

**AMENDED AND RESTATED BYLAWS OF
PORTOFINO OF VACAVILLE HOMEOWNERS ASSOCIATION**

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**AMENDED AND RESTATED BYLAWS
OF
PORTOFINO OF VACAVILLE HOMEOWNERS ASSOCIATION**

**ARTICLE I
ORGANIZATION**

1.1 Name and Location. The name of the corporation is Portofino of Vacaville Homeowners Association (hereinafter called the "Association"). The principal office of the Association shall be located in Solano County, California, or at such other place reasonably convenient to the Development as the Board of Directors may from time to time establish.

1.2 Purpose. The purpose of the Association shall be as set forth in its Articles.

1.3 Successor Entity. In the event the Association as a corporate entity is dissolved, a non-profit unincorporated association shall forthwith and without further action or notice be formed to succeed to all the rights and duties of the Association. The affairs of such unincorporated association will be governed by the laws of the State of California, and to the extent consistent therewith, by the Declaration, the Articles, and the Bylaws as if they were created for the purpose of governing an unincorporated association.

**ARTICLE 2
DEFINITIONS**

2.1 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures including, but not limited to, interest, late charges, attorneys' fees and costs, and recording and filing fees, actually incurred by the Association in collecting and/or enforcing payment of Assessments.

2.2 Articles. "Articles" shall mean the Articles of Incorporation of Portofino of Vacaville Homeowners Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

2.3 Assessments. "Assessments," "Regular Assessments," "Special Assessments," "Reimbursement Assessments," and "Enforcement Assessments" shall have the meanings defined for those terms in the Declaration.

2.4 Association. "Association" shall mean Portofino of Vacaville Homeowners Association, a California nonprofit mutual benefit corporation, and its successors and assigns.

2.5 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.

2.6 Bylaws. "Bylaws" shall mean these Amended and Restated Bylaws of the Association as duly adopted by the Board of Directors and the Members and any duly-adopted amendments thereof.

2.7 Civil Code. "Civil Code" shall mean the California Civil Code as amended from time to time.

2.8 Committee of the Board. "Committee of the Board" shall mean a committee consisting only of Directors as described in Corporations Code section 7212.

2.9 Common Area. "Common Area" shall mean all real property owned by the Association from time to time for the common use and enjoyment of the Owners and Residents of the Development.

2.10 Contract Purchaser /Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller, respectively, under an installment land sale contract in which title to the property is transferred after the final installment payment is made.

2.11 Corporations Code. "Corporations Code" shall mean the California Corporations Code as amended from time to time.

2.12 Declaration. "Declaration" shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Portofino of Vacaville Homeowners Association, recorded in the Office of the County Recorder of Solano County, California, and any duly-recorded amendments thereof.

2.13 Delivery, When Effective. As provided for in Civil Code section 4050; (i) if a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail; (ii) if a document is delivered by electronic means, delivery is complete at the time of transmission.

2.14 Development. "Development" shall mean all the real property described in the Declaration as comprising Portofino of Vacaville Owners Association planned development and any additional real property hereafter acquired by the Association.

2.15 Director. "Director" shall mean a natural person who serves on the Board.

2.16 General Delivery/General Notice. "General Delivery" or "General Notice" shall mean delivery to a Member or Members by one (1) or more of the following methods, as provided in Civil Code section 4045:

(a) By any method provided for delivery of an Individual Notice pursuant to Civil Code section 4040, or

(b) By inclusion in a billing statement or newsletter.

Notwithstanding the foregoing, if a Member has requested to receive General Notices by Individual Delivery, then all "General Notices" to that Member shall be delivered by "Individual Delivery" pursuant to Civil Code section 4040.

2.17 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, and Rules.

2.18 Individual Delivery/Individual Notice. "Individual Delivery" or "Individual Notice" shall mean delivery to a Member or Members by one (1) or more of the following methods, as provided in Civil Code section 4040:

(a) By first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier, addressed to the recipient at such recipient's address last shown on the books of the Association; or

(b) By email, facsimile, or other electronic means if the recipient has consented in writing to that method of delivery. The consent may be revoked, in writing, by the recipient. Delivery by electronic transmission must also comply with Corporations Code sections 20 and 21. Among other things, section 20 of the Corporations Code requires the Association to obtain consent from the person to whom the document is transmitted to receive it by means of electronic transmission as well as other technical requirements.

2.19 Lot. "Lot" shall mean any parcel of land in the Development upon which a Dwelling has been constructed. There are 178 Lots in the Development, comprised of 90 single family residences and 88 townhouses.

2.20 Majority of a Quorum. "Majority of a Quorum" shall mean a majority of the votes cast in any lawful vote or election by the Members in which the number of ballots cast equals or exceeds the number required to establish a quorum as provided in Section 4.5 ("Quorum Requirements").

2.21 Member. "Member" shall mean an Owner.

2.22 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all Assessments and Additional Charges imposed in accordance with the Governing Documents and who is in compliance with all of the provisions of the Governing Documents. A Member shall be deemed to be in good standing unless, after notice and an opportunity for hearing, pursuant to the enforcement provisions set out in Article 9 of the Declaration, the Board has found the Member to be not in good standing and has so notified the Member in accordance with Civil Code section 5855.

2.23 Owner. "Owner" shall mean each person or entity that is a record owner of a fee simple interest in any Lot, including Contract Sellers but excluding: (i) Contract Purchasers, and (ii) persons or entities who hold an interest in a Lot merely as security for the performance of an obligation.

2.24 Resident. "Resident" shall mean any person who resides on a Lot whether or not such person is an Owner.

2.25 Rules. "Rules" shall mean the policies, rules, and regulations governing the administration, management, maintenance, protection, preservation, operation, control, use, and occupancy of the Development (including the use of the Common Area, the personal conduct within the Development of Owners and Residents, members of their household, and their pets, tenants, invitees, and guests, enforcement of the Governing Documents, and any other matter that is within the jurisdiction of the Association) as adopted, published, or amended by the Board from time to time and subject to applicable law including Civil Code sections 4340 and following.

2.26 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one (1) vote for each Lot.

ARTICLE 3 MEMBERSHIP AND VOTING RIGHTS

3.1 Membership Appurtenant to Lot Ownership. Membership in the Association shall include, and shall be limited to, all Owners of Lots in the Development. Fee ownership of a Lot is the sole qualification to be a Member. Membership shall be appurtenant to and may not be separated from fee ownership of a Lot. Upon becoming the Owner of a Lot, each Owner shall automatically become a Member of the Association and shall remain a Member until such time as his, her, or its Lot ownership ceases for any reason. Membership in the Association shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Lot to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Lot. Any attempt to make a prohibited transfer of membership in the Association is void. Upon any transfer of fee title to a Lot, including a transfer upon the death of an Owner, membership in the Association shall pass automatically to the transferee.

3.2 Owner's Address for Notice. It shall be each Owner's responsibility to notify the Association in writing of any change in the Owner's address for the purpose of receiving notices from the Association, in addition to providing all information required by Civil Code section 4041 on an annual basis. The fact that a different address appears on correspondence to the Association from an Owner shall not constitute such written notice, unless it is expressly stated in writing that such address is a change of address for the purpose of receiving notices from the Association.

3.3 Notice of Transfer of Title. Upon transfer of fee title to a Lot, the transferee shall be responsible for notifying the Association of such transfer. The notification shall set forth the address of the Lot, the names of the transferee and the transferor, and the date of sale or other transfer. Prior to receipt of such notification, any and all communications required or permitted to be given by the Association or the Board to the Lot Owner shall be deemed to be duly made and given to the transferee if duly and timely made and given to the person shown as the Owner of the Lot at the address in the Association's records.

3.4 Proof of Membership. No person or entity shall exercise the rights of a Member until satisfactory proof of membership has been furnished to the Association. Such proof may consist

of either a copy of a duly executed and acknowledged grant deed or a copy of a title insurance policy showing that the person or entity is an Owner as defined in Section 2.23 ("Owner"). Such deed or policy shall be deemed conclusive proof of ownership in the absence of a conflicting claim based on a later deed or policy.

3.5 Voting Rights; Joint Owners.

3.5.1 One Vote Per Lot. Only Members shall be entitled to vote on any matter presented to the Members for approval or membership vote. Members shall be entitled to cast one (1) vote for each Lot owned.

3.5.2 Joint Owners. In the event more than one (1) person or entity owns a given Lot, the vote for such Lot shall be exercised as the Owners of such Lot among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If the joint Owners of a Lot are unable to agree among themselves as to how their vote is to be cast, they shall lose their right to vote on the matter in question. If the inspectors of election receive more than one (1) ballot with respect to a single Lot, the inspectors of election shall disallow the ballot (or ballots) received after the first ballot cast by an Owner of such Lot (as determined by the postmarks on the envelopes submitted with respect to that Lot), and it will thereafter be conclusively presumed for all purposes that the Owner casting the first ballot was acting with the authority and consent of the other Owners of that Lot. Once a ballot is received by the inspectors of election, it may not be rescinded.

3.5.3 Trusts, Corporations, and Other Entities. If an Owner is a trustee or is not a natural person (such as a corporation or other entity), the vote of such Owner may be cast by any authorized representative of the Owner designated by notice in writing to the Association.

3.5.4 Conservator Guardian Parent of Minor or Executor. The power to cast a particular Member's vote may be exercised by (i) the Member's conservator, (ii) the guardian of the Member's estate, (iii) the parents entitled to custody of a Member if the Member is a minor, or (iv) the executor or administrator of a deceased Member's estate if the Member's interest in the Lot is subject to administration in his or her estate.

3.6 Record Date for Voting. Consistent with Corporations Code section 7611(c), the Board may fix a date not more than sixty (60) days before the date of any mailing or delivery of ballots as the record date for determining Members entitled to vote in such vote or election. If no record date for voting is set by the Board, Members on the day of the mailing or delivery of ballots shall be entitled to vote in such vote or election.

ARTICLE 4 VOTING BY MEMBERS

4.1 Voting by Members; Members' Request for Vote. All membership votes, including any vote pursuant to a written request of five percent (5%) or more of the Members as described in Corporations Code section 7510(e), shall be by "secret ballot" pursuant to Civil Code sections

5100 through 5145; provided, however, that in the case of a membership vote on any matter not specified in Civil Code section 5100(a), the deadline for returning a secret ballot may be a reasonable time that is less than thirty (30) days. Voting by the method described in Corporations Code section 7513 shall not be permitted.

4.2 Proxies Are Prohibited. Use of proxies in connection with membership votes or membership meetings is expressly prohibited. "Proxy" shall mean a written authorization signed by a Member or a Member's attorney-in-fact giving another person or persons power to vote for such Member, as defined in Corporations Code section 5069, other than a designated authorized representative casting a vote pursuant to Section 3.5.3 ("Trusts, Corporations, and Other Entities") or Section 3.5.4 ("Conservator, Guardian, Parent of Minor, or Executor").

4.3 Inspectors of Election. Prior to any election or vote by the Members, the Board shall appoint one (1) or three (3) inspectors of election, whose powers and duties shall be as set forth in Civil Code section 5110.

4.4 Voting and Election Rules. The Board shall adopt Rules governing membership voting and elections of Directors in conformity with Civil Code section 5105(a).

4.5 Quorum Requirements. The number of ballots that must be cast in order to establish a quorum shall be as follows:

4.5.1 Election of Directors. In any election of one (1) or more Directors, the number of valid ballots received shall constitute a quorum.

4.5.2 Assessment Votes. Notwithstanding any other provision in the Governing Documents, for purposes of voting on a Special Assessment or an increase in the Regular Assessment that must be approved by the Members in accordance with Civil Code section 5605, a quorum shall mean more than fifty percent (50%) of the Members (as distinguished from percentage of the Total Voting Power), or such other quorum requirement as may be specified by law.

4.5.3 Amending the Governing Documents. For purposes of voting on any amendment of the Articles, Bylaws, or Declaration, a quorum shall mean more than fifty percent (50%) of the Total Voting Power.

4.5.4 Members' Approval of Certain Contracts. For purposes of voting to approve a contract with a third party to supply or furnish the Association with goods or services that has a term in excess of three (3) years, a quorum shall mean more than fifty percent (50%) of the Total Voting Power.

4.5.5 All Other Members' Votes. For any other vote or election by the Members, a quorum shall mean more than twenty-five percent (25%) of the Total Voting Power.

4.5.6 Meetings to Count Ballots. There shall be no quorum requirement for Member attendance at any meeting of the Members held for the sole purpose of tabulating ballots

pursuant to Civil Code section 5120(a). Other than the tabulation of ballots by the inspectors of election, no voting by the Members shall be conducted at any such meeting.

4.6 Act of Members Requires Majority of a Quorum. Except where the Governing Documents specify a higher percentage of a quorum or require a specified percentage of the Total Voting Power for any action that may be taken by the Members, the affirmative vote of a Majority of a Quorum shall constitute the action of the Members.

4.7 Results of Membership Votes. Within fifteen (15) days after an election, the Board shall give General Notice of the tabulated results to all the Members as required by Civil Code section 5120(b). If the matter voted on was the election of Directors, the Association shall report the number of votes cast for each nominee for Director. To the extent required by Corporations Code section 8325, for a period of sixty (60) days following the conclusion of an annual, regular, or special meeting of Members, the Association shall, upon written request from a Member, forthwith inform the Member of the result of any particular vote of the Members taken at a Meeting, including the number of Members voting for, the number of Members voting against, and the number of Members abstaining or withheld from voting.

4.8 Meetings of Members. To the extent any vote or election by the Members is required by law to be conducted at a meeting of the Members, the provisions of the Corporations Code, including Corporations Code sections 7510 and 7511, shall apply; such meeting shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt; and to the extent required pursuant to Civil Code sections 4925(b) and 5000(b), a reasonable time limit for all Members to speak at the meeting shall be established by the Board.

4.9 Place of Member Meetings; Date of Annual Meeting of Members. Meetings of the Members shall be held at a location within the Development, or the Board may designate by resolution a convenient place located as close as reasonably practicable to the Development. The Annual Meeting of Members shall be held on a date and at a time to be designated by the Board of Directors, upon proper written notice to all Members.

4.10 Special Meetings of Members. Special meetings of the Members shall be held in response to a request by the Board President, or by vote of a majority of the Board, or upon written request of Members representing five percent (5%) of the Total Voting Power of the Members.

4.11 Notice of Member Meeting. Written notice of Member meetings shall be given to each Member by Individual Delivery at least ten (10) days but not more than ninety (90) days before such meeting; except that, in the case of a special meeting called pursuant to a written request of Members, notice of such special meeting shall be given to Members by Individual Delivery within twenty (20) days after the Board's receipt of a written request therefor, and the date for such special meeting shall be not less than thirty-five (35) days nor later than ninety (90) days after the date of the Board's receipt of the written request. The notice shall state the date, time, and place of the meeting, and in the case of a special meeting, shall state the purpose for the meeting.

ARTICLE 5
BOARD OF DIRECTORS: NOMINATION, SELECTION,
TERM OF OFFICE, AND REMOVAL

5.1 Number of Directors. The affairs of the Association shall be managed by or under the direction of, and the corporate powers shall be exercised by, a Board of Directors. The authorized number of Directors shall be five (5).

5.2 Annual Election of Directors. Directors shall be elected annually, at a date and time to be determined by the Board.

5.3 Qualification of Directors. Only persons who satisfy all of the following qualifications, as well as any qualifications listed in any duly adopted Election Rules, shall be eligible to be elected to or serve on the Board: (i) is a Member or in the case of a Member that is not a natural person (such as a corporation or other entity), an officer, Director, principal, or authorized representative of the entity, (ii) is over eighteen (18) years of age, (iii) has not been found by a court of competent jurisdiction to be of unsound mind, and (iv) does not have a criminal conviction that would, if elected, prevent the Association from purchasing the fidelity bond coverage required by Civil Code section 5806 or terminate the Association's existing fidelity bond coverage.

5.4 Nomination Procedures. Nominations of candidates for election to the Board of Directors may be made by a nominating committee or by self-nomination, as follows:

5.4.1 By Nominating Committee. Prior to any election of Directors, the Board may appoint a nominating committee to nominate candidates for election to the Board. If appointed, the nominating committee shall nominate as many candidates for election to the Board as it shall in its discretion determine, but shall endeavor to nominate not less than the number of positions on the Board that are to be filled in the election. All nominations shall be made from among persons who satisfy the qualifications set forth in Section 5.3 ("Qualification of Directors") and shall be made prior to the deadline for nominations.

5.4.2 By Self-Nomination. Any Member who is a natural person and who satisfies the qualifications set forth in Section 5.3 ("Qualification of Directors") may place his or her name in nomination for election to the Board by giving written notice to the President or Secretary of the Association. In the case of a Member that is not a natural person (such as a corporation or other entity), such Member may place the name of an officer, Director, principal, or authorized representative of such Member in nomination for election to the Board by giving written notice to the President or Secretary of the Association; provided, however, that the person so nominated must satisfy the qualifications set forth in Section 5.3 ("Qualification of Directors"). Notice of self-nomination must be received prior to the deadline for nominations.

5.5 Voting Procedure; Deadline for Nominations. The Association shall provide General Notice of the director election procedure and deadline for submitting a nomination at least 30 days

before any deadline for submitting a nomination, pursuant to Civil Code section 5115 (a). Individual Notice shall be delivered pursuant to Civil Code section 4040 if Individual Notice is requested by a member. The deadline for nominations shall be set by the Board.

5.6 General Notice Prior to Ballot Distribution. Pursuant to Civil Code section 5115(b), at least 30 days before ballots are distributed, General Notice of all of the following shall be provided: 1) the date and time by which, and the physical address where, ballots are to be returned by mail or handed to the inspector of election; 2) the date, time, and location of the meeting at which ballots will be counted; and, 3) the list of all candidates' names that will appear on the ballot (the "Candidate Registration List"). Individual Notice shall be delivered pursuant to Civil Code section 4040 if Individual Notice is requested by a member.

5.7 Election by Acclamation. If, as of the published deadline for nominations, the number of people nominated is not more than the number of Directors to be elected, then the inspectors of election shall, unless election by acclamation is prohibited by law, declare the qualified nominees elected and the qualified nominees shall take office at the first Board meeting following the deadline for nominations or, if later and an annual meeting of the Members is held, then at the first Board meeting after the annual meeting of the Members (which Board meeting may take place on the same day as the annual meeting, but at a later time). The Board shall cause written notice of the election by acclamation to be given to the Members.

5.8 Candidate Registration List. The names of all persons known by the Board to be qualified candidates for election to the Board as of the published deadline for nominations shall be set forth on the General Notice required by Civil Code section 5115(b) and Section 5.6 ("General Notice Prior to Ballot Distribution"), herein, as well as on the ballot for election of Directors.

5.9 Voting for Directors; No Cumulative Voting Permitted; No Write-Ins. Subject to the restrictions set forth in Section 3.5 ("Voting Rights; Joint Owners"), in elections of Directors, Members may cast one (1) vote for each Lot owned for each position to be filled on the Board. The nominees receiving the largest number of votes shall be elected. Cumulative voting (i.e., giving more than one (1) vote to any candidate) shall not be permitted. Voting for write-in candidates (i.e., voting for any person not nominated prior to the deadline for nominations) shall not be permitted. The inspectors of election shall disallow any ballot or ballots that attempt to use cumulative voting or voting for a write-in candidate.

5.10 Tied Votes. In the event there is a tie between candidates for an open position on the Board, a runoff election shall be conducted via secret written ballot in accordance with the Association's Election Rules and the procedures set out herein, except that no additional candidates would be nominated, so the procedures relating to the nomination of candidates shall not apply.

5.11 Election and Term of Office. In the annual election of Directors, the Members shall, in alternate years, elect three (3) Directors and two (2) Directors, respectively, for terms of two (2) years each. Each Director shall serve until the expiration of his or her term and thereafter until a successor is elected, or until the earlier disqualification, death, resignation, or removal of such Director.

5.12 Removal of Directors by Members. Consistent with Corporations Code section 7222, any Director may be removed from the Board, with or without cause, by the vote of a Majority of a Quorum of the Members where the quorum is established as provided in Section 4.5.5 ("All Other Members' Votes").

5.13 Reduction of Number of Directors. Any reduction of the authorized number of Directors shall be subject to the provisions of Corporations Code section 7222(c).

5.14 Vacancies, Resignation, and Disqualification of Directors. A vacancy shall exist on the Board (i) in the event of the death, resignation, or removal (by the Members) of any Director, (ii) in the event of a declaration of a vacancy by the Board as provided below in this Section 5.14, (iii) if the authorized number of Directors is increased, or (iv) if the Members fail to elect the total authorized number of Directors.

5.14.1 Resignation. Any Director may resign by giving written notice to the Board. The resignation shall be effective on the date specified in the notice. Unless otherwise provided in the notice, acceptance of a resignation shall not be necessary to make the resignation effective.

5.14.2 Disqualification of a Director. As provided in Corporations Code section 7221(b), the Board, by a majority vote of the Directors who meet all of the qualifications for Directors as set forth in Section 5.3 ("Qualification of Directors"), may declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

5.14.3 Failure to Perform Duties. Pursuant to Corporations Code section 7221(a), the Board, by vote of a majority of a quorum of the Board [determined as provided in Section 6.12 ("Quorum for Board's Action")] may declare vacant the office of any Director who: (i) fails within sixty (60) days after receiving notice of election to accept office, either in writing or by attending a meeting of the Board as a Director, or (ii) is absent from three (3) consecutive meetings of the Board, (iii) has been declared of unsound mind by a final court order; or (iv) has been convicted of a felony.

5.15 Filling Vacancies. Any vacancy occurring on the Board of Directors, except a vacancy created by the removal of a Director by the Members, may be filled (i) by approval of the Board; or (ii) by a sole remaining Director. The Members may elect a Director at any time to fill any vacancy not filled by the Board or any sole remaining Director. If a Director tenders a resignation to take effect at a future time, the Board, including the resigning Director, may choose or, if the Board fails to act, the Members may elect, a successor to take office when the resignation becomes effective. A Director elected by the Members or chosen by the Board in accordance with this Section 5.15 to fill a vacancy shall serve the remainder of the term of office of the Director whom he or she replaces.

5.16 Removal of Entire Board; Replacement Directors. In the case of a vote by the Members to remove the entire Board of Directors, the incumbent Directors shall not be removed from office unless and until one (1) or more replacement Directors have been elected by the Members. If, in such election, the Members fail to elect the full number of replacement Directors, the vacancies

then existing on the Board may be filled by the elected replacement Directors pursuant to clause (i) or clause (ii) of Section 5.15 ("Filling Vacancies"). All of the Directors replacing those removed by the Members shall serve until the next annual election of Directors, at which time (i) three (3) Directors shall be elected; or (ii) alternatively, if the number of qualified candidates for the next annual election is less than or equal to three (3), the Directors shall be elected by acclamation pursuant to Section 5.7 ("Election by Acclamation").

5.17 No Compensation of Directors. No Director shall receive compensation for any service he or she may render to the Association as a Director. Upon approval by the Board, however, any Director may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.

5.18 Directors' Standard of Care. As provided in Corporations Code section 7231, a Director shall perform the duties of a Director, including duties as a member of any Committee of the Board upon which the Director may serve, in good faith, in a manner such Director 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.

5.19 Limitation of Liability of Officers and Directors. No Director, officer, Committee member, employee, or other agent of the Association shall be liable to any Owner or any other person or entity, including the Association, for any damage, loss, liability, cost, expense, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association.

ARTICLE 6 MEETINGS OF THE BOARD OF DIRECTORS

6.1 Definition of Meeting of the Board. As defined in Civil Code section 4090, a "meeting" of the Board shall mean either: (a) a congregation, at the same time and place, of a sufficient number of Directors to establish a quorum of the Board [determined as provided in Section 6.12 ("Quorum for Board's Action")] to hear, discuss, or deliberate upon any item of business that is within the authority of the Board or (b) a teleconference, where a sufficient number of Directors to establish a quorum of the Board, in different locations, are connected by electronic means, through audio or video or both. The foregoing includes executive session meetings of the Board.

6.2 Teleconference Meetings. A teleconference meeting shall be conducted in a manner that protects the rights of Members of the Association and otherwise complies with the requirements of the Davis-Stirling Common Interest Development Act (Civil Code sections 4000 and following). Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one (1) physical location so that Members of the Association may attend, and at least one (1) Director or a person designated by the Board shall be present at that location. Participation by Directors in a teleconference meeting constitutes presence at that meeting as long as all Directors participating are able to hear one another as well as Members speaking on matters before the Board.

6.3 Organizational Meeting. As soon as possible, but in any event within thirty (30) days, after each annual election of Directors, the Board of Directors shall hold a meeting for the purpose of organization, appointment of officers, and transaction of other business, as appropriate. This organizational Board meeting may take place on the same day as the annual meeting electing Directors, but at a later time.

6.4 Regular Meetings of the Board. Regular meetings of the Board shall be held not less frequently than once every three (3) months upon proper notice that conforms to the provisions of Section 6.7 ("Notice to Directors") and Section 6.8 ("Notice to Members; Agenda"), at the place, day, and time set forth in such notice. If the Board should determine that the business to be transacted by the Board does not reasonably require quarterly meetings, then regular meetings of the Board shall be held at such intervals as the Board may determine, but not less frequently than once every six (6) months.

6.5 Special Meetings of the Board. Special meetings of the Board shall be held when called by the President of the Association or by any two (2) Directors.

6.6 Emergency Meetings of the Board. As provided in Civil Code section 4923, emergency meetings of the Board may be called by the President or by any two (2) Directors other than the President if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide the notice required by Civil Code section 4920.

6.7 Notice to Directors. Regular meetings of the Board may be held, without further notice to the Board, at a place within or reasonably convenient to the Development and on a day and time fixed by resolution of the Board. If not fixed by resolution of the Board, notice of each meeting of the Board shall be given to Directors by General Delivery not less than four (4) days prior to a regular meeting, and not less than forty-eight (48) hours prior to a special meeting; provided that shorter notice may be given in the case of a bona fide emergency; and provided, further, that notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, whether before or after the meeting.

6.8 Notice to Members; Agenda. To the extent required pursuant to Civil Code section 4920, except for bona fide emergency meetings (whether open meeting or executive session), prior written notice of the day, time, and place of each meeting of the Board of Directors shall be given to all Members. The notice shall contain the agenda for the meeting, subject to the provisions of Civil Code section 4930.

6.8.1 Timing of Notice to Members. Notice of open Board meetings shall be given at least four (4) days before the meeting. Notice of a Board meeting that is held exclusively in executive session shall be given at least two (2) days before the meeting.

6.8.2 Delivery of Notice to Members. The notice to the Members shall be given by General Delivery.

6.9 Open Meeting. To the extent required pursuant to Civil Code section 4925(a), regular and special meetings of the Board of Directors shall be open to all Members, except when the Board meets in executive session. Pursuant to Civil Code section 4925(b), a reasonable time limit for Members to speak to the Board shall be established by the Board. The right to speak to the Board shall not entitle any Member to participate in the Board's deliberations on any matters unless requested to do so by the Board.

6.10 Executive Session. To the fullest extent permitted by law, including Civil Code section 4935, the Board may meet in executive session to confer with legal counsel or to discuss and/or vote upon personnel matters, Member discipline, litigation in which the Association is or may become involved, matters that relate to the formation of contracts between the Association and others, and for the purpose of meeting with a Member, upon such Member's request, regarding the Member's payment of Assessments. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested to do so by that Member, and that Member and any other persons whose participation is, in the sole judgment of the Board, necessary or appropriate, shall be entitled to attend the executive session. To the extent required by Civil Code section 5673, a decision by the Board to record a lien for delinquent Assessments shall be made at an open meeting of the Board. To the extent required by Civil Code section 5705(c), a vote of the Board to initiate foreclosure of a lien for delinquent Assessment shall be taken in executive session but shall be recorded in the minutes of the next following open meeting of the Board. There shall be no requirement that the Board convene an open meeting in order to meet in executive session.

6.11 Board's Action by Unanimous Written Consent. To the extent provided in Civil Code section 4910, the Board may not take action by unanimous written consent without a meeting except in case of emergency. In the case of an emergency, the Board may only take action by electronic transmission, including email as provided in Civil Code section 4910(b)(2), if all the Directors, individually or collectively, consent in writing to action by electronic transmission. Any such written consents shall be filed with the minutes of the proceedings of the Board.

6.12 Quorum for Board's Action. A majority of the number of Directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of Board business. Every act or decision done or made by a majority of the Directors present at a duly -held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.13 Voting by Directors. Pursuant to Corporations Code section 7211(c), each Director shall be entitled to one (1) vote and a Director may not vote by proxy or otherwise delegate his or her right to vote on any matter before the Board.

6.14 Minutes of Meetings of the Board. To the extent required by Civil Code section 4950(a), within thirty (30) days after the date of any meeting of the Board, the Board shall make available to the Members (i) the minutes of that meeting as adopted by the Board; (ii) or if the minutes have not yet been adopted by the Board, the minutes as proposed for adoption, which shall be marked to indicate draft status; or (iii) a summary of the minutes. To the extent required by Civil

Code section 4935(e), any matter discussed in an executive session shall be generally noted in the minutes of the Board of the immediately following open Board meeting and minutes of executive sessions shall not otherwise be required. Copies of the minutes, proposed minutes, or summary of minutes shall be provided to any Member upon request and upon reimbursement of the Association's costs in providing such copies.

ARTICLE 7 DUTIES OF THE BOARD OF DIRECTORS

The Board shall be ultimately responsible for the management and conduct of the affairs of the Association. Without limiting the generality of the foregoing, the specific duties of the Board shall include the following:

7.1 Supervision. The Board shall supervise all officers, agents, and employees of the Association, if any, and see that their duties are properly performed.

7.2 Records and Minutes. The Board shall cause to be kept a complete record of all its acts and the corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board, Committees of the Board, and any other committee appointed by the Board having decision-making authority.

7.3 Maintain Insurance. The Board shall procure and maintain adequate casualty, liability, and other insurance as the Board shall determine, consistent with the provisions of Article 10 of the Declaration ("Insurance").

7.4 Enforcement of Governing Documents. The Board shall enforce the Governing Documents on its own initiative or upon receipt of written complaint from an Owner or a Resident in accordance with the procedures set forth in the Declaration ("Enforcement").

7.5 Annual Budget Report. In accordance with Civil Code section 5300(a), the Association shall distribute an annual budget report, not less than thirty (30) days and not more than ninety (90) days prior to the end of the Association's fiscal year. The annual budget report shall conform to the requirements of Civil Code sections 5300(b) and (e) and section 5550 and shall include the following and any other matters as may be required by law:

7.5.1 Pro Forma Operating Budget. A "pro forma operating budget" showing the estimated revenue and expenses on an accrual basis;

7.5.2 Reserves Summary. A summary of the Association's reserves, prepared in accordance with Civil Code section 5565;

7.5.3 Reserves Funding Plan. A summary of the reserve funding plan adopted by the Board in accordance with Civil Code section 5550(b)(a). The summary shall include a notice to Members that the full reserve study and the full reserve funding plan are

available to any Member on request, and after payment of reasonable duplication charges;

7.5.4 Statement of Deferred Repairs. A statement as to whether the Board has determined to defer repairs or replacement of any major component with a remaining life of thirty (30) years or less, including a justification for a decision not to make such repairs or replacement;

7.5.5 Statement of Anticipated Special Assessments. A statement, consistent with the reserve funding plan, as to whether the Board has determined that one (1) or more special assessments will be required to repair, replace or restore any major component or to provide for adequate reserves for such repair, replacement or restoration. The statement shall set out the estimated amount, commencement date and duration of the assessment, if anticipated;

7.5.6 Statement of Reserve Calculations. A general statement addressing the procedures used for the calculation and establishment of reserves to defray the future repair, replacement, restoration, or additions to those major components that the Association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described Civil Code section 5570(b)(4), and may not assume a rate of return on cash reserves in excess of two percent (2%) above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made;

7.5.7 Statement of Outstanding Loans. A statement as to whether the Association has any outstanding loans with an original term of more than one (1) year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired; and

7.5.8 Summary of Association's Insurance Policies. A summary of the Association's property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any. To the extent that any of the required information is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it with the annual budget report. The summary distributed pursuant to this paragraph shall contain, in at least 10-point boldface type, the following statement:

"This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property

improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage."

7.6 Notice of Certain Changes in Insurance. In accordance with Civil Code section 5810, as soon as reasonably practicable, the Association shall provide Individual Notice to all Members if any of the policies described in Section 7.5.8 ("Summary of Association's Insurance Policies") have lapsed or been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible for any of those policies. If the Association receives any notice of non-renewal of a policy described in Section 7.5.8, and replacement coverage will not be in effect by the date the existing coverage will lapse, the Association shall immediately provide Individual Notice thereof to the Members.

7.7 Annual Policy Statement; Notifications to Members. In accordance with Civil Code sections 5310(a)(1) through (12), not less than thirty (30) days and not more than ninety (90) days before the end of the Association's fiscal year, the Board shall distribute to the Members an annual policy statement that shall include all of the following:

7.7.1 Official Communications to Association. A statement notifying the Members of the name and address of the person designated to receive official communications to the Association, which communications are to be sent in the manner prescribed by Civil Code section 4035;

7.7.2 Address for Certain Notices. A statement notifying the Members of an Owner's right to submit to the Association, in accordance with Civil Code section 5260(b), a request to have notices sent to up to two (2) different addresses pursuant to Civil Code section 4040(b) (concerning annual reports, enforcement of delinquent Assessments, and sale by trustee);

7.7.3 Location Designated for Posting General Notices. A statement notifying the Members of the location, if any, designated for posting General Notice pursuant to Civil Code section 4045(a)(3);

7.7.4 Option to Receive General Notices by Individual Delivery. A statement notifying the Members of their option to receive General Notices by Individual Delivery;

7.7.5 Notice of Members' Right to Receive Meeting Minutes. A statement notifying the Members of their right to receive Board meeting minutes in accordance with Civil Code section 4950(b);

7.7.6 Notice of Assessments; Assessment Collection Policy. A statement describing the Regular Assessment and any Special Assessment levied against a Lot for that fiscal year and the Association's collection policies;

7.7.7 Notice Regarding Liens and Foreclosure. The statement required by Civil Code section 5730(a) printed in at least 12-point type;

7.7.8 Notice of Discipline Policy. A statement as required by Civil Code section 5850, describing the Association's discipline policy, if any, including any schedule of penalties for violations of the Governing Documents;

7.7.9 Notice of Dispute Resolution Procedures. A summary (specifically referencing Civil Code sections 5920 and 5965) of the statutory provisions relating to employing internal dispute resolution procedures and alternative dispute resolution procedures in certain matters related to enforcement of the Governing Documents;

7.7.10 Notice of Required Architectural Approval. A notice (as required by Civil Code section 4765) of the requirement for the Association's prior approval of physical changes to property that describes the types of changes that require Association approval and includes a copy of the procedure for review and approval or disapproval. The notice may consist of a copy of Article 7 of the Declaration ("Architectural Control") and a copy of the Architectural Rules, if any;

7.7.11 Mailing Address for Overnight Payment of Assessments. A statement (as required by Civil Code section 5655(c)) notifying the Members of the mailing address for overnight payment of Assessments; and

7.7.12 Other Required Information. A statement notifying the Members of other information required by law, or by the Governing Documents, or that the Board determines in its sole judgment to be appropriate for inclusion in the annual policy statement.

7.8 Documents Provided to Prospective Purchasers. In accordance with Civil Code section 4530, the Board shall provide or cause to be provided to a requesting Owner, within ten (10) days of a written request therefor and after payment of reasonable duplication charges, the items specified in Civil Code section 4525(a) or any of them that are requested by the Owner. An Owner shall provide the documents specified in Civil Code section 4525(a) to a prospective purchaser of the Owner's interest in a Lot as soon as practicable before the transfer of title or the execution of a real property sales contract.

7.9 Review of Annual Financial Statement. To the extent required pursuant to Civil Code section 5305, the Board shall (i) obtain a review of the financial statements of the Association prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy and (ii) distribute the reviewed financial statements to all Members by Individual Delivery within one hundred twenty (120) days after the close of such fiscal year. If audited financial statements are required pursuant to Section 12.7 of the Declaration ("Financial Statements"), the Board shall obtain such audited financial statements.

7.10 Monthly Review of Accounts. In accordance with Civil Code section 5500, the Board shall at a minimum:

- (a) Review, on a monthly basis, a current reconciliation of the Association's operating accounts;
- (b) Review, on a monthly basis, a current reconciliation of the Association's reserve accounts;
- (c) Review, on a monthly basis, the current year's actual operating revenues and expenses compared to the current year's budget;
- (d) Review, on a monthly basis, the latest account statements prepared by the financial institutions where the Association keeps its operating and reserve accounts; and
- (e) Review, on a monthly basis, an income and expense statement for the Association's operating and reserve accounts; and,
- (f) Review, on a monthly basis, the check register, monthly general ledger, and delinquent assessment receivable reports.

As used in this Section 7.10, the term "reserve accounts" shall have the meaning set forth in Civil Code section 4177.

7.11 Biennial Notice to Secretary of State. The Board shall file with the Secretary of State the biennial statement of names of officers and of agent for service of process required pursuant to Corporations Code section 8210 and the statement required by Civil Code section 5405(a).

7.12 Three-Year Reserve Study and Annual Review. In accordance with Civil Code section 5550, at least once every three (3) years, the Board shall cause a study of the reserve account requirements of the Development to be conducted, which study shall include at least the minimum requirements specified in Civil Code section 5550(b) or successor statute. The Board shall review the reserve study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

7.13 Prudent Management of Reserve Funds. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account and, to the extent restricted by Civil Code section 5510(b), shall not expend funds designated as reserve funds for any purpose other than the maintenance, restoration, repair, or replacement of, or litigation involving the maintenance, restoration, repair, or replacement of, major components for which the Association is responsible and for which the reserve fund was established; provided, however, that the Board may authorize a temporary transfer of money from a reserve fund to the Association's general operating fund for the purposes and subject to the procedural requirements specified in Civil Code section 5520.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have such powers as may be provided by law or expressly set forth in the Governing Documents. Without limiting the generality of the foregoing, the Board shall have the powers specified in this Article 8, subject to any limitations or conditions as may be set forth in the Articles, the Declaration, or elsewhere in these Bylaws.

8.1 Make Contracts. The Board shall have the power to authorize any officer or officers of the Association to enter into any contract in the name of, or on behalf of, the Association. Except upon the prior affirmative vote of a Majority of a Quorum of the Members, no contract with a third party to supply or furnish the Association with goods or services shall be for a term in excess of three (3) years, provided further, that the foregoing requirement for Member approval shall not apply to:

- (a) A contract with a public utility company, if the rates charged for the materials or services to be furnished are regulated by the California Public Utilities Commission, the term of which contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;
- (b) Prepaid casualty and/or liability insurance policies not to exceed three (3) years' duration, which policy or policies shall permit short rate cancellation by the insured;
- (c) Lease agreements for laundry fixtures and equipment not to exceed five (5) years' duration;
- (d) Agreements for cable television or satellite or similar service and equipment not to exceed five (5) years' duration;
- (e) Agreements for burglar alarm and/or fire alarm service and equipment not to exceed five (5) years' duration; and,
- (f) Any contract for a term of five (5) years that is terminable by the Association after no longer than three (3) years, without cause, penalty, or other obligation, upon ninety (90) days' prior written notice of termination to the other party.

8.2 Consult Professional Advisors. The Board shall have the power to consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out the Board's authority and responsibility under the Governing Documents and the law, and to pay for such professional services.

8.3 Hire a Manager and Others. The Board shall have the power to engage the services and prescribe the duties of a manager or management company as either an employee or an independent contractor, and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties. Except as expressly prohibited, the Board may delegate to the manager any of its duties, powers, or functions, including the authority to deposit or withdraw funds from the accounts of the Association, but excluding the right to take any action described in Corporations Code section 7236 and excluding the right to withdraw funds from any reserve account. The manager may additionally be authorized to establish a common trustee account for the deposit of collected assessments.

8.4 Adopt and Enforce Rules. Subject to applicable law, including Civil Code sections 4340 through 4370 (regarding procedures for adopting or changing certain rules), the Board shall have the power to adopt, publish, amend, repeal, and enforce Rules.

8.5 Collect Assessments by Foreclosure and/or Legal Action. In accordance with the Declaration, the Board shall have the power to collect Assessments levied by the Association by foreclosing the lien against any property for which Assessments are not paid as required by the

Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same.

8.6 Impose Sanctions; Determination of Good Standing. Upon an explicit finding and for reasons specified by the Board following a hearing conducted in accordance with Article 9 of the Declaration ("Enforcement"), the Board shall have the power to impose sanctions on a Member who is in default in the payment of any Assessment or other charge levied by the Board or is found to be in violation of any provision of the Governing Documents. Sanctions may include loss of good standing, suspension of other rights, and/or monetary penalties (fines), as described in Section 9.5.2 of the Declaration ("Imposition of Sanctions"). The Board shall specifically have the power to determine, after notice to the Member and an opportunity for a hearing by the Board, that a Member is not in Good Standing. A Member found by the Board to be not a Member in Good Standing shall continue in that status until the Board shall make a determination, either upon the Board's own initiative or upon the request of the Member, that such Member is, once again, a Member in Good Standing of the Association.

8.7 Pay Taxes. The Board shall have the power to pay all real property taxes and assessments levied upon any property within the Development to the extent not separately assessed to the Owners. Provided that any such taxes are paid or that a bond insuring the payment is posted, the Association may contest or compromise such taxes and assessments prior to the sale or other disposition of any property to satisfy the payment of such taxes.

8.8 Deal with Association's Property; Certain Limitations. The Board shall have the power to acquire and deal with real and personal property of the Association, subject to any applicable limitations set forth in the Governing Documents, including Section 2.8 of the Declaration ("Capital Improvements"), and Section 2.9 of the Declaration ("Sale or Transfer of Association Property").

8.9 Open Bank Accounts; Borrow. The Board shall have the power to open bank accounts, designate signatories upon such bank accounts (subject to statutory requirements concerning withdrawal of reserve account funds), and borrow money on behalf of the Association, subject to any applicable provisions of Section 2.8 of the Declaration ("Capital Improvements"), and Section 2.9 of the Declaration ("Sale or Transfer of Association Property").

8.10 Pledge Assessments as Security. To the extent permitted by Civil Code section 5735, the Board shall have the power to assign or pledge Assessments of the Association as security for a loan. Approval of the Members shall be required if such assignment or pledge is in conjunction with an increase in the Regular Assessment or the imposition of a Special Assessment that by law requires approval of the Members. The requirements for such Member approval shall be the same as the Member approval requirements for increases in Regular Assessments or the imposition of a Special Assessment.

8.11 Invest Reserve Funds. The Board shall have the power to manage and invest Association reserve funds in prudent investments, provided it does so in a prudent manner designed to achieve the primary objective of preserving principal while realizing a reasonable return and assure the availability of funds as they are needed based upon the Board's most recent review of

the reserve fund study obtained by the Board as required in Section 7.12 ("Three -Year Reserve Study and Annual Review") and applicable law.

8.12 Indemnify Agents. To the extent provided in Corporations Code section 7237, the Board shall have the power to and shall indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a Director, officer, employee, or agent of the Association, or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses (including without limitation attorneys' fees and costs), judgments, fines, settlements, and other amounts, as those terms are defined by California law, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a Director, officer, employee, or agent of the Association, or member of any committee appointed by the Board.

8.13 Effect Mergers. To the extent permitted by law, the Board shall have the power to cause the Association to participate in mergers and consolidations with other nonprofit organizations organized for the same purposes as the Association, provided that any such merger or consolidation shall be approved by a majority of the Total Voting Power.

8.14 Appoint Committees. The Board may appoint an Architectural Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws and may appoint such other committees as it deems appropriate in carrying out the powers and purposes of the Association; provided, however, that the Board may not delegate its authority to hold hearings or impose sanctions. Any Committee of the Board shall consist of at least two (2) Directors and shall have such powers and duties as the Board shall determine, subject to the limitations of Corporations Code section 7212. As provided in Corporations Code section 7212(b), a committee exercising the authority of the Board shall not include as members any persons who are not Directors. All committees and committee members shall serve at the pleasure of the Board.

8.15 Other Powers and Duties. The Board shall have the power to exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by other provisions of the Governing Documents, and may undertake any action on behalf of the Association as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Association and/or the interests of the Association and its Members.

ARTICLE 9 OFFICERS AND THEIR DUTIES

9.1 Enumeration of Principal Officers. The principal officers of this Association shall be a President, a Secretary, and a Treasurer, who shall at all times be members of the Board of Directors. The Board may, from time to time, by resolution appoint other officers, as provided in Section 9.4 ("Special Appointments").

9.2 Appointment of Principal Officers. The appointment of the principal officers shall take place at the first meeting of the Board following each annual election of Directors.

9.3 Term. The principal officers of this Association shall be appointed annually by the Board, and each shall hold office for one (1) year, unless he or she shall sooner resign, be removed by the Board, or otherwise be disqualified to serve.

9.4 Special Appointments. The Board may appoint such other officers as the affairs of the Association may require (for example, one or more vice presidents or assistant secretaries or assistant treasurers), each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine. Officers appointed pursuant to this Section 9.4 need not be members of the Board but they must be Members of the Association.

9.5 Resignation and Removal. Any officer may be removed from office at any time, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of 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.

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces, subject to the Board's right to remove an officer.

9.7 Multiple Offices. One (1) person may hold two (2) or more offices except that neither the Secretary or any assistant secretary nor the Treasurer or any assistant treasurer may serve concurrently as President. This provision is intended to prohibit a single individual from having apparent authority, pursuant to Corporations Code section 7214, to bind the Association by virtue of holding both offices.

9.8 Authority to Bind Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association or to render the Association liable for any purpose or on any account.

9.9 No Compensation of Officers. No officer shall receive compensation for any service he or she may render to the Association as an officer. Upon approval by the Board, however, any officer may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.

9.10 President. The President shall be the chief executive officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs of the Association and of the other officers and the employees and agents of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board, shall have the general powers and duties of management usually vested in the office of the president of an association, and shall have such other powers and duties as may be prescribed by the Board and the Bylaws, subject, however, to any limitations contained in the Declaration. In the absence or disability of the President, the Board shall designate another Director to preside at a meeting of the Board or of the Members.

9.11 Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may prescribe, a book of minutes of all meetings of Directors and Committees of the Board, all meetings of any other committee appointed by the Board that has decision-making authority, and all meetings and votes of Members. The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors required by the Bylaws or by law to be given and shall maintain a proper record of the giving of such notice; shall keep or cause to be kept in safe custody the books, records, and documents of the Association; and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

9.12 Treasurer. The Treasurer shall be responsible for the receipt and deposit in appropriate accounts of all monies of the Association and shall cause disbursement of such funds as directed by resolution of the Board of Directors; may sign all checks and promissory notes of the Association; shall keep or cause to be kept proper books of account; shall cause an annual review (or, if required by Section 12.7 of the Declaration ("Financial Statements")), an audit of the Association's books and financial statements to be made by a public accountant at the completion of any fiscal year for which such review is required by law or as determined by the Board; shall assist the Board in preparation of an annual budget and a statement of income and expenditures to be presented to the Members of the Association as provided by law; and shall have such other powers and perform such other duties as may be prescribed by the Board.

ARTICLE 10 MINUTES; BOOKS AND RECORDS; FUNDS

10.1 Minutes of Meetings. As required by Corporations Code section 8320(a)(2), the Association shall keep minutes of meetings and proceedings of the Members (including membership votes), meetings of the Board and Committees of the Board, and meetings of any other committee appointed by the Board that has decision-making authority. As provided in Section 6.14 ("Minutes of Meetings of Board"), any matter discussed in executive session shall be generally noted in the minutes of the next following open meeting of the Board, and minutes of executive sessions shall not otherwise be required. Minutes shall set forth the time and place of holding of such meetings; whether regular or special, and if special, how authorized; what notice was given; the names of those present at meetings of the Directors or of any Committee of the Board or of any other committee appointed by the Board that has decision-making authority; the number of votes cast in any vote or election of the Members (or, if applicable, the number of memberships and votes present at Member meetings); and all the proceedings thereof.

10.2 Members' Access to Minutes Books and Records. To the extent required by Civil Code sections 5205 and 5210, and subject to a requesting Member's compliance with all applicable prerequisites and any applicable limitations (including but not limited to Corporations Code section 8332 concerning protection of constitutional rights of other Members, Corporations Code section 8338 concerning use of memberships lists, and Civil Code section 5215 concerning withholding or redacting certain records), the Association shall make available for inspection and copying by any Member "association records" and "enhanced association records" (as defined in

Civil Code section 5200) maintained by the Association. This provision does not require the Association to create or maintain any records not otherwise required by law to be maintained. The Board may adopt and publish reasonable rules and regulations establishing procedures relating to a Member's inspection and obtaining copies of Association records, consistent with the provisions of Civil Code section 5205.

10.3 Directors' Inspection Rights. As provided in Corporations Code section 8334, every Director shall have the right at any reasonable time to inspect and copy all books, records, and documents and to inspect the physical properties of the Association.

10.4 Checks Drafts and Evidences of Indebtedness. All checks, drafts, or other orders for payment of money, and notes or other evidences of indebtedness issued in the name of the Association for operational expenditures shall be signed by at least (1) person who shall be a Director and in the manner specified by resolution of the Board, except that, to the extent permissible by law, the Board may delegate the duty to sign checks to its manager pursuant to Section 8.3 herein. In accordance with Civil Code section 5510(a), the withdrawal of funds from the Association's reserve account shall require the signatures of at least two (2) persons who shall both be Directors.

10.5 Funds and Deposits. Any funds of the Association shall be deposited to the credit of the Association in such banks or other depositories as the Board of Directors shall, from time to time, determine.

10.6 Fiscal Year. The fiscal year of the Association shall be as determined by resolution of the Board of Directors.

ARTICLE 11 AMENDMENTS

11.1 Amendment Approval Requirements. These Bylaws may be amended by approval of the Board and the affirmative vote of a Majority of a Quorum of Members; provided, however, that for the purposes of this Section 11.1, a quorum shall be as set forth in Section 4.5.3 ("Amending the Governing Documents").

11.2 Keeping Records of Amendments. When an amendment or a new Bylaw provision is adopted, it shall be placed in the appropriate place in the minute book of the Association together with a certificate signed by the Secretary stating the date on which it was approved by the Board and whether at a meeting or by unanimous written consent of the Directors, and the date on which it was approved by the Members.

ARTICLE 12 MISCELLANEOUS

12.1 Conflict in Governing Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

12.2 Amendments to Referenced Statutes' Time for Performance. References in the Bylaws to particular statutes, including sections of the Civil Code or the Corporations Code, shall be deemed to include any successor statute and any amendments to existing or successor statutes. Whenever these Bylaws state a time for the performance of any act by the Association that by law (as it may exist from time to time) must be performed at or within a specified time, the time for the performance of such act shall be deemed to be the widest timeframe permitted under then-applicable law.

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**CERTIFICATE OF AMENDMENT AND RESTATEMENT OF THE
BYLAWS OF PORTOFINO OF VACAVILLE HOMEOWNERS ASSOCIATION**

I, the undersigned, hereby certify that:

I am the Secretary of Portofino of Vacaville Homeowners Association.

The foregoing Amended and Restated Bylaws of Portofino of Vacaville Homeowners Association were duly approved by the requisite vote of the Members of the Association on the _____ day of _____, 2022.

These Amended and Restated Bylaws of Portofino of Vacaville Homeowners Association supersede all previously-effective Bylaws of Portofino of Vacaville Homeowners Association.

Executed this ____ day of _____, 2022.

[insert name as will sign], Secretary