

SUN RIDGE RANCH HOMEOWNERS ASSOCIATION BYLAWS

First Adopted: November 14, 2004

Revision No. 5 Effective: December 1, 2010

ARTICLE 1: NAME AND LOCATION

The name of the corporation is Sun Ridge Ranch (SRR) Homeowners Association (the "Association") located in Latrobe, CA.

ARTICLE 2: DEFINITIONS AND ACRONYMS

- 1. Declaration** shall mean the Sun Ridge Ranch Declaration of Covenants, Conditions and Restrictions Property Owners Association, and Articles of Incorporation.
- 2. Member Meeting** shall mean any meeting by where a quorum is defined by the SRR Declaration.
- 3. Board Meeting** shall mean any meeting of Directors by where a quorum is defined by these bylaws.
- 4. Member** shall mean and refer to every person or entity that holds membership in the Association.
- 5. Owner** shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for performance of an obligation.
- 6. Resident** shall mean any person or persons, not necessarily an Owner that is living on a property contained in Sun Ridge Ranch unit #1 or unit #2.
- 7. Member in Good Standing** shall mean any Member who is not delinquent in their assessment payment or whose membership status, privileges or rights have not been restricted or suspended by the Board of Directors.
- 8. Member not in Good Standing** shall mean any Member whose good membership status, rights or privileges have been restricted or suspended by the Board of Directors following a properly notified hearing.
- 9. Director** shall mean any Member in good standing that has been elected to the Board of Directors of the Association.
- 10. Officer** shall mean any Director who has been elected to the position of President, Vice-President, Treasurer or Secretary.
- 11. Absolute majority** shall mean if a quorum is present, the affirmative vote of a majority of the voting power qualified to vote on any matter.

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12. Simple Majority shall mean if a quorum is present the affirmative vote of a majority of the voting power so present and voting on any matter.

13. Total Voting Power shall mean the total number of votes that could be cast if all Owners within the Association were eligible to vote.

ARTICLE 3: MEMBER MEETINGS

1. All Member meetings of the Association shall be located in El Dorado County, California or at such other place reasonably convenient to the Development as the Board of Directors may from time to time establish.

2. All Member meetings shall be conducted in accordance with a recognized system of parliamentary procedure, such as Robert's Rules of Order, or such parliamentary procedures as the Association may adopt.

3. The Members present at a meeting may continue to transact business until adjournment of the meeting notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken, other than adjournment, is approved by Members entitled to vote at least a majority of the voting power required to constitute a quorum, or by such greater number as required by law or by the Governing Documents.

4. Regular Member Meetings.

a. The Association shall hold at least one Member meeting annually in accordance with the SRR Declaration.

b. Member meetings shall not extend beyond 2½ hours unless agreed upon by a simple majority of the Members present.

c. The President shall preside over and/or facilitate the annual Member meeting.

d. Written notice of each regularly scheduled Member meeting shall be mailed first class, postage prepaid, or otherwise delivered at least 10 but not more than 90 days prior to such meeting.

e. Electronic mail (email) shall be a valid form of notification when approved by the recipient Member.

f. Notice of Member meetings shall be addressed or otherwise delivered to the Member's address last appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice.

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g. Notice of Member meeting shall specify the date, hour, and place of the meeting, and the general nature of those matters which the Board intends to present for action by the Members.

h. With respect to regular Member meetings, any proper matter may be presented at the meeting for action by the Members whether or not referred to in the notice, except that if the meeting is actually attended, in person or by proxy, by less than the number required for a quorum at such meeting as defined in the SRR Declaration.

i. A reasonable time limit for all Members to speak at Member meetings shall be established by the Board of Directors.

j. The quorum requirements of Member meetings are defined within the SRR Declaration.

5. Special Member Meetings.

a. Special Member meetings may be called at any time by the Board of Directors or pursuant to a written request of Members entitled to cast at least five percent (5%) of the Total Voting Power.

b. Special Member meetings shall be set by the Board and shall be held within 90 days after the receipt of the written Member, or Board request to hold a special meeting.

c. Written notice of special Member meetings shall be electronically mailed and posted on the community bulletin board within 10 days of such special Member meeting.

d. With respect to special Member meetings, only those matters referred to in such notice may be transacted.

e. The quorum requirements of special Member meetings are the same as regular Member meetings and are defined within the SRR Declaration.

6. Record Date for Notice of Meetings.

a. The Board of Directors may fix a time not more than 90 days and not less than 10 days preceding the date of any meeting of the Members as the record date for determining the Members entitled to notice of any such meeting.

b. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to notice of any Member meeting shall be the business day preceding the day on which the meeting is held.

c. Only those persons or entities identified as Members in the records of the Association on the record date shall be entitled to notice of such meeting.

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7. Action Without A Meeting.

- a.** Any action which may be taken at a regular or special Member meeting, other than the election of Directors, may be taken without a meeting of the Members if the Association distributes a written ballot to every Member entitled to vote.
- b.** The determination to seek Member approval for Association actions through the use of written ballots shall be made by a simple majority vote of the Board.
- c.** Written ballots distributed to the Members shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal.
- d.** Members shall have at least 30 days to return any written ballot.
- e.** The Board shall have the power to extend, at its discretion, the date within which ballots must be returned if sufficient responses are not received by the original deadline set for their return.
- f.** Approval by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum that would be required if the action were taken at a meeting, and the number of approvals equals or exceeds the number of votes that would be required to approve the action if it were taken at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- g.** The written ballot solicitation shall identify the number of responses needed to meet the quorum requirement and the percentage of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.
- h.** A written ballot, once cast, may not be revoked.

ARTICLE 4: MEMBERSHIP STATUS, RIGHTS & VOTING

1. Assignment of Membership Rights.

- a.** A Member who has sold his or her Lot to a Contract Purchaser shall be entitled to assign to such Contract Purchaser his or her rights and privileges of membership in the Association.
- b.** No assignment of any membership rights or privileges to a non-resident Contract Purchaser shall be binding however, until the Board of Directors has been notified thereof in writing.

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c. Notwithstanding any assignment, until fee title to the Lot has been transferred of record, a Contract Seller shall remain liable for all assessments, fines, and other charges imposed by the Board and for compliance with the Governing Documents by all Residents of his or her Lot.

2. Director Nominations.

a. The Board shall provide notice to the Association when nominations for Director are being accepted. The notice shall inform Members of the nomination submission requirements, or where those requirements can be found, and shall include any applicable nomination submission time/date restrictions.

b. Nominations shall be made in writing and received by the Association, or its authorized agent, by the deadline set forth in the election/nomination notice.

c. Write-in candidates and nominations from the floor shall not be authorized.

d. Candidates for Director must meet all Director qualifications defined herein.

e. Candidates for Director must accept the nomination prior to the distribution of the ballots. Nominations shall be considered accepted only upon receipt of a signed disclosure statement in accordance with the SRR ethics policy.

f. Only Members in Good Standing are authorized to nominate candidates, or be nominated as a candidate to the Board of Directors

g. Existing Directors who are up for re-election are subject to the nomination procedures contained herein.

3. Director Qualifications.

a. All Directors shall be Owners and Members within the Association.

b. Only Members in Good Standing shall be eligible to be elected to or serve on the Board.

c. Only one Owner of a particular Lot may serve on the Board concurrently.

d. Previously disqualified Directors must wait two years from the date of their disqualification before being re-qualified to serve on the Board.

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4. Director Disqualification. A person shall be deemed disqualified under the following circumstances:

- a.** The person is found by a court of competent jurisdiction to be of unsound mind, or has plead or been convicted of a felony.
- b.** The person fails within 60 days after receiving notice of election to accept such office, either in writing or by attending the first meeting of the Board of Directors at which Board Officers are elected. This first meeting may be held in executive session.
- c.** The person is absent from three (3) consecutive meetings of the Board or 40% of the annually scheduled meetings which ever is less (regardless of proxy participation).
- d.** The person fails to fulfill their Director responsibilities on more than three (3) occasions and the failures are documented within the approved Board meeting minutes.
- e.** The Director fails to disclose to the Association, to the extent not expressly prohibited by law, any improper activity such as conflicts of interest, charges of fraud, felony charges, prior public office disqualifications, civil actions against this or, other Associations, or any other information required to be disclosed by Association rule, Federal or State law.
- f.** The person enters into litigation against the Association.
- g.** The person ceases to be a Member in Good Standing.
- h.** Disqualification Notification. Upon being deemed disqualified the Board shall notify the disqualified Director in writing as soon as possible. Disqualified Directors shall be prohibited from running for the Board again for two years from the date of disqualification.

5. Record Date for Voting Entitlement.

- a.** The Board of Directors may fix a time not more than 90 days preceding the date of any meeting of the Members as the record date for determining the Members entitled to vote at any such meeting.
- b.** In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to vote at any meeting shall be the day of the meeting. The record date for the determination of Members entitled to vote via secret ballot shall be the date the ballots are mailed.
- c.** Only Members in Good Standing as of the record date shall be entitled to vote at such meeting or via secret ballot.

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6. Voting, Ballots and Proxies.

- a.** All Owners shall be entitled to cast one vote for each Lot owned on any Declaration amendment ballots.
- b.** All Members in Good Standing shall be entitled to cast one vote for each Lot owned on all other ballots.
- c.** If the joint Owners of a Lot are unable to agree among themselves as to how their vote or votes are to be cast, such vote shall be cast in accordance with the decision of a majority of such Owners. If there is no such majority, the vote for the Lot shall not be cast either in favor of, or opposed to, the issue or issues which are the subject of the vote, but the membership shall be counted for purposes of determining whether the quorum requirements applicable to the vote or meeting have been met.
- d.** If any Owner casts a vote representing a certain Lot and no written objection thereto is received by the Secretary prior to the close of voting, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Lot.
- e.** The vote at any Member meeting may be by hand count, voice vote or by ballot, as determined by the Board of Directors, provided that elections of Directors, elections regarding assessments, and amendments to the Declaration, shall be conducted by secret ballot in accordance with the secret ballot voting procedures contained herein.
- f.** At each election of Directors, the Members in Good Standing may cast one vote for each Lot owned for each Director position on the Board to be filled. Cumulative voting shall not be authorized.
- g.** The persons receiving the largest number of votes shall be elected to the Board of Directors.
- h.** At all meetings of the Members, each Member may vote in person or by proxy except for elections of Directors, elections regarding assessments, and amendments to the Declaration. These votes shall be conducted by secret ballot in accordance with the secret ballot voting procedures contained herein. All proxies shall be in writing and shall be filed with the Board Secretary prior to the beginning of any vote. Any duly-executed proxy continues in full force and effect until adjournment of the meeting.
- i.** A simple majority shall constitute the act of the Members at any Member meeting, unless the approval of a greater number or proportion of Members is required by any provision of the Governing Documents or of law.

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7. Election Inspector.

a. The Board shall appoint an Election Inspector for all elections of Directors, elections regarding assessments and amendments to the Declaration. The Election Inspector may not be a candidate for the Board of Directors, related to a member of the Board of Directors, related to a candidate for the Board of Directors, and if a Member, must be a Member in Good Standing. .

b. The Election Inspector shall do all of the following:

1) Determine the number of memberships entitled to vote and the voting power of each in accordance with the Association Governing Documents.

2) Determine the authenticity, validity and effect of proxies, if any.

3) Receive ballots.

4) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.

5) Count and tabulate all votes.

6) Determine when the polls shall close in accordance with the Association Governing Documents and not accept ballots beyond the closing date/time.

7) Determine the result of the election.

8) Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section and all applicable rules of the association regarding the conduct of election that are not in conflict with the Davis Stirling Act.

8. Secret Ballot Voting Procedure.

a. Ballots and two envelopes with instruction on how to return ballots shall be mailed by first class mail or delivered by the Association to every member not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address or lot on the ballot. The association shall ensure confidentiality by ensuring the using the following procedures:

1) The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second outer envelope that is also sealed. In the upper left hand corner of the second envelope, the voter is required to print and sign his or her name and list the lot number that entitles him or her to vote.

2) The second envelope is to be addressed to the Election Inspector. The envelope may be mailed or delivered by hand to a location specified by the Election Inspector. The Member may request a receipt for delivery.

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b. All votes shall be counted and tabulated by the Election Inspector at an advertised, open meeting as appropriate. No person, including the Election Inspector shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

c. The results of the election shall be promptly reported to the Board of Directors of the Association and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by member of the Association.

d. The sealed ballots shall remain in the custody of the Election Inspector in accordance with California civil code. At the end of the required period, custody of the ballots shall be transferred to the Board of Directors.

e. Mailed ballots must be received by the Election Inspector on, or before the date indicated on the ballot voting instructions. Ballots received after this date shall be deemed invalid.

f. Hand delivered ballots, when authorized, must be received by the Election Inspector at the location specified by the Election Inspector on, or before the date indicated on the ballot voting instructions. Ballots received after this date shall be deemed invalid. Ballots may not be delivered by proxy or by anyone other than the Owner authorized to vote for the Lot matching the Lot printed on the ballot outer envelope.

g. Owners may contact the Election Inspector to request confirmation that their ballot has been received within the allotted time.

h. Once cast, a written ballot may not be revoked.

9. Disclosure of Voting Results.

a. For a period of 1 year following the conclusion of a Member meeting, the Association shall, upon written request from a Member, inform the Member of the result of any particular vote of the Members taken at such meeting, including the number of memberships voting for, the number of memberships voting against, and the number of memberships abstaining or withheld from voting in a particular vote.

b. If the matter voted on was the election of directors, the Association shall report the number of memberships cast for each nominee for director.

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ARTICLE 5: BOARD OF DIRECTORS

The affairs of the Association shall be managed by or under the direction of a board of Directors, as required by the SRR Declaration.

1. Director Election and Term of Office.

a. At each election of Directors, the Members in Good Standing may cast one vote for each Lot owned for each Director position on the Board to be filled. For example if there are four (4) Director vacancies, each Owner may vote for four (4) candidates per Lot owned. Cumulative voting shall not be authorized.

b. The persons receiving the largest number of votes shall be elected.

c. At the first annual membership meeting after the adoption of these Bylaws, the Members shall elect seven (7) Directors. The three (3) Directors with the highest number of votes will be elected for terms of two years each and the other four (4) Directors for terms of one year each.

d. At each annual membership meeting thereafter, the Members shall elect Directors for terms of two years each to replace those Directors whose terms are then expiring. Director terms shall begin January 1st and end December 31st of the following year. Elections for terms starting in an odd year, will have three 2-year term vacancies with any additional vacancies being 1-year terms and elections for terms starting in an even year, will have four 2-year term vacancies with any additional vacancies being 1-year terms

e. Each Director shall serve until the expiration of his or her term and thereafter until a successor is elected, or until the earlier disqualification, death, resignation, or removal of such Director.

f. Any tie in the number of votes cast, where the number of vacancies is equal to, or greater than, the number of tied candidates, shall be resolved by allowing the tied candidates fill the corresponding vacancies. For example if two candidates receive the second largest number of votes and three vacancies are available, the two tied candidates shall receive the second and third vacant positions, winning out over a candidate that received less votes. In the case, where the number of vacancies is less than the number of tied candidates, the winner shall be decided by random drawing(s).

g. In any election of Directors where the number of candidates does not meet or exceed the number of Directors to be elected, the election of Directors may be accomplished by acclamation without the use of ballots.

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2. Director Removal.

- a.** A Director may be removed from the Board, with or without cause, by the vote of an absolute majority of the Members at a Member meeting.
- b.** Disqualified Directors shall be considered removed from the Board immediately upon meeting any of the above disqualification circumstances.

3. Director Resignation. Any Director may resign at any time by giving notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4. Director Vacancies.

- a.** A reduction in the authorized number of Directors shall not cause removal of a Director prior to the expiration of his or her term.
- b.** Vacancies, which arise when less than eight (8) months remain within the scheduled term of office, may be filled via Board appointment.
- c.** Vacancies which arise when eight (8) months or more remain within the scheduled term of office may only be filled via a regular or special election. If a special election is held, the Board shall solicit replacement volunteers for the Director vacancy, in accordance with the Director election and secret ballot voting procedures contained herein.
- d.** The Member elected to fulfill a vacancy shall finish out the previous Director's existing term and may chose to run as a candidate when the term has expired provided he/she comply with all candidate requirements.

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

6. Board Officers.

- a.** The Board shall contain the following Officers: President, a Vice- President, a Secretary, and a Treasurer.
- b.** No Director shall simultaneously hold more than one Office.

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7. Election of Officers.

- a. The Board of Directors shall elect the Officers.
- b. The election of Officers shall take place at the first meeting of the Board of Directors mandated for the newly elected Directors, within 60 days of the beginning of their term. This first meeting may be held in Executive Session.
- c. The President shall be a Director who has previously served as a Director for at least one year, provided there is at least one Director who meets this requirement.

ARTICLE 6: BOARD RESPONSIBILITIES

All Directors shall have the authority and charge to accomplish the following responsibilities:

1. Adopt, publish, amend, repeal, and enforce rules and regulations governing the administration, management, operation, use, and occupancy of the Development in accordance with the SRR Governing Documents:
 - a. Provide all violation notifications in accordance with the SRR Enforcement Policy and applicable state and federal laws.
 - b. Prepare and file all required liens in accordance with California law and as required by the SRR Enforcement Policy.
 - c. Collect assessments levied by the Association by foreclosing the lien against any property for which assessments are not paid as required in the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same.
 - d. Determine in accordance with the SRR Enforcement Policy when a Member is "Not in Good Standing". A Member found by the Board to be "Not in Good Standing" shall be deemed to continue in that status until the Board shall make a determination, either upon the Board's own initiative or upon the request of the Member, that such Member is, once again, a Member in Good Standing of the Association,
2. Provide notice to each Member, by first class mail, of any increase in the Regular Assessments or Special Assessments not less than 30 days prior to such increased Regular Assessment or Special Assessment becoming due.
3. Prepare and distribute via first class mail annual assessment notifications in accordance with the SRR Governing Documents.

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4. Ensure the annual assessment adequately covers the expenses required to maintain the roads, community bulletin board and fire pond and provides for all other responsibilities as defined in the Governing Documents.
5. Review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis. As used in this subsection, the term "reserve accounts" shall mean monies that the Board has identified in its annual budget for use to defray the future costs of repair or replacement of, or additions to, those major components which the Association is obligated to maintain, restore, repair, or replace.
6. Authorize officers to enter into contracts in the name of, or on behalf of, the Association.
7. If required, engage the services of a manager or management company as either an employee or an independent contractor, and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties.
8. If required, consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out its authority and responsibility under the Governing Documents and the law, and to pay for such professional services.
9. Subject to the provisions of the Declaration, including any required approval of Members, acquire, own, hold, convey, transfer, dedicate, or otherwise dispose of real or personal property consistent with the purposes and powers of the Association and the management, administration, operation of the Association.
10. Indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a director, officer, employee, or agent of the Association or Member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, and other amounts, as those terms are defined by California law, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a director, officer, employee, or agent of the Association or Member of any committee appointed by the Board;
11. Open bank accounts and designate signatories upon such bank accounts, subject to any restrictions set forth in the Governing Documents.
12. Keep the books, records, and documents of the Association in safe custody.
13. Forward all original documents to the Board Director, or authorized agent mandated to maintain the official copy of all Association records in accordance with California corporation retention laws except those records authorized to be maintained by the ACC.
14. Maintain a community bulletin board where community information and Board meeting agendas, minutes and notifications may be posted

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- 15.** Cause to be kept a complete record of the Members setting forth their names and addresses.
- 16.** Cause to be kept a record of the Members requesting electronic notification in accordance with CA civil code.
- 17.** Be responsible for the creation and delivery of all committee packages, including but not limited to; writing the task assignments, expectations and timelines for all committees.
- 18.** Be available to participate in, and when requested, preside over committee activities.
- 19.** Maintain a record of Member standing and have that record available at all meetings of the Members where a vote is likely to occur.
- 20.** Be responsible for posting all public notifications, minutes etc. on the community bulletin board unless otherwise specified within the Governing Documents or as determined by the Board.
- 21.** Be responsible for review, renewal and maintenance of Association insurance so as to ensure adequate coverage of the Association and the Board as required by law.
- 22.** Cause to be conducted, at least once every three years, a reasonably competent and diligent visual inspection of the components which the Association is obligated to repair, replace, restore or maintain via a Reserve Study in accordance with California civil code.
- 23.** At a minimum, distribute to the Members annually:
 - a.** A copy of the Association's enforcement policies and practices in enforcing lien rights and other legal remedies for default in payment of assessments.
 - b.** A summary of the statutory provisions relating to alternative dispute resolution procedures in certain matters related to enforcement of the governing documents which specifically references California civil code.
 - c.** A copy of the procedures and schedule applicable to imposition of a fine or other monetary penalty, suspension of a Member's rights and privileges, or other sanctions.
 - d.** A notice of the Association website address and Board email address.
 - e.** A statement explaining the Members' right to obtain copies of minutes of meetings of the Board as required by California civil code.
 - f.** A copy of the SRR architectural control requirements.
 - g.** Location where the current Member address list is maintained.

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- h.** Association insurance disclosure notice.
- i.** All other notifications as required by law.

ARTICLE 7: OFFICER RESPONSIBILITIES

1. The President shall:

- a.** Be the chief executive officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and of the Association.
- b.** Preside at all meetings of the Members.
- c.** Facilitate, or appoint a facilitator for all meetings of the Board of Directors.
- d.** Ensure adequate facilities and supplies are available prior to any scheduled or special meeting of Members or meeting of the Board.
- e.** Assign tasks when required and ensure that all Directors accomplish their assignments, duties and responsibilities in a timely and professional manner.

2. Vice-President shall:

- a.** In the absence or disability of the President, perform all the duties of the President, and when so acting, shall have all of the powers of, and be subject to all of the restrictions upon, the President.
- b.** Be the Architectural Control Committee (ACC) Liaison. These duties include but are not limited to the following:

1) Send “cease and desist” notifications, notify the El Dorado County Building Dept. in writing and provide all follow up action for any Lot where unapproved construction has begun.

2) Upon request of the ACC chair; generate required ACC correspondence.

3. Secretary. The Secretary shall:

- a.** Keep or cause to be kept, a book of minutes of all meetings of Directors, and Members.

Notify all Members and Directors of the Board of the time and place of all Board and Member meetings, and whether regular or special as required by law and maintain a proper record of the giving of such notice.

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Record or cause to be recorded, the number of memberships and votes present or represented at Members meetings.

4. Treasurer. The Treasurer shall:

a. Be responsible for receipt and deposit in appropriate accounts of all monies of the Association.

b. Prepare or cause to be prepared:

1) As required by California civil code, not less than 45 days nor more than 60 days prior to the beginning of each fiscal year, a pro forma operating budget which shall include an estimate of the Association's revenue and expenses for such fiscal year on an accrual basis.

2) A summary of the Association's reserves based upon the most recent review or study conducted.

c. Manage and/or invest Association reserve funds in a prudent manner designed to achieve the primary objective of preserving principal while realizing a reasonable return and to assure the availability of funds as they are needed based upon the most recent reserve fund study obtained by the Board.

d. Disbursement of such funds as directed by resolution of the Board of Directors.

e. Authoring checks and promissory notes of the Association.

f. Maintaining all proper books of account.

g. Prepared not later than 120 days after the close of the Association's fiscal year an annual financial statements containing in appropriate detail

1) A balance sheet as of the end of the fiscal year.

2) An income statement for such fiscal year.

3) A statement of changes in financial position for such fiscal year.

4) Any information required by California Corporations Code accompanied by a certificate of an Officer of the Board that the statements were prepared without audit from the books and records of the Association.

h. Upon written request, send the latest annual report to any Member.

i. For any fiscal year in which the gross income to the Association exceeds \$75,000.00 or as prescribed by law, prepare and forward the Secretary for distribution to all Members of the Association within 120 days after the close of such fiscal year a review of the financial

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statements of the Association prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy.

ARTICLE 8: LIMITATIONS OF BOARD POWERS

1. The powers of the Board shall be subject to the limitations set forth in the Governing Documents.
2. The Board shall not expend funds designated as reserve funds for any purpose other than the maintenance, restoration, repair, or replacement of, or litigation involving the maintenance, restoration, repair, or replacement of, major components which the Association is obligated to maintain, restore, repair, or replace and for which the reserve fund was established; provided, however, that the Board may authorize a temporary transfer of money from a reserve fund to the Association's general operating fund to meet short term cash flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed and describing when and how the money will be repaid to the reserve fund, and provided, further, that any such transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except as otherwise expressly provided by law.
3. Unless expressly authorized by the Board, no officer shall have any power or authority to bind the Association or to render the Association liable for any purpose or on any account.
4. The Board of Directors may not impose a regular assessment that is more than 20 percent greater than the regular assessment for the association's preceding fiscal year or impose special assessments which in the aggregate exceed \$150.00 for that fiscal year without the approval of owners, constituting a quorum, casting a majority of the votes at a meeting or election of the association.

ARTICLE 9: MEETINGS OF DIRECTORS (BOARD MEETINGS)

Regular, special and to the extent possible, emergency meetings of the Board of Directors shall be open to all Members of the Association. A reasonable time limit for all Members to speak at Board meetings shall be established by the Board.

1. All Board meetings shall be conducted in accordance with a recognized system of parliamentary procedure, such as Robert's Rules of Order, or such parliamentary procedures as the Board may adopt.
2. Regular Board Meetings.
 - a. The Board shall meet no less than biannually.

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b. Directors are required to attend all Board meetings. If a Director is absent from three (3) consecutive meetings of the Board or 40% of the annually scheduled meetings which ever is less, the Director shall be deemed .

c. A written notice listing the regularly scheduled Board meetings for the entire year shall be posted on the community bulletin board and distributed to Members on the electronic notification list prior to the first regularly scheduled meeting. Board meetings will be noticed and posted in accordance with CA civil code.

d. With respect to regular Board meetings, any proper matter, referred to in the notice or as allowed by CA civil code, may be presented at the meeting for action, unless the meeting is actually attended, in person by less than the number required for a quorum at such meeting as defined in this document.

e. At all Board meetings, each Director may vote in person.

f. All discussions shall be conducted in a professional and courteous manner. Guests are asked to hold their comments until the open discussion period. Owners and/or guests may be called upon or recognized by the facilitator to contribute to the exchange; otherwise, all discussions shall be between Board Directors only.

3. Special Board Meetings.

a. Special Board meetings may be called at any time by a simple majority of the Board of Directors.

b. Written notice of special Board meetings shall be generally posted, mailed or otherwise delivered within 4 days of the date of such special Board meeting.

c. With respect to special meetings, only those matters referred to in such notice may be transacted.

4. Emergency Meetings. The President or any two Directors may call an emergency meeting of the Board. An "emergency meeting" is defined as a meeting held to address circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board.

5. Organizational Meetings. The Board of Directors may hold an annual organizational meeting for the purpose of organization, election of officers, and transaction of other business, as appropriate. The organizational meeting must be held within 90 days of the meeting of the Members, where the election of Directors occurs.

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6. Executive Session.

a. The Board of Directors may meet in executive session to confer with legal counsel, discuss or vote upon personnel matters, discuss Member discipline, discuss litigation in which the Association is or may become involved, or handle matters that relate to the formation of contracts between the Association and others.

b. The Board shall meet in executive session if requested to do so by a Member when discipline or action against that Member is proposed or pending, to discuss assessment payment plans or other items as permitted by law. That Member and any other person whose participation is, in the judgment of the Board, necessary or appropriate shall be entitled to attend the executive session.

7. Telephone Participation. If at least one Director is physically present at the noticed location of the Board meeting, all other Directors may participate in regular or special Board meetings through the use of conference telephone, electronic video screen communications, or other communications equipment to the extent permitted by law.

8. Director Quorum.

a. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business.

b. Every act or decision made by a simple majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board.

c. Business may continue to be conducted at any meeting notwithstanding the withdrawal of enough directors to leave less than a quorum.

9. Meeting Minutes.

a. Within 30 days after the date of any regular, special or emergency meeting of the Board, the Board shall make available to the Members via the SRR website and/or public bulletin board, either DRAFT or approved copies of the minutes of the meeting.

b. Any matter discussed in an executive session shall be generally noted in the minutes of the Board and minutes of executive sessions shall not otherwise be required.

c. Printed copies of the minutes or proposed minutes shall be provided to any Member of the Association upon request and upon reimbursement of the Association's costs in providing such copies.

d. Members of the Association shall be notified annually in of their right to obtain copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

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ARTICLE 10: COMMITTEES

1. Committees.

- a.** Any "Committee of the Board" (a committee consisting only of Directors, as referred to in California Corporations Code) shall consist of at least two Directors and shall have such powers and duties as the Board shall determine, subject to the limitations of California Corporations Code.
- b.** At least one (1) Director shall be, and multiple Directors may be members of each committee, provided that less than a majority of Directors then in office serves on any one such committee.
- c.** Committees shall be required to keep minutes.
- d.** No committee shall have the authority to enter into contracts on behalf of the Association.
- e.** The Board of Directors shall have the right at any time, in its complete discretion, to disband any committee or remove any Member thereof.
- f.** The Board shall provide to every committee a written task assignment and letter of expectation including but not limited to the names of the other committee members, date of expected completion, reference materials and/or other related information.

2. Compensation of Committee Members. No Director or committee member shall receive compensation for any service he or she may render to the Association. However, upon approval by the Board, committee members may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.

ARTICLE 11: ARCHITECTURAL CONTROL COMMITTEE

The Architectural Control Committee (ACC) shall be a permanent committee of the Board as directed by the SRR Declaration. The role of the ACC is to act as the approving authority for all construction/development within SRR. The ACC has a broad discretionary range to aid and promote the harmonious development and property values within SRR

1. Architectural Control Committee Composition.

- a.** The ACC members shall be appointed by the Board in accordance with the SRR Declaration.
- b.** Only Members in Good Standing shall be eligible to serve on the ACC.
- c.** Only one owner of a particular Lot may serve on the ACC concurrently.

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2. Architectural Control Committee Responsibilities.

- a.** The ACC shall act in a timely manner to approve and/or disapprove all submissions in accordance with the SRR Declaration and other Governing Documents. .
- b.** The ACC shall forward to the Board of Directors and its authorized agent their minutes and approval/disapproval decision for the submitted plans within 25 days of the dated project submission receipt. .
- c.** If the plans submitted are subject to SRR CC&R Article VII, Section 4, the ACC shall supply a certification form to the Owner, in accordance with Article VII, Section 4, and shall not approve the plans until a signed certification as required has been recorded with the county. An original paper copy of the recorded certification shall be maintained in the HOA files.
- d.** The ACC shall forward a copy of all correspondence between homeowners and the ACC to the Board or its authorized agent.
- e.** All Directors/ACC Members shall report new construction to the Board if there is any question whether the construction has been approved.
- f.** The Board shall send a “cease and desist” notification to the homeowner of any Lot where unapproved construction has begun.
- g.** The ACC shall notify the homeowner as soon as possible if the homeowner does not submit the required items with their request. This notification should reference the items missing or insufficiently documented.
- h.** The ACC shall maintain copies of all ACC submissions and correspondence and such copies shall be available for review in accordance with California civil code.
- i.** If possible the ACC shall review completed projects within 20 days of completion to determine compliance.
- j.** The ACC shall maintain minutes of all ACC meetings and forward a copy of those minutes to the Board or its authorized agent.

ARTICLE 12: BOOKS, RECORDS AND FUNDS

- 1.** Checks, Drafts, and Evidences of Indebtedness. All checks, drafts, or other orders for payment of money and all notes or other evidences of indebtedness, issued in the name of the Association shall be signed in any manner specified by the Board of Directors. Notwithstanding the preceding, the signatures of at least two persons who shall be members

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of the Board of Directors shall be required for the withdrawal of funds from the Association's reserve account.

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

3. Fiscal Year. The fiscal year of the Association shall run from January 1 through December 31 of each year unless otherwise determined by resolution of the Board of Directors.

ARTICLE 13: AMENDMENTS

1. Proposed amendments to these bylaws shall be voted upon only at an advertised Board meeting so designated and notified for this purpose.

2. These Bylaws may be amended by the affirmative vote of a quorum of Directors representing at least an absolute majority at the special Board meeting described above.

ARTICLE 14: MISCELLANEOUS

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

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CERTIFICATE OF AMENDMENT

I hereby certify that:

1. I, Julia K. Earle, am the Secretary of the Sun Ridge Ranch Homeowners Association.
2. The foregoing Bylaws of Sun Ridge Ranch Homeowners Association, consisting of 23 pages, were duly approved by the required vote of the Directors of the Sun Ridge Ranch Homeowners Association Corporation on October 14, 2010.
3. The foregoing Bylaws now constitute the bylaws of Sun Ridge Ranch Homeowners Association. Executed on October 14, 2010.

Signed , Secretary, Sun Ridge Ranch Homeowners Association