

**AMENDED AND RESTATED BYLAWS
OF MISSION VERDE
COMMUNITY ASSOCIATION**

* Approved July 6, 2018 *

ARTICLE I

NAME AND LOCATION

These AMENDED AND RESTATED BYLAWS OF MISSION VERDE COMMUNITY ASSOCIATION shall supersede and replace any and all prior bylaws for the Mission Verde Community Association. The name of the corporation is MISSION VERDE COMMUNITY ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located in the City of Camarillo, County of Ventura, State of California, but meetings of Members and Directors may be held at such places within the County of Ventura, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Articles" shall mean and refer to the Articles of Incorporation of the Association as they may from time to time be amended.

Section 2. "Association" shall mean and refer to MISSION VERDE COMMUNITY ASSOCIATION, a California nonprofit mutual benefit corporation, its successors and assigns.

Section 3. "Board" or "Board of Directors" shall mean and refer to the governing body of the Association.

Section 4. "Common Area" shall mean and refer to all portions of the Condominium Property not located within a Unit.

Section 5. "Condominium" shall mean and refer to a fee simple estate in the Condominium Property as defined in Section 4125 of the California Civil Code and shall consist of a separate interest in a Unit and an undivided fractional interest as tenant-in-common in the Common Area.

Section 6. "Condominium Plan" shall mean and refer to the Condominium Plan recorded pursuant to California Civil Code Section 4120 and 4285 covering the Condominium Property including such amendments thereto as may from time to time be recorded.

Section 7. “Condominium Property” shall mean and refer to that certain real property located in Ventura County, California, more particularly described hereinafter, Owners of which are required to be Members of the Association, and such additions thereto as may hereafter be brought within the jurisdiction of the Association. The property is described as:

Parcel 1, according to Parcel Map L.D. No. 168A thereof, filed in the Office of the county Recorder of Ventura County, California, on December 4, 1981; and

Parcel 2, of L.D- No. 168A, in the City of Camarillo, County of Ventura, State of California, as per map filed on December 4, 1981 in Book 34, pages 89—91, of Parcel Maps, in the Office of the County Recorder of said County; and

Parcel A, of L.D. No. 198, in the City of Camarillo, County of Ventura, State of California, as per map filed in Book 37, Pages 92-93, of Parcel Maps, in the Office of the County Recorder of said County? and

Parcel B, of L.D. No. 198, in the City of Camarillo, County of Ventura, State of California, as per map filed in Book 37, Pages 92-93, of Parcel Maps, in the Office of the County Recorder of said County.

Section 8. “Declarant” shall mean the owners of record of the complex on the date this Declaration was executed together with the Association.

Section 9. “Declaration” shall mean and refer to the Declaration or Declaration of Covenants, Conditions and Restrictions of Mission Verde recorded with the Office of the County Recorder of Ventura County, California, covering the Condominium Property, including such amendments thereto as may from time to time be recorded.

Section 10. “Eligible Insurer or Guarantor” shall mean and refer to an insurer or governmental guarantor of a first Mortgage on a Condominium who has requested notice of certain matters in accordance with ARTICLE X of the Declaration.

Section 11. “Eligible Mortgage Holder” or “Eligible Holder” shall mean and refer to a holder of a first Mortgage on a Condominium who has requested notice of certain matters from the Association in accordance with ARTICLE X of the Declaration.

Section 12. “Exclusive Use Area” shall mean and refer to those portions of the Common Area designated for the exclusive use of one or more, but fewer than all, of the owners of the separate interests and which is or will be appurtenant to the separate interest or interests. The Exclusive Use Common Areas of an owner are shown and described on the Condominium Plan and shall consist of: Patios, marked "P" on the Condominium Plan; Balconies, marked "B" on the Condominium Plan; two-car garages, marked "EG" on the Condominium Plan; Storage Areas, marked "S" on the Condominium Plan; Potshelves, marked "P.S." on the Condominium Plan and Entry Areas marked "E" on the Condominium Plan. In addition, Exclusive Use Common Area shall also include any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, all exterior doors, doorframes, and hardware incident thereto, screens and windows or other fixtures designed to serve a single separate interest, including internal and external telephone, internet, cable, satellite, and security system wiring, whether located inside or outside the boundaries of the separate interest.

Section 13. “Good Standing” Members in good standing are those who are current in the payment of their Assessments, fees and any monetary penalties, and who are not in violation of the Governing Documents, or involved in any active litigation against the Association or alternative dispute resolution actions with the Association.

Section 14. “Member” shall mean and refer to a person entitled to membership in the Association as provided in the Declaration.

Section 15. “Mortgage” shall mean and refer to a Deed of Trust as well as a Mortgage encumbering any Condominium.

Section 16. “Mortgagee” shall mean and refer to the beneficiary of a Deed of Trust, its successors and assigns, as well as a Mortgagee of a Mortgage encumbering a Condominium.

Section 17. “Owner” shall mean and refer to the record Owner, whether one (1) or more persons or entities, of fee simple title to any Condominium, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.

Section 18. “Project” shall mean and refer to the entire real property described in the Declaration, including all structures and improvements erected or to be erected thereon, and such additions as may hereafter be brought within the jurisdiction of the Association.

Section 19. “Unit” shall mean the elements of a condominium which are not owned in common with the Owners of other condominiums. The boundaries of each "Unit" are, and include, the interior paint surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, and the Unit includes both the portions of the building so described and the air space so encompassed. The following are not part of the Unit: bearing walls, columns, floors, roofs, foundations, pipes, ducts, flues, chutes, conduits, wires, and other utility installations, wherever located, except the outlets thereof when located within the Unit. In interpreting deeds and plans, the existing physical boundaries of the Unit or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of variances between boundaries shown on the plan or in the deed and those of the building.

ARTICLE III

MEMBERSHIP – VOTING RIGHTS

Section 1. Membership.

Every person or entity who is a record Owner of a fee or undivided fee interest in a Unit, including contract buyers shall be a member of the Association. One membership in the Association shall be issued to the owner of record of each Unit provided that no person shall be issued, either alone or as co-owners with others, more than one membership in the Association. The foregoing is not intended to include persons or

entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. Ownership of a Unit shall be the sole qualification for membership.

Section 2. Voting Classes.

The Association shall have one class of membership who shall be Owners.

Section 3. One Vote Per Unit.

Each Unit, regardless of the number of Owners thereof, shall be represented in the Association by only one vote which may be cast only as a unit by the Owner(s) thereof. When a Unit has more than one Owner, the vote for such Unit shall be exercised as the Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one such Unit nor shall any fractional vote be cast.

If the record fee title to a Unit is held in a trust, the trustees of the trust shall be deemed the Member. If the record fee title to a Unit is held by a corporation, the president of the corporation, as designated in the corporation's minutes, shall be deemed the Member. If the record fee title to a Unit is held by a partnership, the managing partner, as designated in the partnership agreement, shall be deemed the member.

If any Owner or Owners cast the voting rights of a particular Unit, it will thereafter be conclusively presumed that such Owner(s) were acting with the authority and consent of all other Owners of the same Unit. In the event more than one person or entity casts the voting rights of a particular Unit, said votes shall not be counted and shall be deemed void.

Section 4. Transfer of Membership.

The right of membership of each Owner shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said Unit, and then only to the transferee of title to said Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof. A reasonable transfer fee may be imposed in connection with the transfer of any membership upon transfer of title to a Unit.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Annual Meetings and Notice Thereof. Annual meetings of Members shall be held during the month of January. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of these bylaws. The members may also transact such other business of the Association as may properly come before them. Notice of the annual meeting shall be given by the Board not less than

30 days, nor more than 90 days, prior to the date of the meeting so as to allow for the mailing of secret ballots as provided for in these Bylaws.

Section 2. Special Meetings. Special meetings of Members, for any lawful purpose, may be called at any time by the President or by the Board, by a majority of the Board, or by five percent (5%) or more of the Members.

Section 3. Notice of Special Meetings.

Notice of any membership meeting shall specify the date, place, and time of the meeting. If applicable, the notice shall also specify those matters which will be presented for action by the Members.

- (a) If the special meeting is called by the Board, notice shall be given not less than ten (10) days nor more than ninety (90) days before the date of the meeting. If any action is to be taken at the meeting, secret ballots shall be mailed to members not less than 30 days prior to the deadline for voting as provided for in these Bylaws.
- (b) If the special meeting is called by petition of the Members, notice shall be given by the Board within twenty (20) days after the Board's receipt of such request. If the Board fails to give notice, the persons calling the special meeting may give notice consistent with these Bylaws. The special meeting must be held not less than thirty-five (35) days nor more than ninety (90) days following the Board's receipt of the request. If any action is to be taken at the meeting, secret ballots shall be mailed to members not less than 30 days prior to the deadline for voting as provided for in these Bylaws.

Section 4. Quorum. With the exception of Special Quorum requirements regarding the election of Directors in Section 5 below, the presence in person or by ballot of a majority (defined as fifty percent plus one) of the Voting Power entitled to vote at any meeting shall constitute a quorum for the transaction of business. Voting Power shall mean the total number of eligible votes minus the number of votes which have been properly suspended after notice and hearing. The Members present may continue to do business until adjournment, notwithstanding the loss of a quorum, so long as the business is approved by enough Members to constitute at least a majority of a quorum had a quorum been present. In the event any meeting of Members cannot be held because a quorum is not present, the Members present in person may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time of the original meeting date, at which meeting the quorum requirement shall be twenty-five percent (25%) of the voting power of the membership of the Association. If a new date for the adjourned meeting is announced prior to adjournment, no further notice need be given to the membership. If, however, a new date is not announced prior to adjournment, the Board may set the date for a subsequent meeting and shall cause written notice of the date, time, and place of such meeting to be given to the Members at least four (4) days in advance of the meeting.

Section 5. Special Quorum Requirements. Notwithstanding anything to the contrary in these Bylaws, for purposes of election of Directors only, the quorum required shall be ten percent (10%) of the Voting Power of the Association present in

person or by ballot. There shall be no provision for the quorum requirement to be reduced to less than ten percent (10%).

Section 6. Proxies. Proxies shall not be allowed for any vote.

Section 7. Place of Meetings. Members meetings shall be held within the Project or at a meeting place as close thereto as possible and unless unusual conditions exist, a meeting shall not be held outside the county in which the Project is situated.

Section 8. Membership Approval. Except as otherwise provided in ARTICLE XIII, Section 2 of the Declaration, if there are any provisions in these Bylaws or the Declaration calling for membership approval of action to be taken by the Association then such approval shall be by the prescribed percentages of the voting membership.

Section 9. Action By Ballot Without a Meeting. Any action which may be taken at a meeting of Members may be taken without a meeting if done by secret written ballot pursuant to the secret ballot system as provided for in the Rules and Sections 5115 of the California Civil Code or any successor statutes.

ARTICLE V

BOARD OF DIRECTORS: ELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) Directors.

Section 2. Qualifications.

No more than one person per Unit may serve on the Board of Directors at any one time. No person shall be a candidate for the Board of Directors if that person:

- (a) is not a member of the Association;
- (b) is engaged (or a member in such person's Unit is engaged) as an opponent in opponent in litigation, arbitration, or mediation with the Association;
- (c) has a violation that has been unresolved more than thirty (30) days or is delinquent by more than thirty (30) days in payment of any regular assessment, special assessment, penalty, or fine;
- (d) has been declared of unsound mind by a final order of the court;
- (e) is under 18 years of age;
- (f) is a convicted felon.

Section 3. Term of Office. The directors serve a staggered term of office on a 3-2 basis. Two directors shall be elected in odd number years and three Directors shall be elected in even number years.

Section 4. Removal by Board. At a duly noticed meeting of the Board, a majority of the Board may declare the office of any Director vacant if he or she ceases to meet the qualifications of a director set forth in section 2 above, or has missed more than three (3) consecutive regular meetings of the Board or four (4) regular meetings of the board within any twelve month period

Section 5. Vacancies. Vacancies on the Board, except for a vacancy created by the removal of a Director, may be filled by a majority of the remaining Directors, though less than a quorum, and each Director so elected shall hold office until his successor is elected at an annual meeting of Members or a special meeting called for that purpose.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, or the Member fails to meet the qualifications specified in Article V, Section 2 above.

The Members may at any time call a special meeting to elect Directors to fill any vacancy not filled by the Directors, and may elect the additional Directors at the meeting. Notwithstanding the foregoing, the Board may appoint a replacement officer at any time prior to the commencement of the tabulation of the votes.

If any Director tenders his resignation to the Board, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. The Association shall, at least 30 days prior to the mailing of ballots, send a candidate form to all Members soliciting nominations for the Board. The Nomination form must be received by the Association by the date, time, and in the manner specified on the form or accompanying documentation. Those names, properly received, shall be the only eligible candidates for a Board position and the only ones listed on the ballot. Write-in candidates and nominations from the floor are not permitted.

Section 2. Voting. All elections for Directors shall be by mail only and via a secret written ballot. The candidates in Good Standing, meeting the qualifications set forth in Article V, Section 2, receiving the highest number of votes shall be elected. Proxies shall not be allowed for any voting required in the Association including, but not limited to, the election of Directors.

Section 3. Cumulative Voting. There shall be no cumulative voting.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Annual Organizational Meeting. An annual meeting of the Board for the purpose of organization, election of officers and the transaction of other business shall be held immediately following the adjournment of the annual meeting of the Members.

Section 2. Regular Meetings and Notice. Regular meetings of the Board shall be held at least quarterly at a time and place within the project fixed by the Board from time to time. Notice of the time, date and place of a regular meeting shall be posted at a prominent place or places within the Common Area and shall be communicated to the directors and members not less than four (4) days prior to such meeting; provided, however, that notice of a regular meeting need not be given to any Director who has signed a waiver of notice or written consent to holding of the meeting.

Section 3. Special Meetings and Notice Thereof. Special meetings of the Board may be called at any time by the President or, if s/he is unable or refuses to act, by any Vice-President or by any two (2) Directors. Written notice of the time and place of special meetings and the nature of any special business to be considered shall be posted in the same manner set forth above for the regular meetings and notice shall be provided to all Directors not less than four (4) days prior to the scheduled time of the meeting; provided, however, that notice of a special meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 4. Emergency Meeting. The Board may meet with less notice than provided for above, but must, in the minutes of the meeting, provide the reason why notice was impractical.

Section 5. Executive Sessions. The Board may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to deliberate and discuss litigation which the Association may become involved in, the formation of contracts, member discipline if requested by member, personnel matters or to meet with a member, upon the member's request, regarding the payment of assessments. The general nature of any and all business to be considered in executive session shall first be announced in open session. The Board may also hold a nonemergency board meeting solely in executive session if notice of the time and place of the meeting is provided at least two days prior to the meeting.

Section 6. Agenda.

- (a) The Board may not discuss or take action on any item at a nonemergency meeting unless the item was placed on the posted agenda. This subdivision does not prohibit a Member, who is not a member of the Board, from speaking on issues not on the agenda.
- (b) Notwithstanding paragraph (a), a member of the board of directors, a managing agent or other agent of the board of directors, or a member of the staff of the board of directors, may do any of the following:
 - i. Briefly respond to statements made or questions posed by a person speaking at a meeting.

- ii. Ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities, whether in response to questions posed by a member of the association or based upon his or her own initiative.
 - iii. Provide a reference to, or provide other resources for factual information to, its managing agent or other agents or staff.
 - iv. Request its managing agent or other agents or staff to report back to the board of directors at a subsequent meeting concerning any matter, or take action to direct its managing agent or other agents or staff to place a matter of business on a future agenda.
 - v. Direct its managing agent or other agents or staff to perform administrative tasks that are necessary to carry out this subdivision.
- (c) Notwithstanding the above, the board of directors may take action on any item of business not appearing on the agenda under any of the following conditions:
- i. Upon a determination made by a majority of the board present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the board, that require immediate attention and possible action by the board, and that, of necessity, make it impracticable to provide notice.
 - ii. Upon a determination made by the board by a vote of two-thirds of the directors present at the meeting, or, if less than two-thirds of total membership of the board is present at the meeting, by a unanimous vote of the directors present, that there is a need to take immediate action and that the need for action came to the attention of the board after the agenda was distributed.
 - iii. The item appeared on an agenda that was distributed for a prior meeting of the board that occurred not more than 30 calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken.
 - iv. Before discussing any item pursuant to this subsection (c), the board shall openly identify the item to the members in attendance at the meeting.

Section 7. Quorum. A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board; unless the law, the Articles, the Declaration or the Bylaws require a greater number. Directors may not attend, or vote, at Board meetings by proxy.

Section 8. Adjournment. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated time and hour; provided, however, that in the absence of a quorum, a majority of Directors present at the Directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 9. Notice of Adjournment. Notice of any adjournment of any Directors' meeting, either regular or special, to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were present at the time of the adjournment.

Section 10. Meeting Place. All regular and special meetings of the Board shall be held within the Project, or at such other place as is designated by the Board, from time to time, except that an annual organizational meeting held in conjunction with a meeting of the membership may be held outside the Project in a convenient place within Ventura County when there is not an adequate meeting place for all of the Members within the Project.

Section 11. Open Meetings. Regular and special meetings of the Board shall be open to all Members with the exception of Executive Session meetings; provided, however, that Members who are not on the Board may not participate in any deliberations or discussion unless expressly so authorized by the vote of a majority of a quorum of the board.

Section 12. Action Without Meeting. Only in an emergency situation may the board take an action outside of a meeting via electronic transmission if all Directors consent in writing to such action. Such written consent shall be filed with the minutes of the subsequent Board meeting and notice of such action shall be provided to the members.

Section 13. Conflicts of Interest. No contract or other transaction between the Association and one or more of its directors, in which one or more of its directors has a material financial interest, is either void or voidable because such director or directors are parties which authorize, approve or ratify the contract or transaction if the material facts and the director's interest are fully disclosed to the Board and such contract or transaction is just and reasonable for the Association and is approved by the Board in good faith, without the vote of any interested director(s).

A director or member of a committee shall not vote on their own disciplinary action, an assessment against them for damage to the Common Area or Exclusive Use Common Area, a payment plan for overdue assessments, a decision whether to foreclose on a lien on their separate interest, review of a proposed physical change to their separate interest, a grant of exclusive use common area to the director or committee member.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. General Powers. In addition to any powers listed in the Declaration, and subject to any limitations contained therein, the Board shall have power to exercise for the Association all powers, duties and authority vested in or delegated to this Association

and not reserved to the membership by other provisions of the Governing Documents, which powers, duties and authority so vested or delegated shall not be inconsistent with law.

Section 2. Discipline. The Board of Directors, on behalf of the Association may impose monetary penalties as per a published fine schedule in the Rules and initiate and execute disciplinary proceedings against Members of the Association for violations of the provisions of the Governing Documents. The Board may also suspend the voting rights and membership privileges including the use of the recreational facilities of a Member who is in default in the payment of any assessment for any period during which such assessment remains unpaid, and for a period not to exceed thirty (30) days for an infraction of its Rules after reasonable written notice and opportunity for a hearing. The suspension for a Rule infraction may be longer than 30 days if the infraction is of a continuous or repetitive nature.

The determination of whether to impose any of the foregoing disciplinary actions shall be within the sole discretion of the Board. Any monetary penalty, expulsion, suspension, or termination must be done in good faith and in a fair and reasonable manner. The Member shall be given at least fifteen (15) days prior notice of the monetary penalty, expulsion, suspension or termination and the reasons therefor; and be provided an opportunity to be heard prior to the penalty and/or suspension.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for payment of money, issued in the name of the Association, shall be signed by any two Directors of the Association or by one Director and the Association Property Manager. Notwithstanding the foregoing, any checks written against the Association's reserve account must be signed by two Directors of the Association. Any and all transfers from the Association's reserve accounts shall be done by check only.

Section 4. Compensation. No Officer or Director shall receive compensation for services rendered to the Association. However, Officers and Directors may be reimbursed for actual expenses incurred in the performance of their duties.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall at all times be Directors, a Secretary, and a Chief Financial Officer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first organizational meeting of the Board following each annual meeting of the Members.

Section 3. Term. Officers serve at the pleasure of the Board. Officers shall be appointed by the Board and hold office until the annual election of Directors or such time as they resign, are removed, or are otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, 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.

Section 5. Removal and Resignation. Any officer may be removed either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of 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, the acceptance of such resignation shall not be necessary to make it effective.

Section 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 they replace.

Section 7. Multiple Offices. The President may not hold more than one (1) office; however, any two (2) of the remaining offices may be held by a single person.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The President shall be the chief executive officer of the Association, and subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board. The President shall be ex-officio a Member of all standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation; and shall have such other powers and duties as may be prescribed by the Board or by these Bylaws. The President shall sign all leases, mortgages, deeds and other written instruments and shall co-sign on all promissory notes of the Association. The President shall see that orders and resolutions of the Board are carried out.
- (b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; direct notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall co-sign all promissory notes of the Association; keep proper books of account; cause an annual financial review of the Association

books by a public accountant at the completion of each fiscal year; and shall have such other powers and perform other duties as may be prescribed by the Board.

ARTICLE X

COMMITTEES

The Board may establish advisory committees as it deems appropriate and necessary to assist the Board in carrying out its duties. The Board shall specify the task of each Committee, and appoint the members thereto. Committees and committee members serve at the pleasure of the Board and may be added or removed at any time. Every committee shall dissolve automatically at each annual meeting and may be re-established by the new Board.

The Board may also appoint an Executive Committee composed of two (2) or more Directors, prescribing the manner and purpose for which this Committee functions, and delegating any duties which are delegable to the Executive Committee.

ARTICLE XI

BOOKS, ACCOUNTS, AND RECORDS

Section 1. Review Accounts. At least quarterly, the Board shall reconcile the Association's operating and reserve accounts, review the current year's actual revenues and expenses compared to the budget, reconcile all bank accounts, and review income and expense statements for operating and reserve accounts.

Section 2. Accounts. The Association shall maintain at least one operating account for the budgeted day-to-day operations of the Association. The Association shall also maintain one reserve account to meet the reserve obligations set forth in the reserve study described below. The board shall exercise prudent fiscal management in maintaining the integrity of the accounts. The reserve account shall be held in one or more Federal Deposit Insurance Corporation (FDIC) insured accounts to protect the principal contained therein. Any and all transfers from the Association's reserve accounts shall be done by check only and must be signed by two Directors of the Association.

Section 3. Temporary Transfer of Reserve Funds. The board may authorize the temporary transfer of moneys from a reserve fund to the association's general operating fund to meet short-term cashflow requirements or other expenses, if the board has provided notice of the intent to consider the transfer in a board meeting notice. The notice shall include the reasons the transfer is needed, options for repayment, and whether a special assessment may be considered. If the board authorizes the transfer, the board shall issue a written finding, recorded in the board's minutes, explaining the reasons that the transfer is needed, and describing when and how the moneys will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except that the board may, after giving the same notice required for considering a transfer, and, upon making a finding supported by

documentation that a temporary delay would be in the best interests of the common interest development, temporarily delay the restoration.

Section 4. Budget. The Board shall annually prepare an estimated operating budget for the upcoming fiscal year. The budget shall include:

- (a) The estimated revenue and expenses on an accrual basis;
- (b) A summary of the Association's reserves based upon the most recent study, which shall include the current estimated replacement cost, estimated remaining life, and estimated useful life of each major component; the current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components; and the current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components, as of the end of the fiscal year for which the study is prepared;
- (c) A statement as to whether the Board has determined or anticipates that the levy of one or more Special Assessments will be required in order to repair, replace, or restore any major component or to provide adequate Reserves therefore;
- (d) A statement addressing the procedures used for the calculation and establishment of Reserves;
- (e) In lieu of the distribution of the budget, the Board may distribute a summary of the budget to the Members with notice that the budget is available at the business office of the Association or at another suitable location and that copies will be provided upon request, at the Association's expense;
- (f) If during the course of the fiscal year the Board deems it necessary to modify the budget, it may do so and send copies of the revised budget to the Members within thirty (30) days of adoption by the Board.

Section 5. Reserve Study. The Board shall cause a Reserve Study to be prepared every three years which shall, at a minimum, include the identification of the major components of the Common Areas which the Association is obligated to repair, replace, restore, or maintain, identification of the probable remaining useful life of the components as of the date of the study, an estimate of the cost of repair, replacement, restoration, or maintenance of the components during and at the end of their useful life, an estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the components during and at the end of their useful life, and a funding plan showing how the Association plans to fund and meet the obligations contained in the reserve study.

Section 6. Annual Financial Review. An annual review of the financial statement of the Association shall be prepared in accordance with Generally Accepted Accounting Principles by a licensee of the California State Board of Accountancy. A copy of the review of the financial statement shall be distributed to all Members within one hundred twenty (120) days after the close of each fiscal year.

Section 7. Inspection Rights. Member shall have the right to inspect records pursuant, and subject to, California Civil Codes 5200-5240 or any other successor statutes.

Section 8. Annual Budget Report. Between 30 to 90 days before the end of its fiscal year, the Board shall have the duty to annually distribute to each Member an Annual Budget Report, pursuant to Civil Code 5300 or any successor statute which shall include.

- (a) A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis.
- (b) A summary of the association's reserves.
- (c) A summary of the reserve funding plan adopted by the board which shall include notice to members that the full reserve study plan is available upon request, and the association shall provide the full reserve plan to any member upon request.
- (d) A statement as to whether the board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less, including a justification for the deferral or decision not to undertake the repairs or replacement.
- (e) A statement as to whether the board, consistent with the reserve funding plan, has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.
- (f) A statement as to the mechanism or mechanisms by which the board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms.
- (g) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain.
- (h) A statement as to whether the association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired.
- (i) A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies, with any statutorily prescribed language. 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.
- (j) A statement, with any statutorily prescribed language, describing the status of the common interest development as a Federal Housing Administration (FHA)-approved condominium project pursuant to FHA guidelines, including whether the common interest development is an FHA-approved condominium project.
- (k) A statement, with any statutorily prescribed language, describing the status of the common interest development as a federal Department of Veterans Affairs (VA)-

approved condominium project pursuant to VA guidelines, including whether the common interest development is a VA-approved condominium project.

- (l) The Assessment and Reserve Funding Disclosure Summary form shall accompany each annual budget report or summary of the annual budget report that is delivered pursuant to this article.

Section 9. Additional Disclosures. In addition to the above, the Association shall also annually provide a) a schedule of penalties for violation of the Association's Governing Documents, b) information regarding Member's right to receive minutes along with how to obtain them, c) the Association's policies and practices for enforcing lien rights or other legal remedies for enforcing delinquencies within sixty (60) days prior to the beginning of the fiscal year, d) a summary of the alternative dispute resolution procedures for the Association.


ARTICLE XII AMENDMENTS

These Bylaws may be amended in any respect by the vote of Members representing a majority of the total Voting Power of the Association, which shall be obtained by a vote with secret ballots pursuant to the Rules.

Notwithstanding the above or any other section of these Bylaws, the percentage of the Voting Power of the Association necessary to amend a specific clause or provision of these Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

CERTIFICATION:

I, Edie Garfinkle, President of the Mission Verde Community Association hereby certify that these Amended and Restated Bylaws were approved by the members of the Mission Verde Community Association on July 6, 2018.


EDIE GARFINKLE, PRESIDENT
MISSION VERDE COMMUNITY ASSOCIATION