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**AMENDED AND RESTATED  
BYLAWS  
OF**

***FLETCHER VALLEY VILLAS  
HOMEOWNERS ASSOCIATION***

**Revised July, 1993**

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BYLAWS  
OF  
FLETCHER VALLEY VILLAS HOMEOWNERS ASSOCIATION

	<u>Page</u>
<b>ARTICLE I</b>	
<b>NAME AND LOCATION . . . . .</b>	<b>1</b>
Section 1. Name of Association . . . . .	1
Section 2. Principal Office . . . . .	1
<b>ARTICLE II</b>	
<b>DEFINITIONS . . . . .</b>	<b>1</b>
Section 1. Declaration . . . . .	1
Section 2. Definitions . . . . .	1
<b>ARTICLE III</b>	
<b>MEMBERSHIP . . . . .</b>	<b>2</b>
Section 1. Automatic Membership and Voting Power . . . . .	2
Section 2. Members' Voting Rights. . . . .	2
Section 3. Right to Use the Common Area. . . . .	2
Section 4. Suspension of Member's Rights . . . . .	2
<b>ARTICLE IV</b>	
<b>MEETINGS OF MEMBERS . . . . .</b>	<b>2</b>
Section 1. Place of Meeting . . . . .	2
Section 2. Annual Meetings of Members . . . . .	3
Section 3. Special Meetings of Members . . . . .	3
Section 4. Quorum . . . . .	3
Section 5. Adjourned Meeting and Notice Thereof. . . . .	4
Section 6. Voting for Directors. . . . .	4
Section 7. Nomination Procedures . . . . .	5
Section 8. Election Procedures . . . . .	5
Section 9. Removal of Directors. . . . .	5
Section 10. Consent of Absentees. . . . .	5
Section 11. Action Without a Meeting. . . . .	6
Section 12. Proxies . . . . .	6
Section 13. Minutes, Presumption of Notice. . . . .	7

ARTICLE V

**BOARD OF DIRECTORS . . . . . 7**

Section 1. Powers and Duties . . . . . 7

Section 2. Duties of the Association . . . . . 9

Section 3. Limitations on Authority of Board . . . . . 10

Section 4. Limit on Third Person Contracts . . . . . 11

Section 5. Number and Qualifications of Directors. . . . . 11

Section 6. Election and Term of Office . . . . . 11

Section 7. Vacancies . . . . . 12

Section 8. Organization Meetings . . . . . 13

Section 9. Regular Meetings. . . . . 13

Section 10. Special Meetings. . . . . 13

Section 11. Waiver of Notice . . . . . 14

Section 12. Notice of Adjournment . . . . . 14

Section 13. Quorum . . . . . 14

Section 14. Adjournment . . . . . 14

Section 15. Attendance at Meeting and Executive Sessions . . . . . 14

Section 16. Action without Meeting. . . . . 14

ARTICLE VI

**OFFICERS . . . . . 15**

Section 1. Officers: . . . . . 15

Section 2. Election and Term . . . . . 15

Section 3. Subordinate Officers. . . . . 15

Section 4. Removal of Resignation from Office. . . . . 15

Section 5. President . . . . . 15

Section 6. Vice President. . . . . 16

Section 7. Secretary . . . . . 16

Section 8. Treasurer . . . . . 16

Section 9. Delegation of Duties. . . . . 16

ARTICLE VII

**MISCELLANEOUS . . . . . 17**

Section 1. Checks, Drafts, Etc.. . . . . 17

Section 2. Execution of Contracts. . . . . 17

Section 3. Members' Right to Inspect Books and Recors 17

Section 4. Directors' Right to Inspect Books and Records . . . . . 18

Section 5. Fiscal Year . . . . . 18

Section 6. Financial Statements. . . . . 18

Section 7. Documents Provided to First Mortgage Holder, Guarantor, Insurer. . . . . 19

Section 8. Documents Provided to Prospective Purchaser 19

Section 9. Personal Liability . . . . . 19

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS . . . . . 20

Section 1. Owner Responsibility to Association and  
Other Owners . . . . . 20

Section 2. Indemnification . . . . . 20

ARTICLE IX

AMENDMENTS . . . . . 20

Section 1. Amendment Procedures. . . . . 20

BYLAWS

OF

FLETCHER VALLEY VILLAS HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

Section 1. Name of Association.

The name of the Association is FLETCHER VALLEY VILLAS HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation (hereinafter referred to as the "Association"). The Association is organized under the California Nonprofit Mutual Benefit Corporation Law.

Section 2. Principal Office.

The principal office for the transaction of the business of the Association is hereby fixed and located within the project or other place within San Diego County. The Board is hereby granted full power and authority to change said principal office from one location to another within the County of San Diego.

ARTICLE II

DEFINITIONS

Section 1. Declaration.

The "Declaration" shall mean, collectively, the Declaration of Covenants, Conditions and Restrictions ("CC&Rs") of the FLETCHER VALLEY VILLAS HOMEOWNERS ASSOCIATION recorded in the Office of the County Recorder of San Diego County, California, on 7/13/93, as File/Page No. 0446950, and any amendments or supplements recorded or to be recorded pursuant thereto, for the real property legally described in the Declaration.

Section 2. Definitions.

The definitions used in these Bylaws shall be the same as those set forth in Article I of the Declaration which is incorporated by reference as part of these Bylaws.

### ARTICLE III

#### MEMBERSHIP

##### Section 1. Automatic Membership and Voting Power.

Every person or entity who is an Owner of a dwelling unit shall be a Member of the Fletcher Valley Villas Homeowners Association as provided in the Declaration. Membership shall be appurtenant to and may not be separated from ownership of any dwelling unit which gives rise to such Membership in the Association.

##### Section 2. Members' Voting Rights.

Each dwelling unit shall have one (1) vote on matters to be voted upon by the aggregate Membership.

##### Section 3. Right to Use the Common Area.

Unless otherwise provided in the Declaration and subject to the Rules and Regulations, each Member of the Association, his or her immediate family Members, residents, guests and/or tenants shall have the right to use and enjoy the Common Area.

##### Section 4. Suspension of Member's Rights.

The Membership's rights and privileges, together with the voting rights of any Member of the Association, may be suspended by the Board for any period of time during which such Member is determined by the Board to be delinquent in assessments, in violation of the Declaration, or has not complied with the obligations imposed by these Bylaws or the Rules and Regulations.

No suspension or monetary penalty shall be effective until the Board gives such Member notice and the opportunity of a hearing before the Board which satisfies the minimum requirements of Section 7341 of the California Corporations Code or successor statute. No suspension shall affect the rights of a Member to access his or her dwelling unit or his or her right to use any Exclusive Use Area appurtenant to his or her dwelling unit.

### ARTICLE IV

#### MEETINGS OF MEMBERS

##### Section 1. Place of Meeting.

All Membership meetings shall be held on the Project or such other location in San Diego County, State of California, in reasonable proximity to the Project as may be designated in the notice of meeting.

**Section 2. Annual Meetings of Members.**

The annual meeting of Members shall be held once a year or as determined by the Board of Directors. The Board shall call a general meeting of the Members each year within 30 days of June 15. Written notice of each annual meeting shall be given to each Member of the Association.

A. Notice of Annual Meeting. All notices shall be mailed not less than ten (10) days and not more than ninety (90) days before each annual meeting and shall specify the place, day and hour of such meeting and shall be mailed first class, registered or certified mail to each owner of record.

**Section 3. Special Meetings of Members.**

Special meetings of Members may be called at any time by the President or by a majority of a quorum of the Board, and shall be called by the Board upon receipt of a written request for a special meeting signed by Members representing at least five percent (5%) or more of the total voting power of the Members of the Association.

A. Notice of Special Meeting. Notice of special meetings shall be given in the same manner as for annual meetings of Members. Notices of special meetings shall specify the place, day and hour of the meeting and the general nature of the business to be transacted.

**Section 4. Quorum.**

The presence in person or by proxy of a majority of the voting power entitled to vote at any meeting of Members shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment. Once a quorum is established, the meeting may proceed regardless of whether there is a withdrawal of voting power which leaves less than a full quorum.

A. Reduced Quorum. In the event any meeting of Members cannot be held because a quorum is not present, either in person or by proxy, the meeting may be adjourned for a time not less than five (5) days nor more than thirty (30) days following the time the original meeting was called, at which meeting the quorum requirement shall be twenty-five percent (25%) of the voting power of the Membership.

B. Meeting Conducted Under Reduced Quorum. Where a meeting is conducted with a quorum of twenty-five percent (25%) of the voting power of the Membership, the only matters that may be voted upon are those matters included in the original meeting notice published prior to the adjourned meeting.

**Section 5. Adjourned Meeting and Notice Thereof.**

Any Membership meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power present, but, in the absence of a quorum, no other business may be transacted at any such meeting.

A. Notice of Adjourned Meeting. When any Membership meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. If adjourned for less than thirty (30) days, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting other than by an announcement at the meeting at which adjournment is taken.

**Section 6. Voting for Directors.**

All elections for Directors shall be by secret written ballot. Voting for all other purposes may be by voice vote or by ballot. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected.

A. Restrictions on Voting. No Member shall have the right to cumulate his votes for Director unless the candidates' names have been placed in nomination prior to the voting and the Member has given notice at the meeting, prior to the voting, of the Member's intention to cumulate votes. If any one member has given such notice, all Members at any election for Directors shall have the right to cumulate votes and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he deems appropriate. At the election of Directors, each Member shall have the right to nominate from the floor candidates for the office of Director.

B. Record Date and Closing Membership Register.

The Board may fix a time, in the future, not exceeding fifteen (15) days preceding the date of any annual meeting or special election of the Members, as a record date for the determination of the Members entitled to notice of and to vote at any such meeting, and in such case the Members of record on the date so fixed shall be entitled to notice of and to vote the number of votes allocated as of such date at said meeting, notwithstanding any transfer of any membership on the books of the Association after any record date, the Board may close the books of the Association against transfer of membership during the whole, or any such part, of any such period.



**Section 7. Nomination Procedures.**

Nomination for election to the Board of Directors may be made by a Nominating Committee, personal declaration of candidacy or any other Member.

A. Nominating Committee. If the Board chooses to appoint a Nominating Committee, it shall consist of three (3) Members appointed by the Board. The Nominating Committee may nominate any number of qualified individuals, but not less than the number of Directors to be elected. Nominations shall also be allowed from the floor at the meeting.

B. Limitation of Candidacy. No Member shall be nominated for election to the Board of Directors, nor permitted to run for election, if he or she is more than thirty (30) days past due in the payment of any assessment. The failure to comply with this Section shall in no way invalidate the election of other candidates who were in compliance with this Section.

**Section 8. Election Procedures.**

As to Directors elected by Members, reasonable election procedures providing the nature, size and operations of the Association shall be available to the Members. The procedures shall include:

A. A reasonable opportunity for a nominee to communicate to the Members the nominee's qualifications and the reasons for the candidacy;

B. A reasonable opportunity for all nominees to solicit votes; and

C. A reasonable opportunity for all Members to choose among the nominees.

**Section 9. Removal of Directors.**

Any Director may be removed from the Board, with or without cause, by a majority of the voting power for the Association. However, unless the entire Board is removed from office by the vote of members, no individual Director shall be removed prior to the expiration of his term of office if the number of votes cast against his removal or not consenting in writing to his removal would be sufficient to elect the Director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Directors authorized at the time of the most recent election of Directors were then being elected.

**Section 10. Consent of Absentees.**

The transactions of any Membership or Board meeting, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present, either in person or by proxy and if, either before or after the meeting, each of the Members entitled to vote, not present in person or by proxy,

signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes. All such waivers, consents or approvals shall be filed in the corporate records or made a part of the minutes of the meeting.

**Section 11. Action Without a Meeting.**

A. Any action which may be taken by the vote of Members at a regular or special meeting, except the election of Directors where cumulative voting is a requirement, may be taken without a meeting if the Association distributes a written ballot to every Member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association.

B. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

C. All solicited ballots shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of Directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted.

D. Unless otherwise provided in the Articles or these Bylaws, a written ballot may not be revoked.

**Section 12. Proxies.**

Every Member entitled to vote or execute consents shall have the right to do so either in person or by a written proxy executed by such Member and filed with the Secretary of the Association. All proxies shall be revocable and shall automatically terminate upon transfer of title of a Condominium by an Owner, or upon the death or incapacity of the Member giving the proxy.

Proxies shall specify the person or persons authorized to exercise the proxy and the length of time the proxy will be valid. The proxy shall afford the opportunity to specify a choice between approval or disapproval between each matter or group of matters to be acted upon, and where the Member specifies a choice.

**Section 13. Minutes, Presumption of Notice.**

Minutes or a similar record of the proceedings of meetings of Members, when signed by the President and the Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice was properly given shall be prima facie evidence that notice was given.

**ARTICLE V****BOARD OF DIRECTORS****Section 1. Powers and Duties.**

The Board shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Project subject only to such limitations on the exercise of such powers as are set forth in the Declaration, Articles of Incorporation and these Bylaws.

The Board shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Declaration, the Articles of Incorporation and these Bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and be responsible for, the following, in way of explanation, but not limitation:

A. Management of Business. To conduct, manage and control the affairs and business of the Association, and to make such Rules and Regulations consistent with California law, the Articles of Incorporation, the Declaration and these Bylaws as it deems best, including Rules and Regulations for the operation of the Common Area facilities owned or controlled by the Association.

B. Enforcement and Notice of Hearing. To commence and maintain actions for damages and/or to restrain and enjoin any actual or threatened breach of any provision(s) of the governing documents or any decisions or resolutions of the Board by an Owner and to enforce by injunction or otherwise all of these provisions. However, before a decision to take such action is reached by the Board, the aggrieved Owner shall be provided with notice and an opportunity to be heard by the Board.

C. Suspension of Rights and Privileges. To temporarily suspend a Member's rights and privileges and/or assess monetary penalties against any Member or other person entitled to exercise such rights or privileges for any violation of the governing documents. However, before a decision to impose such a suspension or monetary penalties is reached by the Board, the aggrieved Member shall be provided with an opportunity to be heard by the Board, orally or in writing, not less than five (5) days before the date of the suspension of privileges or imposition of monetary penalties is to take effect. For the purpose of this Subsection, notice shall be given by any method reasonably calculated to provide actual notice.

D. Delegation of Powers; Professional Management. To delegate the management of the activities of the Association to any person or persons, management company or committee, however imposed, provided that the affairs of the Association shall be managed and all Association powers shall be exercised under the ultimate discretion of the Board.

E. Association Rules. To adopt, amend and repeal as it deems reasonable, the Association's Rules and Regulations for the use of the Common Area by all Owners, their family members, guests, tenants and/or employees. However, the Association's Rules shall not be inconsistent with or materially alter any provisions of the Association's governing documents. A copy of the Association's Rules as adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner.

(i) In case of any conflict between any of the Association's Rules and any other provisions of the Project's Documents, the conflicting Association Rule shall be deemed to be superseded by the provisions of Project Documents.

(ii) Any duly adopted amendment to the Association's Rules shall become effective seventy-two (72) hours after delivery of such amendment to the Membership, or at such later date as the Board may deem appropriate. For the purpose of this Section, the placing of a copy of the amendment in a sealed envelope with postage fully paid and placed in the United States mail shall be deemed delivered.

F. Right of Entry and Enforcement. Upon forty-eight (48) hours written notice (except in the case of emergencies, in which case no prior notice need be given) and during reasonable hours, the Board or its authorized representative shall have the right to enter any dwelling unit and the improvements thereon for the purpose of construction,

maintenance or emergency repair for the benefit of the Common Area or the Owners or for the purpose of maintaining and repairing the improvements located within said dwelling unit or Exclusive Use Easements as provided in the Declaration.

In the event that the Owner of a unit fails to maintain and repair any portion of the dwelling unit or Exclusive Use Easements as required by the Declaration, the Board shall have the right, after Notice and Hearing before the Board by the Owner regarding any allegation of failure to maintain or repair, to enter upon the subject dwelling unit or Exclusive Use Easements to undertake such maintenance or repair. Such persons shall not be deemed guilty of trespass by reason of any entry on any dwelling unit or Exclusive Use Easements pursuant to the provisions hereof. The cost of such maintenance or repair shall be specially assessed against the Owner in accordance with the Declaration.

G. Enforcement of Governing Documents. To enforce the provisions of the Declaration, the Articles, these Bylaws, the Rules and Regulations and the provisions of any agreement to which the Association is a party. To prosecute or defend, in the name of the Association, any action affecting or relating to the Common Area or the property owned by the Association, and any action in which all or substantially all of the Owners have an interest.

H. Selection of Officers. To select and remove all the Officers, agents and employees of the Association, prescribe such powers and duties for them as may be consistent with law, the Articles, these Bylaws and the Declaration and, subject to the provisions of Article VI of these Bylaws, to fix their composition.

I. Location of Office and Membership Meetings. To change the principal office for the transaction of the business of the Association from one location to another within the same county and to designate any place within reasonable proximity to the Project, in the sole discretion of the Board, within the County of San Diego, State of California, for the holding of any Membership meeting.

**Section 2. Duties of the Association.**

In addition to the powers delegated to it by its Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board, has the obligation to conduct all business affairs of common interest for all Owners and to perform each of the duties set forth below:

A. Operation and Maintenance of Common Area. To manage, operate, maintain, and repair the Common Area and any facilities, improvements, and landscaping located thereon, and

the restoration and replacement of any or all of the structures or improvements which are part of the Common Area, in a first-class condition and in a good state of repair as may be determined by the Board.

B. Taxes and Assessments. To pay all real and personal property taxes and assessments and all other taxes levied against the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

C. Water and Other Utilities. To acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other necessary utility services for the Common Area.

D. Insurance. To contract and pay for fire, casualty, liability, fidelity and other insurance adequately insuring the Association and Owners with respect to the Common Area and the affairs of the Association. Owners shall be obligated to obtain and maintain adequate insurance for their personal property and maintenance items which are the Owner's responsibility.

E. Assessments. To establish, fix, and levy assessments against the Owners and to enforce payment of such assessments, in accordance with the provisions of the Declaration.

F. Budget and Financial Statements. Preparation of budgets and financial statements for the Association as provided in these Bylaws.

### Section 3. Limitations on Authority of Board.

The Board shall not take any of the actions listed below except with the vote or written consent of a majority of the voting power of the Members of the Association:

A. Borrowing Money. Borrow money and incur indebtedness for the purposes of the Association, except the Board shall not borrow money during any fiscal year in excess of the aggregate sum of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

B. Capital Expenditures. Make capital expenditures for and on behalf of the Association and sell property of the Association. No single capital expenditure or sale of property may be made during any fiscal year of the Association in excess of or having a fair market value in excess of ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year.

C. Limitation on Sales of Common Area. Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

D. Limitation on Compensation. Neither the Directors nor the Officers of the Association shall receive any monetary compensation for their services performed in the conduct of the business of the Association. Notwithstanding the foregoing, the Board of Directors shall have the power to reimburse any Director, Officer or Member of the Association for expenses incurred in carrying on the business of the Association.

**Section 4. Limit on Third Person Contracts.**

The Board shall not, without obtaining the consent of the Members as set forth above, enter into a contract with third persons wherein the third person will furnish goods or services for the Common Area of the Association for a term longer than one (1) year with the following exceptions:

A. A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

B. A prepaid casualty and/or liability insurance policy not to exceed three (3) years duration; provided that the policy permits for short-rate cancellation by the insured; and

C. Payment of any taxes and governmental special assessments which are and could become a lien on the Common Area or any portion thereof.

**Section 5. Number and Qualifications of Directors.**

The Board shall consist of five (5) Directors until changed by amendment to this Section of these Bylaws.

A. Directors must be Members of the Association.

B. At no time shall more than one (1) of the Owners of a jointly owned or occupied dwelling unit serve concurrently as Directors.

**Section 6. Election and Term of Office.**

The terms of the Directors shall be term-staggered. Three Directors will be elected in even numbered years and two (2) Directors will be elected in odd numbered years.

A. Each Director shall serve a two (2) year term. Appointed Directors shall serve the remaining term of a vacant position.

B. If any annual meeting is not held or the Directors are not elected thereat, the Board shall arrange for a special meeting of Members held for the purpose of elections.

C. All Directors shall hold office until their term expires or until their position is declared vacant.

#### Section 7. Vacancies.

Vacancies on the Board created by absence, death or resignation 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 the end of the former Director's term or at a special meeting called for that purpose. The remaining Board of Directors shall cause notice to be posted in a prominent place in the Project at least seventy-two (72) hours prior to filling the vacancy advising the Members that a vacancy on the Board of Directors exists.

A. Excessive Absences. A vacancy shall be deemed to exist in the case of the absence of a Director from three (3) consecutive regular meetings, death, resignation or removal of any Director or if the Members shall increase the authorized number of Directors, but shall fail at the meeting at which such increase is authorized, to elect the additional Director, or the Members fail at any time to elect the full number of authorized Directors.

B. Board Members Delinquent In Assessments. A vacancy shall be deemed to exist in the case of a Director whose unit(s) is/are more than ninety (90) days delinquent in payment of their assessment(s) obligations to the Association. Prior to declaring a vacancy of a Director, the remaining Board shall send a letter giving said Director fifteen (15) days to bring his or her account(s) current. This letter shall be sent both by certified and regular mail.

C. Membership's Right to Fill Vacancies not Filled by Board. The Members may at any time call a meeting to elect Directors to fill any vacancy not filled by the Directors, and may elect the additional Directors at the meeting at which an amendment by these Bylaws is voted increasing the number of Directors.



D. Resignation. Any Director may resign effective upon giving written notice to the President, the Secretary or the Board. In the event a Director gives any of the above-named parties verbal notice, the Board shall send the Director who gave verbal notice of resignation a letter, by certified and regular mail, stating that the Board is accepting the Director's verbal resignation fifteen (15) days after the date of the letter.

**Section 8. Organization Meetings.**

As soon as reasonably practical, following each annual meeting of Members, the Board shall hold a meeting for the purpose of organization, election of Officers and the transaction of other business. Notice of such meetings is not required.

**Section 9. Regular Meetings.**

Regular meetings of the Board shall be held monthly or as business dictates or at such time as the Board shall determine at a location within a reasonable proximity to the Project. However, if the business to be transacted by the Board does not require the Board to meet on a monthly basis, said meetings shall be held at least every three (3) months. If the predetermined meeting date should fall upon a legal holiday, then the meeting shall be held at a time and date to be determined by the Board and the Membership shall be notified in advance of the meeting date and location.

A. Notice of Regular Meetings. Notice of regular meetings of the Board shall be posted at a prominent place within the Common Area or communicated to the Members in writing, and communicated to Directors not less than four (4) days before the meeting. Notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to the holding of the meeting.

**Section 10. Special Meetings.**

Special meetings of the Board for any purpose may be called at any time by the President or by any two Directors.

A. Notice of Special Meetings. 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 manner prescribed for notice of regular meetings and shall be sent to all Directors by first class mail not less than four (4) days before the scheduled time of the meeting, or such notice shall be delivered personally or by telephone or telegraph not less than seventy-two (72) hours before the scheduled time of the meeting. In case of an emergency, the Association may conduct a meeting with less than seventy-two (72) hours notice, however, it shall be the burden of the person(s) calling the "emergency" special meeting to justify reduction of the required notice time.

**Section 11. Waiver of Notice.**

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though it had been at a meeting duly held after regular call and notice if a quorum be present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

**Section 12. Notice of Adjournment.**

Unless a meeting is adjourned for more than twenty-four (24) hours, notice of adjournment of any Directors meeting need not be given to absent Directors if the time and place are fixed at the meeting adjourned.

**Section 13. Quorum.**

A majority of the Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn. 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 regarded as the act of the Board. However, the Rules and Regulations may be amended only by a majority of the full Board.

**Section 14. Adjournment.**

A majority of a quorum of the Directors may adjourn any Directors' meeting to meet again at a stated date and hour. In the absence of a quorum, a majority of the 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 15. Attendance at Meetings and Executive Sessions.**

Regular and special meetings of the Board shall be open to all Members of the Association. Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board may, upon the vote of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and other matters of business of a similar nature. Only Directors shall be entitled to attend executive sessions. In general terms the nature of any and all business to be considered in executive session shall first be announced in open session or at the next regularly scheduled Board meeting.

**Section 16. Action without Meeting.**

Any action required or permitted to be taken by the Board may be taken without a meeting if all Members of the Board, individually or collectively, consent in writing to that action. The Board may also take action by written ballot of the majority of the Board of Directors. Action by unanimous written consent or by written ballot shall have the same force and effect as a properly noticed

and voted Board of Director's motion. Such unanimous written consent or written ballot shall be filed with the minutes of the proceedings of the Board.

## ARTICLE VI

### OFFICERS

#### Section 1. Officers.

The Officers of the Association shall consist of a President, Vice President, Secretary and Treasurer who shall be Directors.

#### Section 2. Election and Term.

The Officers of the Association, except such Officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be chosen annually, for a term of one (1) year, by the Board, and each shall hold his or her office until he or she shall resign, or shall be removed or otherwise disqualified to serve, his or her term ends, or his or her successor be elected and qualified.

#### Section 3. Subordinate Officers.

The Board may appoint such other Officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

#### Section 4. Removal and Resignation from Office.

Any Officer may be removed, with or without cause, by a majority of the Directors at any meeting of the Board. Any Officer may resign at any time by giving written notice to the Board or the President, or to the Secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified in the resignation. Unless otherwise specified in the resignation, the acceptance of the resignation is not required to make it effective.

#### Section 5. President.

The President shall be the chief executive Officer of the Association and shall, 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, by virtue of his office, shall be an ex-officio 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, at his sole discretion, may make motions and vote on said motions or refrain from voting on an issue. Notwithstanding the foregoing, the President shall vote

in the case of a tie. Nothing in this Section shall be construed to limit the President from making or seconding motions, in the absence of such motions by other Board Members.

**Section 6. Vice President.**

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

**Section 7. Secretary.**

The Secretary shall keep, or cause to be kept, a book of the minutes at the principal office or such other place as the Board may order of all meetings of Directors and Members, with the time and place of the meeting, whether regular or special, and if special how authorized, the notice given, the names of those present at the Directors' meetings, the number of Members present or represented at Members' meetings and the proceedings of the meeting.

The Secretary shall give or cause to be given, notice of all the meetings of the Members and of the Board required by these Bylaws or by law to be given, and shall keep other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

**Section 8. Treasurer.**

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The books of account shall at all times be open to inspection by any Director.

The Treasurer shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and Directors, whenever requested, an account of all of his transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

**Section 9. Delegation of Duties.**

The Association, acting by and through the Board, may delegate the duties of any of its Officers to committees or employees, including a professional managing agent.

## ARTICLE VII

### MISCELLANEOUS

#### Section 1. Checks, Drafts, Etc.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board. All checks must be signed by at least one Officer. Reserve withdrawals shall be signed by at least two (2) Directors or one Director and an Officer of the Board of Directors.

#### Section 2. Execution of Contracts.

The Board, except as in these Bylaws or otherwise provided, may authorize any Officer or Officers, agent or agents to enter into any contract or execute any instrument in the name and on behalf of the Association. Such contract or instrument shall be signed by any two (2) Officers. Such authority may be general or confined to specific instances as may be determined by the Board. Unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

#### Section 3. Members' Right to Inspect Books and Records.

The Association shall keep in its principal office for the transaction of business or at such other place within San Diego County as the Board shall prescribe, the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, a Membership register, books of account and copies of minutes of all Membership, Board and Committee meetings, all of which shall be made available for inspection and copying by any Member of the Association, by any Member's duly-appointed representative, and by all first Mortgagees, at any reasonable time and for a purpose reasonably related to its interest as a Member or Mortgagee. The Board shall establish reasonable rules with respect to:

- A. Notice to be given to the custodian of the records by the Member or Mortgagee desiring to make the inspection;
- B. Hours and days of the week when such an inspection may be made; and
- C. Payment of the costs of reproducing copies of documents requested.

**Section 4. Directors' Right to Inspect Books and Records.**

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association. The right of inspection by a Director shall include the right at the Director's expense to make extracts and copies of documents.

**Section 5. Fiscal Year.**

The fiscal year of the Association shall be determined by the Board, and having been so determined, is subject to change from time to time as the Board shall determine.

**Section 6. Financial Statements.**

Financial Statements shall be prepared annually by the Association and a copy distributed to all its Members as follows:

A. Operating Budget. A pro forma operating budget shall be distributed annually not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of the Association's fiscal year. The budget shall include all of the following:

(1) The estimated revenue and expenses on an accrual basis;

(2) The total amount of the cash reserves of the Association currently set aside for the replacement of any major repair of the Common Area;

(3) An estimate of the current replacement costs of and the estimated remaining useful life of, and the methods of funding used to defray the future repair, replacement, or additions to those major components of the Common Area; and

(4) A general statement setting forth the procedures used by the Board in the calculation and establishment of those reserves to defray the costs of repair, replacement or additions to major components that the Association is obligated to maintain.

B. Annual Audit. An annual report prepared in accordance with generally accepted accounting principles consisting of the following, to be distributed to each Member of the Association within one hundred twenty (120) days after the close of the Association's fiscal year.

C. Assessment Collection Policy. A statement of the Association's policies and practices in enforcing its remedies against Members for default in the payment of assessments, including the recording and foreclosing of liens, to be distributed to Members of the Association within sixty (60) days before the beginning of each fiscal year.

**Section 7. Documents Provided to First Mortgage Holder, Guarantor, Insurer.**

Any holder, insurer or governmental guarantor of a first Mortgage encumbering a dwelling unit shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year, free of charge to the party requesting it. The financial statement shall be furnished within a reasonable time following the request.

**Section 8. Documents Provided to Prospective Purchaser**

A. On request by a prospective purchaser or their agent the Association shall provide the following:

1. A copy of the governing documents of the Association;
2. A copy of the most recent financial statement as described in Section 6 above; and
3. A true statement in writing from an authorized representative of the Association as to the amount of any assessments levied upon an owner's unit which are unpaid on the date of the statement. The statement shall also include true information on late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the owner's interest in the Association.

B. Upon written request, an Association shall, within ten (10) days of the mailing or delivery of the request, provide the Owner with a copy of these requested items. The Association may charge a fee for this service, which shall not exceed the Association's reasonable cost to prepare and reproduce the requested items.

C. The Association shall not impose or collect any assessment, penalty or fee in connection with a transfer of title or any other interest except the Association's actual costs to change its records and that authorized by Subdivision (B).

**Section 9. Personal Liability.**

No Member of the Board, or of any committee of the Association, or any Officer of the Association shall be personally liable to any Owner, or to any other party, including the Association, for any error or omission of the Association, the Board, its authorized agents or employees, if such person has acted in good faith without willful or intentional misconduct.

## ARTICLE VIII

### INDEMNIFICATION OF DIRECTORS

**Section 1. Owner Responsibility to Association and Other Owners.**  
 Each Owner shall be liable to the Association for any damage to the Project caused by the negligence or willful misconduct of the Owner or his or her family members, guests, tenants or employees. Each Owner shall indemnify, hold harmless, and pay any costs of defense of each other Owner from claims for personal injury or property damage occurring within any Residential Unit or Exclusive Use Area owned by the indemnitor, provided that this protection shall not extend to any indemnitee whose negligence or willful misconduct caused or contributed to the injury or damage. It is further provided that this Article is not intended to be for the benefit of any insurer and shall not affect nor limit the duty of any insurer to pay any claim which would be payable by said insurer but for this Article.

**Section 2. Indemnification**

Every Director and every Officer past or present of the Association shall be indemnified by the Association against expenses and liabilities, including reasonable attorney's fees, incurred or imposed upon him in connection with any proceeding in which he may be a party, or in which he may become involved, by reason of his being, or having been, a Director or an Officer of the Association, or any settlement thereof, except in such cases wherein the Director or Officer is adjudged guilty of gross negligence or malfeasance in the performance of his duties. Indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

## ARTICLE IX

### AMENDMENTS

**Section 1. Amendment Procedures.**

These Bylaws may be amended only by the affirmative vote (in person or by proxy) or by written consent of members representing a majority of the total voting power of the Association. Any amendment shall become effective upon recording thereof with the Office of the County Recorder of San Diego County.



CERTIFICATE OF AMENDMENT

I, Janet Creamer, do hereby certify:

1. That I am duly elected and acting Secretary of FLETCHER VALLEY VILLAS HOMEOWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation: and

2. That the foregoing Restated Bylaws comprising twenty-two (22) pages, constitute these Bylaws of the corporation, duly adopted by a vote of at least fifty-one percent (51%) of the voting power for the Association.

DATE: 6/29/93

BY: Janet Creamer  
Janet Creamer, Secretary

STATE OF CALIFORNIA )  
                                  )     SS  
COUNTY OF SAN DIEGO )

On 6/29/93, 1993, before me, the undersigned, personally appeared Janet Creamer, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF I hereunto subscribe my name and official seal.

Signature K. Weber



(This area for official notary seal)