

**BYLAWS**  
**OF**  
**SIERRA DAWN ESTATES**  
**HOMEOWNERS' ASSOCIATION, INC.**

# SIERRA DAWN ESTATES HOMEOWNERS' ASSOCIATION, INC.

## BYLAWS

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# BYLAWS

of

## SIERRA DAWN ESTATES HOMEOWNERS' ASSOCIATION, INC.

### ARTICLE I

#### NAME

The name of this Corporation is **SIERRA DAWN ESTATES HOMEOWNERS' ASSOCIATION, INC.**

### ARTICLE II

#### DEFINITIONS

The following definitions are intended to conform to those in relevant California Codes

- SECTION 1.** "ASSOCIATION" means **SIERRA DAWN ESTATES HOMEOWNERS' ASSOCIATION, INC.**, a California nonprofit mutual benefit Corporation, and its successors and assigns.
- SECTION 2.** "COMMON AREA" means all real property owned by the Association for the common use and enjoyment of the Owners.
- SECTION 3.** "DECLARATION" means the Master Amended and Restated Declaration of Covenants, Conditions and Restrictions and its amendments, modifications or supplements.
- SECTION 4.** "GOVERNING DOCUMENTS" means all of the documents which govern living and the quiet enjoyment of the occupants in Sierra Dawn Estates, e.g. the Articles, the Bylaws, the CC&Rs and the Policies and Procedures.
- SECTION 5.** "LOT" means any plot of land included within the "Property" described in Exhibit "B" of the Declaration, excluding the Common Area.
- SECTION 6.** "MEMBER" means every person or entity holding a Membership in the Association.

- SECTION 7.** “OWNER” means each person or entity holding a fee title Ownership interest of record in a lot. “Owner” also means each Member of the Association. “Owner” does not include persons or entities who hold an interest in a lot merely as security for the performance of an obligation. “Owner” also includes the successor-in-interest to a decedent who previously held title to a lot.
- SECTION 8.** “PROPERTY” means the real property described in Exhibits “B” and “C” of the Declaration and such additional real property, if any, which may later be annexed to the development and become subject to the provisions of the Declaration.
- SECTION 9.** “RESIDENT” means an owner, or any person who resides either full or part time in Sierra Dawn Estates, whose name may or may not appear on any fee simple title to property within Sierra Dawn Estates, but is duly registered by the Association.
- SECTION 10.** “RULES AND REGULATIONS” means those policies and procedures adopted from time to time by the Board to implement the CC&Rs.
- SECTION 11.** “VOTING POWER” means the total number of votes eligible to be cast in the Association based on one (1) vote per lot, less the votes of any owner whose voting rights have been suspended.

### ARTICLE III

#### MEETING OF MEMBERS

- SECTION 1.** **ANNUAL MEETINGS.** There shall be an annual meeting of the voting Members of the Association, to be held in the City of Hemet, or within the County of Riverside, State of California, on the first Tuesday in April each year. The business of the annual meeting shall include the annual election of Directors as provided in Article V, Section 2, and such other business as may be on the agenda or properly brought before the meeting for action.
- SECTION 2.** **SPECIAL MEETINGS.** Special meetings of Members may be called for any lawful purpose at any time by the President or the Board of Directors, or upon the written request of at least five percent (5%) or more of the Members who are entitled to vote.

- SECTION 3. NOTICE OF MEETINGS.** Written notice of each meeting of Members shall be given by, or at the direction of the Corporate Secretary or person authorized to call the meeting. A notice will be posted on the bulletin boards in all four (4) Clubhouses and a copy of such notice mailed, postage paid, at least ten (10) days prior by first class mail, or twenty (20) days prior by third class mail, but not more than ninety (90) days prior to such meeting, to each Member entitled to vote. The notice will be addressed to the Members' address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of meeting, as well as the purpose of the meeting. In the case of a Special Meeting, the notice will state the general nature of the business to be transacted at the meeting, and that no other business may be transacted.
- SECTION 4. QUORUM** Thirty three and one third percent (33 1/3%) of the voting power, represented in person or by proxy, shall constitute a quorum at a meeting of the Members for any action except as otherwise provided in the Declaration, the Articles, or these Bylaws. If, however, such a quorum shall not be present or represented at any meeting, the Members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than the announcement of the meeting, until a quorum shall be present or represented. No meeting may be adjourned longer than forty-five (45) days, in accordance with current California Civil Code.
- SECTION 5. PROXIES.** Each Member entitled to vote may vote on any matter if the action is to be taken at a meeting in person, or by proxy. All proxies shall be in writing, dated, and be filed with the Inspectors of Election. Any proxy which is distributed by any Member or the Association to ten (10) or more members shall comply with Corporations Code 7514, or as that statute may be amended from time to time. Each Member entitled to vote may cast one vote for each lot owned pursuant to the provisions in Article III, Section 7 of these Bylaws and an additional vote for each valid proxy held by said Member to cast such vote at an election of directors, provided, however the votes must be cast in accordance with any instructions which may be contained in the proxy.
- SECTION 6. CUMULATIVE VOTING.** Cumulative voting shall not be permitted. Owners entitled to vote at any election for directors shall not cast more than one (1) vote per vacancy.

**SECTION 7. VOTING RIGHTS.**

- (a) When a lot in this Common Interest Development is owned by Members of a partnership, joint tenants, tenancy in common, husband and wife as community property, or tenants in the entirety, the membership of such lot shall be joint and the right to such membership, including the voting arising therefrom, shall be exercised only by joint action among themselves in one (1) vote for all owners of such lot. No fractional vote may be cast.
- (b) A Member may hold a separate membership with the right to vote for each lot owned. In the event the property owner dies, the vote shall be exercised by the successor-in-interest to the lot. In the event the property is held in the name of a living trust, the trustees shall be entitled to cast the vote. Only one (1) vote shall be allowed for lots 231 and 232 in Unit No.1 until they are returned to single lot status.
- (c) The record date for determining the Members entitled to a notice of meetings and for voting purposes shall be thirty (30) days before the date of the meeting.
- (d) The Association shall have only one class of voting membership. In any election of directors, the candidates receiving the highest number of votes are elected.

**ARTICLE IV**

**BOARD OF DIRECTORS**

- SECTION 1. NUMBER AND QUALIFICATIONS.** The affairs of this Association shall be managed by a Board of nine (9) Directors who shall be Members of the Association and whose principal residence is in Sierra Dawn Estates. One person per household shall be eligible to be a candidate for director of the Association. All persons standing for election to the Board of Directors must be Members in good standing. Good standing shall mean that all assessments must be current and the candidate's membership must not be subject to any suspension of membership rights arising out of any violations of the Association's governing documents or nonpayment of assessments.



**SECTION 2. TERM OF OFFICE.** Directors shall serve for two (2) years in staggered term increments until their respective successors are elected and installed or until their death, resignation, or removal. Successor directors shall be elected at the next Annual Meeting corresponding with the expiration of the terms. Any appointment by the Board of a Director to fill a vacancy shall be for the un-expired term, and if the appointment is for eighteen (18) months or greater, the appointment shall be considered as a full elected term, for purposes of the term limit provision below.

No Member is eligible to serve as director after serving two (2) consecutive two (2) year terms until there is at least one (1) year intervening period during which he or she is not a director.

**SECTION 3. RESIGNATION.** Any director may resign effective upon giving written notice to the President, the Corporate Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation.

**SECTION 4. REMOVAL.**

- (a) **Removal for Cause.** The Board of Directors may declare vacant the office of an incumbent director who has been declared of unsound mind by a final order of Court; convicted of a felony; found by a final order or judgment of any Court to have breached statutory duties relating to a director's standard of conduct; or found by the Board of Directors to have failed to attend three (3) consecutive Board of Director meetings which are unexcused or failed to have attended seventy-five (75%) percent of the total meetings, including regular, executive, special and general meetings of the Board of Directors, in any consecutive six (6) month period.

An excused absence from any meeting of the Board of Directors must be obtained from an officer of the Association, starting with the President, then in descending rank if the President is not available.

Board members may be excused from meetings for personal health, family health, bereavement, legal duties including jury duty and personal vacation.

- (b) **Removal for Convenience.** Any and all directors may be removed without statutory cause as defined in Corporations Code Section 7221, if removal is approved by the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) or by written ballot in conformity with Corporations Code Section 7513 as that statute may be amended from time to time.

**SECTION 5. FILLING VACANCIES.** Vacancies on the Board of Directors, for whatever reason including removal, may be filled by a majority vote of the remaining directors. However, the Members by a majority vote may elect a director at any time to fill any vacancy not filled by the directors within thirty (30) days. The term of the appointed or elected director shall be for the remainder of the term of the director whose vacancy is filled.

**SECTION 6. COMPENSATION.** No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of duties.

### ARTICLE V

#### NOMINATION AND ELECTION OF DIRECTORS

**SECTION 1. NOMINATIONS.** Nominations for election to the Board of Directors shall be made by the Nominating Committee. All nominations must be submitted by the Nominating Committee to the Corporate Secretary no later than seventy-five (75) days prior to the scheduled date for the Annual Meeting of the Members. The Corporate Secretary will thereafter prepare a ballot with all nominees that were nominated and meeting all qualifications designated by the Board of Directors. The Nominating Committee shall consist of a Chairperson who shall be a member of the Board of Directors, other than the President, and two (2) or more Association Members, not Directors, who must comprise a majority of this committee. The Nominating Committee shall be appointed by the Board of Directors during the month of May of each year. The Committee shall serve until the completion of the next election. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall determine have indicated a desire to serve. No spouse of any director shall serve as a member of the Nominating Committee.

**SECTION 2. ANNUAL ELECTION.** There shall be an Annual Meeting of Members and election of directors by the voting Members of this Association. At each Annual Meeting, the Members shall elect to fill all vacancies to the Board held by directors whose terms are then expiring, as well as any vacant positions. Directors shall be elected by written ballot, or proxy, utilizing the form provided by the Corporate Secretary with the names of the nominees listed thereon. The ballot (which may be combined with the proxy form) shall be mailed to the Members with the notice of Annual Meeting. Members may submit their completed proxy/ballot to the Association Office for deposit into a ballot box or to the ballot box located in the lounge of each clubhouse prior to five (5) pm on the Friday preceding the Tuesday of the Annual

Election. Ballots may not be collected from any of the ballot boxes at any time prior to the closing time of the election as stated above.

**SECTION 3. BALLOT.** The Corporate Secretary shall be responsible for the preparation of the proxy and ballot for all elections of directors. Names of candidates are to be listed in alphabetical order. The Board of Directors shall decide the form of proxy and ballot to be used for each election and shall use a written ballot for the election of directors. The form of proxy and ballot used will comply with the current California Corporation Code.

**SECTION 4. INSPECTORS OF ELECTION.**

- (a) In advance of any meeting of the Members at which an election is to be held, or at which any action is to be approved by Members, the Board of Directors shall appoint Inspectors of Election to act at the meeting or any adjournment thereof. This will also apply for an election without a meeting. The number of Inspectors to be appointed shall be three (3). In addition, the Board of Directors may appoint three (3) Assistants to the Inspectors of Elections whose duties shall be to assist the Inspectors, but who would not act in their stead in any capacity restricted to the appointed Inspectors. No director or candidate for office, her husband or his wife, shall serve as an Inspector of Election.
- (b) The Inspectors of Election shall: (1) determine the number of Memberships outstanding and the voting power of each, the number represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, received votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote. (2) count and tabulate all votes and consents. (3) determine the results and do such other acts as may be proper to conduct the election or vote with fairness to all Members.
- (c) For the three (3) Inspectors of Election, the decision, act or certificate of a majority is effective in all respects as the decision, act, or certificate of all. Any report or certificate made by the Inspectors of Election is prima facie evidence of the facts stated therein.

**SECTION 5. ELECTION BALLOTS AND TALLY SHEETS.** All election ballots and tally sheets shall be retained by the Corporate Secretary for nine (9) months following an election.

**SECTION 6. RECOUNT.** All requests for recount must be in writing within nine (9) months of the election and signed by the Member or Members making the request. The Board of Directors shall determine the outside agency to perform the requested recount. If the recount discloses an error in the original count, the cost of the recount will be borne by the Association. However, if the recount discloses no error, the cost of the recount shall be the responsibility of the person or persons requesting the recount.

## ARTICLE VI

### MEETING OF DIRECTORS

**SECTION 1. ORGANIZATION MEETING.** Without notice, other than this Bylaw, the incoming Board of Directors shall hold an organizational meeting within twenty-four (24) hours following the receipt of the certificate of official election results from the Inspectors of Election. First order of business is to install newly elected directors. The directors shall then elect by secret ballot the Officers of the Corporation specified in Article VIII, Section 1. The voting results for both the election of directors and the election of Officers shall be entered in the minutes of the Organizational Meeting.

**SECTION 2. REGULAR MEETINGS.** Regular meetings of the Board of Directors shall be held at least quarterly at such hour as may be fixed from time to time by resolution of the Board of Directors. All regular meetings of the Board shall be open to Association Members.

**SECTION 3. PLACE OF MEETINGS.** Regular meetings of the Board of Directors shall be held at any Sierra Dawn Estates Clubhouse with sufficient assembly room to accommodate the Members in attendance. Special meetings of the Board of Directors shall be held at such locations within Sierra Dawn Estates as determined by the Board of Directors. However, under clearly defined circumstances, the Board of Directors may elect to hold special meetings elsewhere in Riverside County.

**SECTION 4. SPECIAL MEETINGS.** The Board of Directors may hold special meetings. They may be called by the President, a Vice President, or the Corporate Secretary of the Association, or any two (2) directors. Notice shall be of not fewer than four (4) days to each director by first-class mail, or forty-eight (48) hours notice delivered personally or by telephone or in house TV.

- SECTION 5. WAIVER OF NOTICE FOR BOARD OF DIRECTORS MEETINGS.** Notice of a special meeting need not be given to any director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.
- SECTION 6. QUORUM.** A majority of the authorized number of directors constitutes a quorum of the Board of Directors for transaction of business. 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 is the act of the Board of Directors.
- SECTION 7. ADJOURNED MEETINGS.** A majority of directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If a meeting is adjourned more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of adjournment.
- SECTION 8. ACTION TAKEN WITHOUT A MEETING.** Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

## ARTICLE VII

### DUTIES AND POWERS OF THE BOARD OF DIRECTORS

- SECTION 1. GENERAL POWERS OF THE BOARD OF DIRECTORS.** Subject to the restrictions imposed by law, the Declarations, the Articles of Incorporation and these Bylaws the activities and affairs of this Corporation shall be conducted and all Corporation powers shall be exercised by or under the direction of the Board of Directors.

**SECTION 2. SPECIFIC POWERS OF THE BOARD OF DIRECTORS.** It is expressly declared that the Board of Directors shall have the following powers to wit:

- (a) To employ, discipline and remove personnel as necessary to carry out Board policy in conducting the affairs as well as maintaining and operating the Association Common Property and facilities on a day-to-day basis;
- (b) To appoint and remove subordinate officers and agents of the Association, including prescribing their duties and fixing their compensation. The Board of Directors may also, when necessary, reassign duties among any of these;
- (c) To declare the office of a member of the Board of Directors to be vacant in accordance with Article IV, Section 4 (a);
- (d) To borrow money and to make and issue notes, bonds, and other negotiable and transferable instruments, mortgages, deeds of trust, trust agreements and to do every necessary act to effectuate the same. To indebt the Association in excess of fifty thousand dollars (\$50,000.00) is prohibited without the approval of a simple majority of the Association Voting Power in advance of commitment.
- (e) To make and change Rules and Regulations to be consistent with California Civil Code, for the direction of the Association's business and affairs.

**SECTION 3. DUTIES OF THE BOARD OF DIRECTORS.** Duties of the Board of Directors include, but are not limited to, the following:

- (a) To establish policies and guidelines for the affairs of the Association, the operation and maintenance of facilities owned by the Association and to supervise their implementation. Directors, individually, shall not assume direction of any phase of the affairs of the Association of the operation and maintenance of Association facilities. However, if circumstances require, one or more directors may be specifically charged by the Board of Directors with any necessary authority for carrying out policy. No director shall be involved personally in the day-to-day operation of the facilities except in the case of an emergency.
- (b) To adopt and publish Rules and Regulations governing the use of the facilities and Common Areas, the personal conduct of residents and their guests and to establish penalties for their infractions thereof.

- (c) To cause to be kept a complete record of all its acts and corporate affairs and to post minutes of all regular and special Board of Directors meetings in each clubhouse.
- (d) To provide fiscal control over all receipts and expenditures of the Association by maintaining adequate bookkeeping and accounting procedures.
- (e) To approve and publish an annual budget which shall be distributed as prescribed in Article VIII, Section 6 (d).
- (f) To procure an annual audit of the financial records of the Association, and to publish the results to all Members in accordance with Article XIV, Section 2.
- (g) To procure and maintain adequate fire and extended coverage insurance for the full insurable value of all real and personal property owned by the Association and / or located on the Common Areas, and comprehensive public liability insurance with limits of at least three million dollars (\$3,000,000) covering all claims for bodily injury, property damage and personal injury as that term is commonly defined in liability policies. Such insurance shall include coverage for non-owned automobiles and owned or hired autos. In addition, the Board of Directors shall obtain directors and Officers liability coverage (errors and omissions) in amounts that it deems appropriate. The Board of Directors will procure and maintain an adequate security bond for all Officers and employees in an amount as determined by the Board of Directors. The Board of Directors will also purchase and maintain adequate workers' compensation and employer's liability insurance covering all employees.
- (h) To select and designate such Banks, Savings and Loan, or Trust Companies as they deem advisable, as official depositories of the funds of the Association and to prescribe and order the manner in which such deposits shall be made and / or withdrawn.
- (i) To publish and maintain Policies and Procedures for enforcement of CC&Rs, Bylaws, and Rules established by the Board of Directors.
- (j) Review a current reconciliation of the Association's operating accounts on at least a quarterly basis.
- (k) Review a current reconciliation of the Association's reserve accounts on at least a quarterly basis.

- (l) Review the current year's actual reserve revenues and expenses compared to the current year's budget on at least a quarterly basis.
- (m) Review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts.
- (n) Review the income and expense statements for the Association's operating and reserve accounts on at least a quarterly basis.

**SECTION 4. INDEMNIFICATION OF CORPORATE "AGENT."** The Corporation shall, to the fullest extent permitted by law, indemnify its Directors, Officers, employees and other persons described in Section 7237 of the California Corporations Code, as that section may be amended from time to time, including persons formerly occupying such positions against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceeding as that term is used in that Section. The provision of the California Corporations Code 7237, and as that section may be amended from time to time, shall control all questions related to indemnification of the described individuals not otherwise set forth herein.

## ARTICLE VIII

### OFFICERS

**SECTION 1. ENUMERATION OF OFFICERS.** The Officers of the Association shall consist of a President, two (2) or more Vice Presidents, a Corporate Secretary, a Chief Financial Officer and any additional Officers elected by the Board of Directors.

**SECTION 2. ELECTION OF OFFICERS.** The election of Officers shall take place at the Organizational meeting of the Board of Directors following each Annual Meeting of Members, as set forth in Article VI, Section 1, of these Bylaws.

**SECTION 3. TERM OF OFFICE.** The Officers of this Association shall be elected annually by the Board of Directors. Each shall hold office for one (1) year unless he/she resigns, or shall be removed, or is otherwise disqualified to serve by the Board of Directors.

**SECTION 4. FILLING OFFICER VACANCIES.** A vacancy in office shall be filled by the Board of Directors by an election from among its members. The director elected to such vacancy shall serve the remainder of the term of the Officer



replaced.

**SECTION 5. MULTIPLE OFFICES.** No director shall simultaneously hold more than one elected office.

**SECTION 6. DUTIES.** The duties of the Officers are as follows:

**(a) President.**

The President shall:

- (1) Preside over all meetings of the Association and the Board of Directors. He/she shall also have other powers and perform other duties as required by the Board of Directors.
- (2) Supervise the operations of the Association in conjunction with the management staff and be the official Board spokesperson in all Association matters with this management staff.
- (3) Sign all leases, mortgages, deeds, correspondence and other corporate documents.
- (4) Recommend and define duties of committees and / or task forces for authorization and approval by the Board of Directors;
- (5) Be the official spokesman for the Board of Directors and the Association;
- (6) Be an ex-officio member of all committees except the Nominating Committee.

**(b) Vice Presidents.**

The Vice Presidents, in order of their office, in the absence of the President, shall:

- (1) Perform all duties and have all powers of the President.
- (2) Have other powers and duties as assigned by the Board of Directors.

**(c) Corporate Secretary.**

The Corporate Secretary shall be responsible for the following:

- (1) Minutes of the meetings of the Association and of the Board of Directors and shall ensure that all pertinent papers and documents become a part of the record;
- (2) Custody of the Corporate Seal;
- (3) Identification badges to be issued as necessary, making proper recording entries in the books of the Corporation; and maintaining a membership list.
- (4) Serving all notices required by law or the Bylaws of the Corporation.

**(d) Chief Financial Officer.**

The Chief Financial Officer shall be responsible for all functions in the area of Association financial affairs particularly including the following:

- (1) Receipt and deposit of all Association funds in Banks, Savings and Loans, Trust Companies or other depositories approved by the Board of Directors;
- (2) Disbursement of funds of the Corporation as directed by the Board of Directors;
- (3) Maintenance of proper and adequate books of account;
- (4) Insuring that the books of account are prepared for audit on an annual basis;
- (5) Preparation of a pro forma operating budget for each fiscal year, and distribution of a copy thereof to each owner not less than thirty (30) and not more than ninety (90) days prior to the beginning of the fiscal year. The budget shall contain the following:
  - (a) The estimated revenue and expenses on an accrual basis;

(b) A summary of the association's reserves based upon the most recent review or study conducted pursuant to Section 1365.5 of the California Civil Code, which shall comply with that code section, be printed in bold type and include all of the following:

1) An estimate of the current replacement costs of and estimated remaining useful life of each component;

2) As of the end of the fiscal year for which the study is prepared: a) the current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components, and b) the current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain those major components; and

3) The percentage that the amount determined for purposes of Clause (b) of Subparagraph (2), above, is of the amount determined for purposes of Clause (a) of Subparagraph (2), above.

The summary of the Association's reserves disclosed pursuant to this Section shall not be admissible in evidence to show improper financial management of the Association, provided that other relevant and competent evidence of the financial condition of the Association is not made inadmissible by this provision;

(c) A statement as to whether the Board of Directors has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves there for; and

- (d) A general statement addressing the procedures used by the Board of Directors for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain, or other components identified by the Board of Directors.
- (6) Subject to Board of Director approval, be responsible for distribution of the operating budget on an annual basis to all Members according to California State Codes. The Board of Directors must distribute a summary of the pro forma operating budget to all Members with a written notice that the pro forma operating budget is available at the business office of the Association and copies will be provided upon request at Association expense.
- (7) Be responsible for distribution of the annual audit, prepared by a Certified Public Accountant, according to current California State Codes.
- (8) Be responsible for distribution of a statement describing the Association's policies and procedures in enforcing lien rights or other legal remedies for default in payment of its assessments against its Members on an annual basis within sixty (60) days immediately preceding the beginning of the Association's fiscal year.

## ARTICLE IX

### COMMITTEES

- SECTION 1. APPOINTMENT AND DUTIES.** The Board of Directors may, by resolution, designate and appoint committees or task forces on any subject within the powers of the Corporation.
- A. Responsibilities of these committees or task forces are limited to investigation, and making reports and / or recommendations to the Board of Directors.
  - B. Certain committees or task forces may be formed to take actions in accordance with powers granted by the Board of Directors

C. The Board of Directors shall specifically appoint two Board members each to (1) the ABC Committee, (2) the Budget and Finance Committee and (3) the Governing Documents Committee. The chairperson of each committee need not be a Board member.

**SECTION 2. COMMITTEE REPORTS.** Each committee shall keep regular minutes of their proceedings and report to the Board of Directors as required.

## ARTICLE X

### NON-LIABILITY OF MEMBERS

Members of this Association shall not be personally or otherwise liable for any of the debts, liabilities and / or obligations of this Association.

## ARTICLE XI

### CERTIFICATE OF MEMBERSHIP

**SECTION 1.** Sierra Dawn Estates no longer issues a Membership Certificate.

## ARTICLE XII

### PARLIAMENTARY AUTHORITY

All meetings of this Association shall be conducted in accordance with a recognized system of parliamentary procedure or such special parliamentary procedures as the Board of Directors may adopt

## ARTICLE XIII

### MISCELLANEOUS PROVISIONS

**SECTION 1. CORPORATE SEAL.** A Corporate Seal has been adopted for the Association. It contains the name of the Corporation, the date and State of its creation. The seal may be altered by the Board of Directors when necessary. This seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced. Failure to affix the seal does not affect the validity of the instrument.

**SECTION 2. PRINCIPAL OFFICE.** The principal office of the Association is established and maintained at 950 South Lyon Avenue, in the City of Hemet, County of Riverside, California.

**SECTION 3. CORPORATE DOCUMENTS.** All official or corporate documents, papers, or correspondence pertaining in any way to the affairs of the Association are the property of the Association and shall be retained in the official files at the principal office of the Association.

**SECTION 4. FINANCIAL INSTRUMENT SIGNATURES.** All checks, drafts or other order for the payment of money, notes or other evidences of indebtedness issued in the name of the Association for all debts of the Association shall be signed:

**Primarily:** By the President; in his/her absence by either of the Vice Presidents;

**Countersigned:** By the Chief Financial Officer; in his/her absence by the Corporate Secretary, or either of the Vice Presidents.

The signature of at least two directors is required for withdrawal of money from the Association's reserve accounts.

**SECTION 5. NOTICE AND WAIVER OF NOTICE.** Whenever any notice is required by these Bylaws to be given, personal notice is not meant unless expressly so stated; and any notice so required shall be deemed to be sufficient if given by depositing first class mail in a post office box in a sealed postpaid wrapper, addressed to the person entitled thereto at his last known post office address, and such notice shall be deemed to have been given on the day of such mailing. Any notice required to be given under these Bylaws may be waived by the person entitled thereto.

**SECTION 6. PROPERTY LEASED OR RENTED.** Owners who lease or rent their property relinquish their right to the use of the facilities and the Common Areas during such period of rental or lease. The tenant shall have the right to use the facilities and Common Areas during such rental or lease period. Owners, as Members of the Association, retain their right to vote in any Association election, such right does not pass to the lessee or renter. Owners of more than one lot are endowed with the voting rights for each lot owned. Only one (1) vote shall be allowed for lots 231 and 232 in Unit No.1 until they are returned to single lot status All lessees or renters must be processed through the regular orientation interview procedures at the Association Office (in accordance with the provisions of CC&Rs Article 5.5 and Policy #26) so as to establish their authorization to use the facilities and the Common Areas.

**SECTION 7. GIFTS.** The Association may accept any contribution, gift or bequest for any purpose of the Corporation.

**SECTION 8. SUSPENSION OF VOTING RIGHTS.** When action toward suspension of voting rights of any particular Lot Owner is taken for delinquency in paying assessments in excess of sixty (60) days, or for other appropriate reasons, the procedure shall be as described below:

- (a) The Board will notice a hearing to determine whether good cause exists to suspend the voting rights of the member. Such notice will be mailed to the member no less than ten days before the hearing. The Board shall notify the owner of its ruling in writing within fifteen days of the hearing.
- (b) No suspension shall take effect until at least five days after the hearing.
- (c) Upon eliminating the basis for suspension, reinstatement of voting rights will be effected by the Board of Directors.

#### ARTICLE XIV

#### FISCAL YEAR AND AUDIT

**SECTION 1. FISCAL YEAR.** The Fiscal Year of the Association is the calendar year.

**SECTION 2. ANNUAL INDEPENDENT AUDIT.** The Board of Directors shall order an Annual Independent Audit by Certified Public Accountants of the financial books and records of the Sierra Dawn Estates Homeowners' Association, Inc. The report of the audit must be provided to the Members according to California State Codes. The Corporate Secretary's certificate of adoption of the report, with the date indicated, is to be affixed to the report before distribution. The Annual Audit must be distributed within one hundred and twenty (120) days after the close of each fiscal year.

## ARTICLE XV

### AMENDMENTS

- SECTION 1. REQUIRED VOTE.** These Bylaws may be amended at any time by an affirmative vote or written consent of at least a majority of the voting power of the Association. The Bylaws may not at any time be amended by action of the Board of Directors alone. Upon approval of any amendment the Corporate Secretary shall execute a certificate to be attached to the amended Bylaws, verifying them and certifying that the amendment has been approved by the required number of votes. The original of this certificate shall be filed with the official copy of these Bylaws maintained in accordance with the provisions of current California Corporation Code.
- SECTION 2. OTHER DOCUMENTS, ORDER OF CONTROL.** The Corporation's recorded Declaration controls over the Articles of Incorporation and the Corporate Bylaws. The Articles control over the Bylaws. Mandatory provisions of the current California Codes control over the Declaration, the Articles and the Bylaws.
- SECTION 3. PERIODIC REVIEW.** In order that these Bylaws may be maintained current, they shall be subjected to a complete review at least each third (3<sup>rd</sup>) year after their adoption. The review shall be the basis for any necessary proposed amendment and shall be done by the Board of Directors, or upon the Board's order, prepared by the Governing Documents Committee.