as an emergency meeting if required by the circumstances.
- 4.12.3 Any matter discussed in executive session shall be generally noted in the Board minutes of the next meeting of the Board of Directors which is not an executive session.

4.13 *Open Meetings and Notice to Members.*

- 4.13.1 Regular and special meetings of the Board, except executive sessions described above, shall be open to all Members; provided, however, that Members who are not on the Board may speak at any meeting, except executive sessions, subject to reasonable limitations established by the Board of Directors.
- 4.13.2 Notice of the time and place of a Board meeting, except for emergency meetings and executive sessions, shall be communicated to Members not less than four (4) days prior to the meeting.
- 4.13.3 Notice of the time and place of executive session Board meetings, except for emergency meetings, shall be communicated to Members not less than two (2) days prior to the meeting.
- 4.13.4 Notice shall be given to the Members by any means allowed by applicable law. Any Member may request and receive the notice by mail or electronic transmission, at the address requested by the Member.

- 4.13.5 No one may electronically record (audio or video) a Board meeting without the prior written consent of the Board.

4.14 Quorum.

- 4.14.1 At all meetings of the Board, a majority of the Board members then in office, so long as there is more than one (1) such director, shall constitute a quorum for the transaction of business and the acts of the majority of the Board member present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting to a time certain. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted provided a quorum is present.
- 4.14.2 Board members shall be considered present and may participate in a Board meeting through use of a conference telephone or electronic video screen as long as all Board members participating in the meeting are able to hear one another. Board members shall be considered present and may participate in a meeting through electronic transmission, other than conference telephone and electronic video screen, as long as each Board member participating in the meeting can communicate with all the other Board members in attendance concurrently.

4.15 Fidelity Bonds. In addition to the fidelity bond or coverage obtained by the Association, the Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE 5 - OFFICERS

5.1 Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be appointed by the Board. One Board member may hold the dual offices of Vice President and Treasurer. The Board may appoint an assistant secretary, and such other officers as in its judgment may be necessary, and such other officers need not be Board members. Any Board member may simultaneously serve as an officer.

5.2 Election and Removal of Officers. The principal officers of the Association shall be elected by the Board at the organization meeting of each new Board and shall hold office for one (1) year, unless such officer shall sooner resign or shall be removed or otherwise disqualified to serve. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or

without cause, and his successor elected at any regular meeting of the Board, or any special meeting of the Board called for such purpose. Vacancies caused by resignation shall be filled by appointment by the President until an election is held by the Board.

5.3 **President.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of president of an Association. All disbursements, of funds, monies, and other assets of the Association shall require the joint written signatures of the President and Treasurer, provided, however, that if the President or Treasurer is not available the Secretary may sign in his or her place.

5.4 **Vice President.** The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice president is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board.

5.5 **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Association; he or she shall have charge of such books and papers as the Board may direct; and he or she shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall also be responsible for maintaining the membership register of the Association and serving notice of meetings of the Association and the Board.

5.6 **Treasurer.** The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association and for the preparation of all budgets, financial statements and audits required of the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may from time to time be designated by the Board, and shall disburse the funds of the Association as may be ordered by the Board.

5.7 **Delegation of Officers' Duties.** 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, a community association manager.

5.8 **Execution of Documents.** The Board may authorize any officer or officers to enter into any contract or execute any document in the name of and on behalf of the Association; and unless so authorized by the Board, no officer or other person shall have any power or authority to bind the Association or to pledge its credit or to render it liable for any debt or obligation, except the President and Secretary together may execute contracts and agreements in the ordinary course of business of the Association.

5.9 No Compensation of Officers. 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. Any expenses for travel outside of Riverside County must have prior approval of the Board.

5.10 Limitation of Officers' Powers. No officer may enter into any contract or incur any debt or other obligation for the Association without authorization of the Board of Directors.

ARTICLE 6 - INDEMNIFICATION

Each Owner shall be liable to the Association for any damage to the Common Areas or Landscape Maintenance Areas caused by the negligence or willful misconduct of the Owner or his family, guests, invitees or lessees. 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; provided further that this Article 6 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 Article 6.

ARTICLE 7 - MORTGAGEES

The Association shall, at the request of a Mortgagee of a Lot, report any unpaid assessments due from the Owner of such Lot.

ARTICLE 8 - ENFORCEMENT

8.1 Suspension. Notwithstanding any other remedy or action available to the Association, the membership and all rights and privileges thereof of any Member may be suspended by action of the Board: (i) during any period of time that the Owner fails to pay any membership assessment in full promptly when due (whether or not he or she be personally obligated to pay such assessment), and (ii) for a period not to exceed thirty (30) days for any violation of any provision of these Bylaws, or any provisions set forth in the Declaration or any Rules or Regulations of the Association. Such suspension shall not take effect unless the Member is notified in writing of the suspension and the reasons therefor at least fifteen (15) days prior to notice of a hearing of the Board to consider the suspension. Said hearing shall be held by the Board at least five (5) days before the effective date of the suspension, and at said hearing the Member may appear and defend himself against the matters resulting in the notice of suspension.

8.2 **Fines.** The Board shall also have the right, pursuant to notice and hearing requirements of section 5855 of the California Civil Code and to such other procedures as it may establish, to assess fines against any Member who violates, or whose guest or guests, invitees or lessees violate, the Declaration, these Bylaws, or the Rules and Regulations then in effect. Fines may be levied for each such offense as set forth in the Rules and Regulations. Any fine imposed by the Board shall not exceed the amount necessary for the purpose or purposes for which it is levied.

8.3 **Remedies Cumulative.** The remedies provided herein shall be in addition to, and not in lieu of, any other remedies which may be provided by the Declaration, these Bylaws, or under law.

8.4 **Attorneys' Fees.** In any action brought for enforcement, damages, or declaratory relief with respect to the provisions of these Bylaws or the Declaration, the prevailing party shall be entitled to attorneys' fees in such amount as may be ordered by a court of competent jurisdiction.

ARTICLE 9 - AMENDMENTS

9.1 **Amendments to Bylaws.** These Bylaws may be amended by a majority vote of the total Voting Power of the Association. The Articles of Incorporation may be amended by a majority vote of the Voting Power of the Association and the Board of Directors.

9.2 **Special Restrictions.** 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 clause.

ARTICLE 10 - CONFLICTS

In the case of any conflict between the Declaration, the Articles and these Bylaws, the Declaration shall control over all others, then the Articles shall control over the Bylaws.

ARTICLE 11 - INSPECTION OF BOOKS AND RECORDS

11.1 **Member Inspection of Association Records.** [Civ. Code § 5200 et seq.]

11.1.1 "Association Records" and "Enhanced Association Records," defined in Civil Code section 5200 and any successor statutes shall be open to inspection and copying upon the written demand on the Association by any Member for a purpose reasonably related to such Member's interests as a Member in accordance with the terms and conditions of Civil Code section 5205 and any successor statutes.

- 11.1.2 Members may not inspect the minutes of executive meetings, information related to disciplinary matters, individual Lot files (except their personal Lot file), or any other records except those specifically allowed herein or as allowed by the Board or by applicable law.
- 11.1.3 The Association may withhold or redact information if the release of the information is reasonably likely to lead to fraud in connection with the Association or identity theft or the information is privileged by applicable law, all as more specifically set forth in Civil Code section 5215 and any successor statutes.

11.2 **Member Inspection of Membership Register.** Subject to Section 11.3 and any applicable law, Members may obtain copies of the membership register within ten (10) days upon a written demand to the Association and payment of a reasonable charge for copying and mailing costs. The demand shall state the purpose for which the list is requested.

11.3 **Denial of Inspection Request for Membership Register.** [Corp. Code § 8338] In accordance with section 8338 of the Corporations Code, the membership register is a corporate asset. The Association may deny a Member access to the membership register, including copies thereof, where the Association reasonably believes that the information will be used for a purpose not reasonably related to the Member's interest as a Member, or where the Association provides a reasonable alternative method of achieving the purpose identified in the written demand from the Member in accordance with section 8330(c) of the Corporations Code.

11.4 **Director Inspection of All Association Records.** [Corp. Code § 8334] Subject to any limitations imposed by applicable law, every director shall have the right to inspect all Association records and the physical properties owned or controlled by the Association at any reasonable time as provided by section 8334 of the Corporations Code.

11.5 **Removal of Records.** No Member or director may remove the Association's copies of the governing documents, books and records of account, minutes, the membership register, or other records or documents from the Association's office or designated depository without the prior consent of the Board.

ARTICLE 12 - NONLIABILITY AND INDEMNIFICATION

12.1 **Limitation on Liability of Association's Directors and Officers.** [Civ. Code § 5800; Corp. Code § 7237] It is the intent of this Article to provide the Association's volunteer directors, officers and other agents with protection from liability to the fullest extent permitted by any Applicable Law, and to the extent any of these provisions are inconsistent with Applicable Law, or more restrictive than applicable law, the applicable law shall prevail. No directors, officers, committee members, or agents of

the Association (collectively and individually referred to as the "Released Party") shall be responsible to any Owner, any member of an Owner's family, any of the Owner's tenants, guests, servants, employees, licensees, invitees, or any other person for:

- 12.1.1 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 Budget Report and Annual Policy Statement, the decision whether to purchase insurance, the funding of Association reserve accounts, repair and maintenance of Common Areas, and enforcement of the governing documents.
- 12.1.2 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 the 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 Property, or by any other cause, unless the same is attributable to his or her own willful or wanton act or gross negligence.

12.2 Indemnification by Association of Directors, Officers, Employees and Other Agents. [Corp. Code § 7237] To the fullest extent permitted by applicable 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(a).

12.3 Approval of Indemnity by Association. [Corp. Code § 7237] 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 call a meeting of Members. At that meeting, the Members shall determine 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 authorize indemnification.

12.4 Advancement of Expenses. [Corp. Code § 7237] To the fullest extent permitted by any applicable 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 this Article in defending any proceeding covered by this Article 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.


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

CERTIFICATE OF SECRETARY
OF
THE VILLA AVANTI ASSOCIATION

a California Nonprofit Mutual Benefit Corporation

I, the undersigned, do hereby certify that I am the duly elected Secretary of The Villa Avanti Association, a California Nonprofit Mutual Benefit Corporation. The foregoing Amended and Restated Bylaws of said Association constitute the fully amended and restated Bylaws as approved by the membership of the Association.

DATED: February 9th, 2021.


Secretary

